



SJSC "Riga International Airport"

# SUSTAINABILITY REPORT

# 2020



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# **ABOUT AIRPORT**

## ABOUT COMPANY AND THE REPORT

102-1, 102-3, 102-14, 102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54

State Joint Stock Company "Riga International Airport".  
The legal address of SJSC "Riga International Airport" is:  
"Riga Airport 10/1", Riga Airport, Mārupe Municipality,  
LV-1053, Latvia.

Reporting period	01.01.2020.–31.12.2020.
Reporting cycle	Since 2019, reports are prepared annually pursuant to GRI standards.
Publishing date	5 July 2021
Date of previous report	9 November 2020
Period for data comparability	2019 (where applicable, an additional period is indicated)
<i>Global Reporting Initiative</i>	The Sustainability Report 2020 has been prepared in accordance with the requirements of the Global Reporting Initiative (GRI) core standard.
Scope	The report includes information about SJSC "Riga International Airport".
Content of the report	<p>The report presents information about SJSC "Riga International Airport" and topics and indicators important for its sustainability. The sustainability report includes all material, slightly material, and less material topics. Pursuant to GRI standards, a total of 43 corresponding indicators have been defined for all 19 topics, seven airport operators sector disclosures, and other material issues. The GRI indicators table is on page 153. Each section of the report indicates which indicators the information presented corresponds to.</p> <p>The process of reporting is described in the section "Material sustainability and responsibility aspects". The methods for information disclosure have not been changed significantly if compared to the previous year.</p>
Independent auditor's report	Independent auditor's report on a limited assurance engagement about the Sustainability Report 2020 is provided 8 July 2021
Format	<p>The report is available electronically:</p> <ul style="list-style-type: none"> <li>- on Riga Airport website <a href="http://www.riga-airport.com">www.riga-airport.com</a> (in Latvian and English);</li> <li>- on GRI Sustainability Disclosure Database <a href="http://database.globalreporting.org/">http://database.globalreporting.org/</a> (in English).</li> </ul>
Contact point for questions	E-mail address for proposals and questions regarding the Report: <a href="mailto:pr@riga-airport.com">pr@riga-airport.com</a> .
Responsibility for drafting and approving the Report	Drafting of the report is under the responsibility of the Executive Board of SJSC "Riga International Airport", which also confirms that the information contained in the Report is true and gives true and clear overview of the company's operations in 2020.

## LAILA ODINA

### Chair of the Executive Board



Dear Reader,

Sustainability Report 2020 of Riga Airport disclose information about the company's operations in a year when the Airport and the whole world experienced an unprecedented global crisis. The COVID-19 pandemic has impacted all countries in the world, it has hit the global economy and introduced changes to all walks of life affecting people both at work and during their everyday activities. As this pandemic had almost stopped the lifeblood of the aviation sector—free movement of people—, the crisis in aviation was extremely deep.

In the light of the pandemic, Riga Airport introduced unprecedented austerity measures in 2020 and, while these measures were as considerate towards and beneficial for our employees, the company also had to take some difficult decisions related to cutting the number of employees and reducing the amount of pay and bonuses. Taking care of the health and safety of our employees and passengers was the Airport's central tenet in 2020, around which a comprehensive epidemiological safety programme

“Prevent the Virus to Travel” was build that was also appraised in the prestigious COVID-19 Airport Safety Rating (see more about this programme on page 109).

However, the COVID-19 pandemic also offered certain opportunities allowing companies to rearrange their operations and to search for and to invest in long-term solutions. Investing resources in the development of effective and resource-efficient solutions now will give us possibility to organise our work more efficiently and improve our competitiveness both in terms of costs and environmental sustainability in the future.

Principles of sustainable operation is a part of Riga Airport's everyday work for a long time already, and this is evidenced by the highest recognition—Platinum Category in the Sustainability Index 2019. But in 2020, when the new Medium-term Strategy 2021–2027 was developed, these principles were first integrated with the company's development planning. The new Medium-term Strategy emphasizes that the Airport's activities are based on a responsible

approach in analysing and evaluating the impact company's business decisions have on all material sustainability aspects, i.e. the environment, employees, society, and economy.

To corroborate this resolution and despite the crisis, the company carried on in 2020 the most important infrastructure development projects aimed at making Riga Airport safer and environment-friendlier: with the support of Cohesion Fund another rapid exit taxiway was built, but the axis lighting on the apron taxiways not only makes the aircraft traffic at the Airport more efficient thus reducing the amount of CO<sub>2</sub> emissions, but also gives way to further improvements in the field of infrastructure, technologies, and innovations. For example, Riga Airport has already launched the introduction of a modern aircraft guidance system Follow the Greens. And the Airport is looking forward to improving its knowledge and experience by cooperating with other airports within the EU programme Horizon 2020.

Environmental and energy efficiency goals have been defined in the Riga

Airport's Environmental and Energy Management Programme. To ensure wise environmental and energy management, Riga Airport has introduced the environmental management system (certified pursuant to ISO 14001) and the energy management system (certified pursuant to ISO 50001). The determined work by the company in the environmental field has also been recognised by the international Airport Carbon Accreditation (ACA) programme, in which the company reached Level 2 in 2020. This level means that Riga Airport has joined those global airports that take active steps to cut CO<sub>2</sub> emissions thus contributing to reaching the EU's climate neutrality goals.

Nowadays, airports are something more than just a place where aircraft land and take off to deliver passengers and cargoes to their destinations. Airports are in fact business ecosystems ensuring connectivity and opening door to new possibilities people and businesses alike. At Riga Airport, business growth and jobs to many professionals will be provided by the future multimodal cargo service centre RIX Cargo City and by the

Airport's business park RIX Business City. The vision of the latter, which was developed in 2020, includes various sectors—starting from tourism and hospitality to innovations and tech clusters. And, of course, also inhabitants of the municipalities around the Airport will benefit from the future Airport City.

In 2021 under the pandemic conditions, the biggest goal is still to ensure high quality of flight and passenger service. This is related to both the epidemiological safety measures at the Airport and the national and international epidemiological protocol that must be implemented under the conditions of reduced passenger and income flow.

In the medium term, Riga Airport is going to continue to improve the infrastructure in order to get ready for implementing the terminal expansion project. Considering that the passenger flow might gradually resume in the medium term, the Airport's task is to get ready for this moment from the infrastructure, personnel, and competition point of view (see more about the external factors affecting the company

in Section 3 "Analysis of the External Factors").

While the pandemic has brought major corrections to the operation of the Airport and the aviation sector as such and although the impact of crisis' consequences is here to stay for many years, our goal was and still is to develop Riga Airport into an important regional air traffic hub that promotes the growth of the Latvian economy by ensuring safe and convenient connectivity for passengers and businesses and by creating jobs and opportunities for business development. And sustainable and responsible management is at the base of this growth.

## ABOUT RIGA AIRPORT

102-2, 102-4, 102-5, 102-6, 102-7



SJSC “Riga International Airport” plays a strategic role in the development of the Latvian economy, as not only is it the biggest international airport in Latvia and the largest air traffic infrastructure company in the Baltics ensuring regular international passenger, cargo, and mail transport, it also provides important support to military flights and flights of national importance in the territory of Latvia. At the level of Baltic States, Riga Airport served 43% of passengers,

40% of flights, and 44% of the total cargo amount in 2020.

Riga Airport is part of the Trans-European Transport Network (TEN-T), which ensures accessibility and mobility within the EU. In 2020, connections to a total of 35 countries were available at Riga Airport (including within the period before the COVID-19 pandemic).

Riga Airport has two groups of

customers: corporate customers (airports, cooperation partners and service providers), and end customers (passengers).

The essence of the economic activity of the Airport is to ensure the infrastructure necessary for the service of passengers, cargo and aircraft and to take care for the maintenance of this infrastructure by adding related services to it (see more about the structure of the Airport’s income on

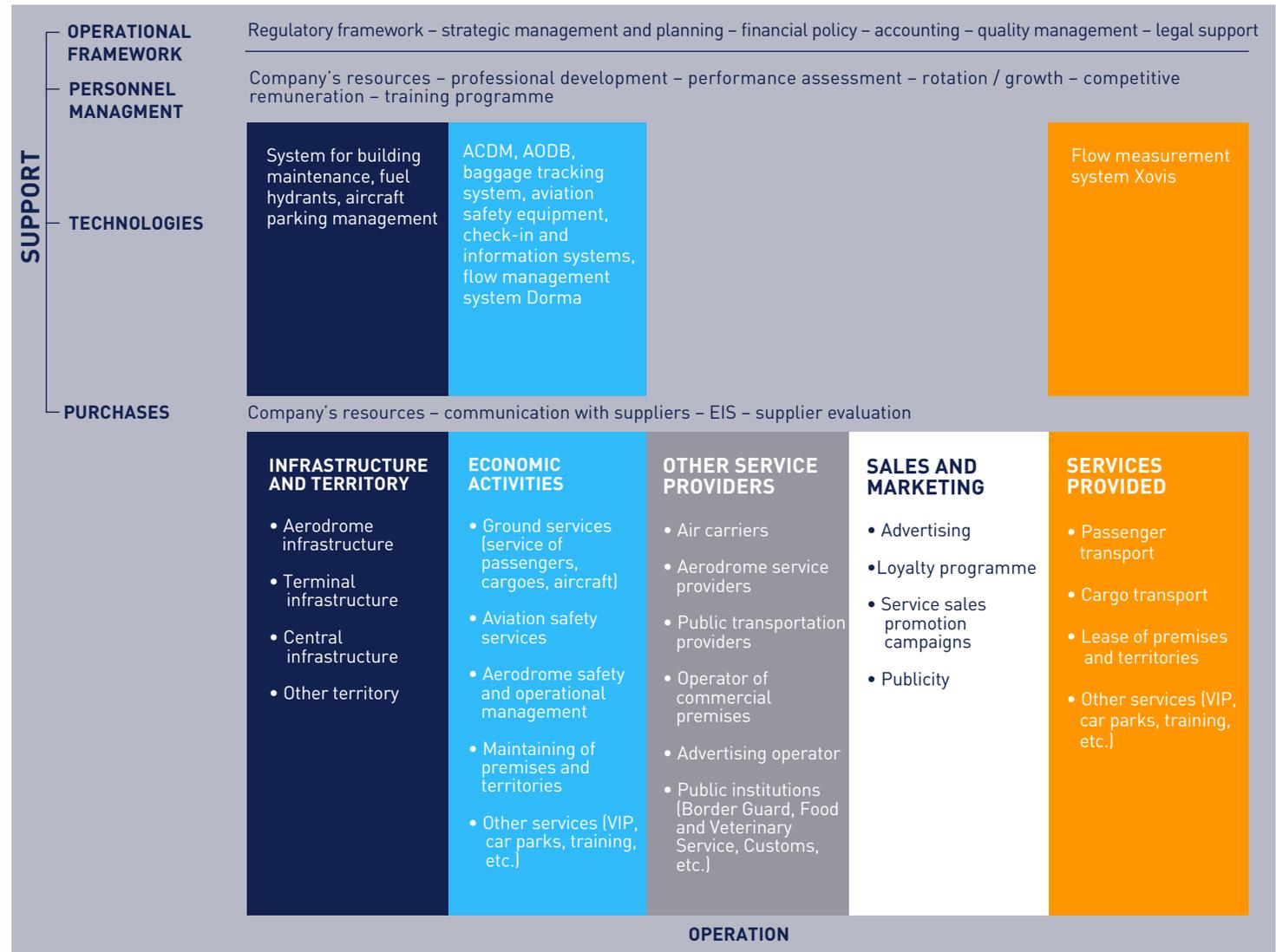
page 75). In order to carry out the Airport’s operating activity, which is passenger transport by air, the company has to provide many services and ensure that its processes comply with general aviation requirements and regulations of monitoring bodies while identifying and meeting the customers’ needs as much as possible. The range of services available and the service level at airports is among the most important criteria of competitiveness. In the result of the infra-

structure and services provided at and by Riga Airport, customers and cooperation partners are offered transport of passengers and cargo, leasing of premises and territories, and other services, like car parks, VIP lounges, etc.

The only shareholder is the State of Latvia. Thus, pursuant 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 Ministry of Transport is the holder of its capital shares.

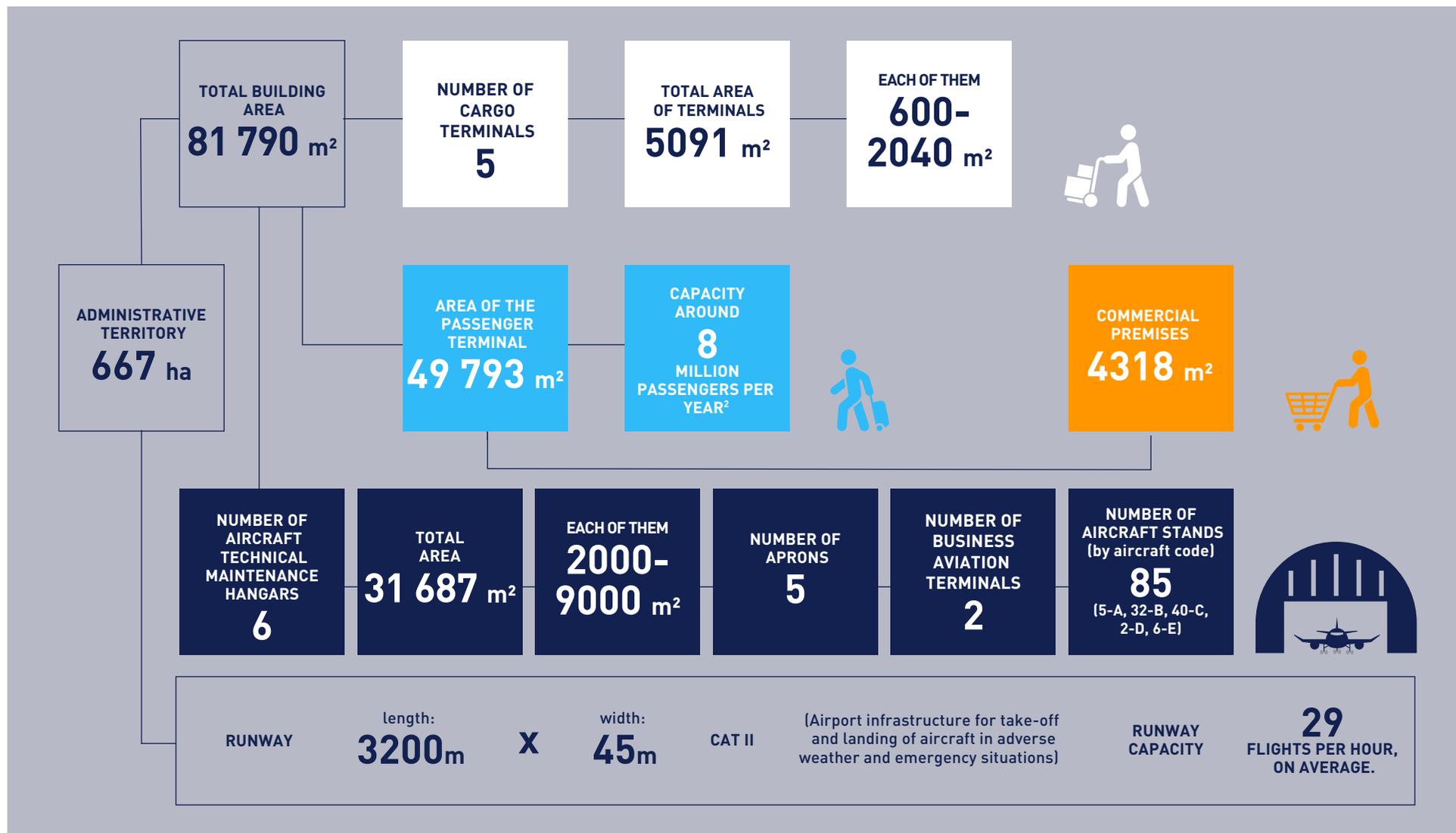
In the end of 2020, there were 1,009 employees at Riga Airport (1,234 in 2018, and 1,308 in 2019), but more than 4,400 employees were directly employed in the aviation sector (in Airport-related companies and services within the Airport's territory) before the COVID-19 crisis, according to the data of the Latvian Aviation Association<sup>1</sup>. At the same time, the number of employees in the related sectors was 21,000 people.

## Value chain



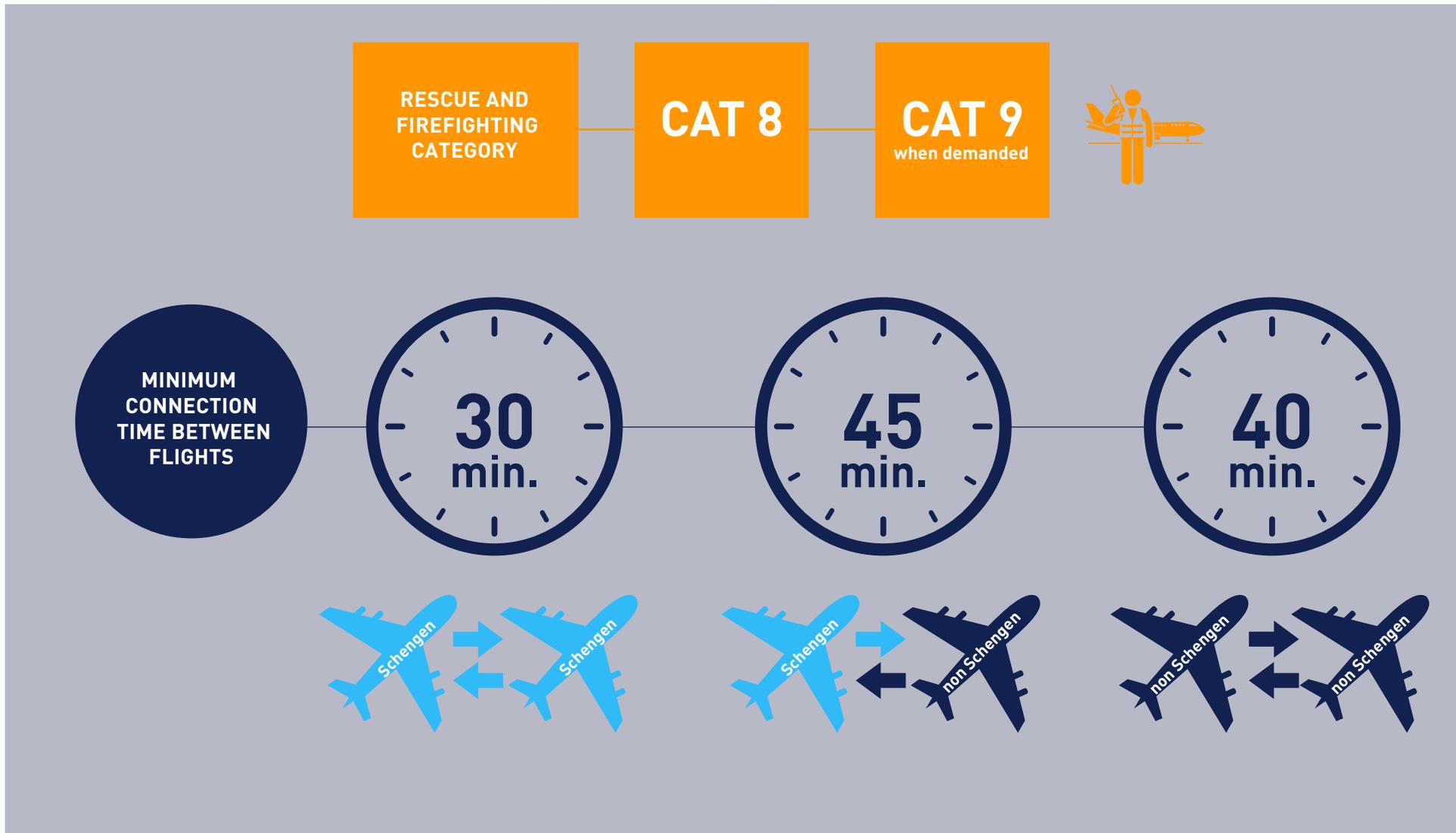
<sup>1</sup> Source: A research "Role of the Latvian Aviation in the National Economy" by the Latvian Aviation Association. Available: [https://217bebb8-ac9e-451b-9c37-143d01207631.filesusr.com/ugd/d4ddd3\\_47868a710aa34878a7111d9c0a8ecff82.pdf](https://217bebb8-ac9e-451b-9c37-143d01207631.filesusr.com/ugd/d4ddd3_47868a710aa34878a7111d9c0a8ecff82.pdf)

## Airport facts and figures (2020)

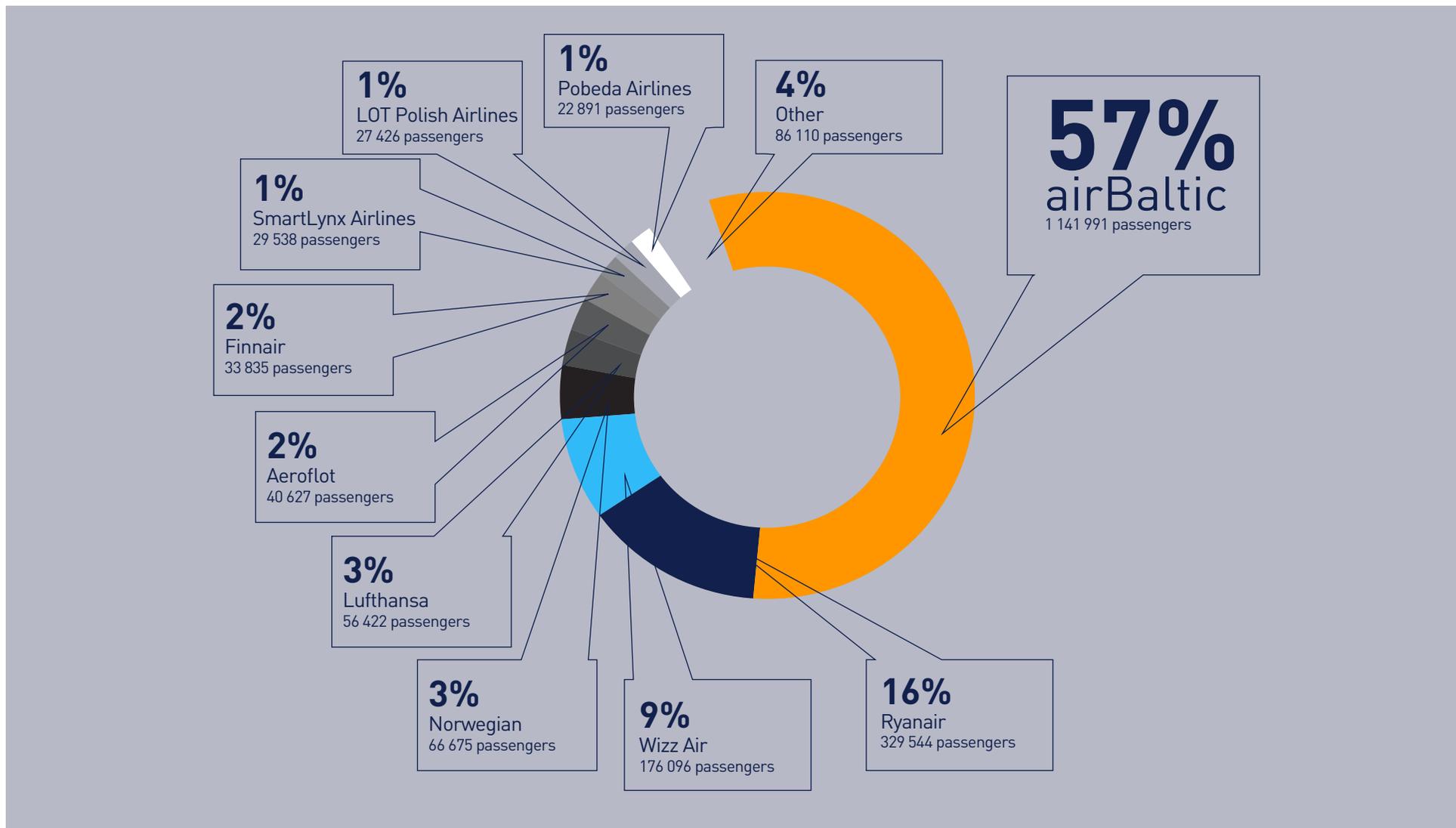


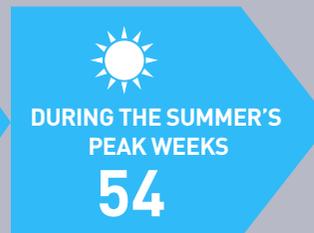
<sup>2</sup> Depending on the passenger number during peak hours, at a reduced level of service—longer queue time.

### Airport facts and figures (2020)



### The most important carriers by passengers in 2020





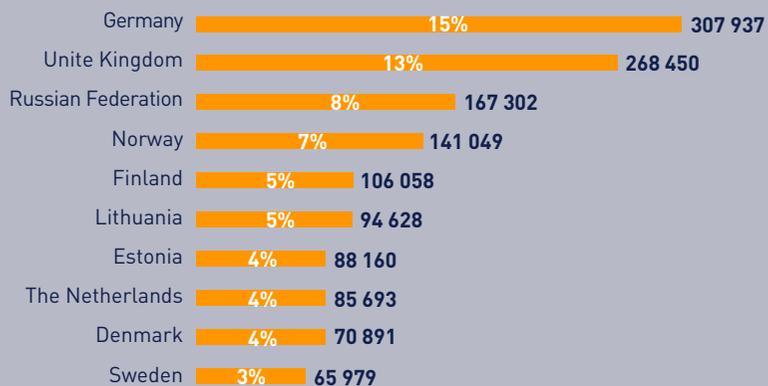
**Number of passengers served (MM)**



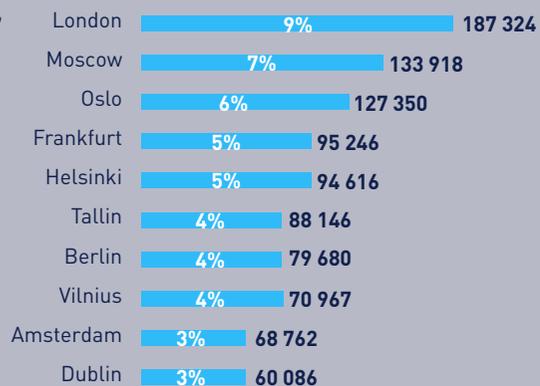
**Number of flights served**



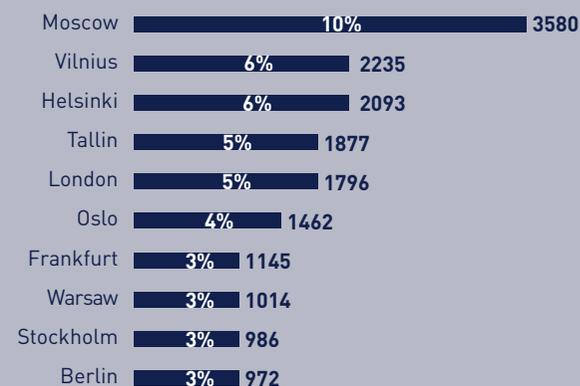
### TOP 10 destinations by passengers



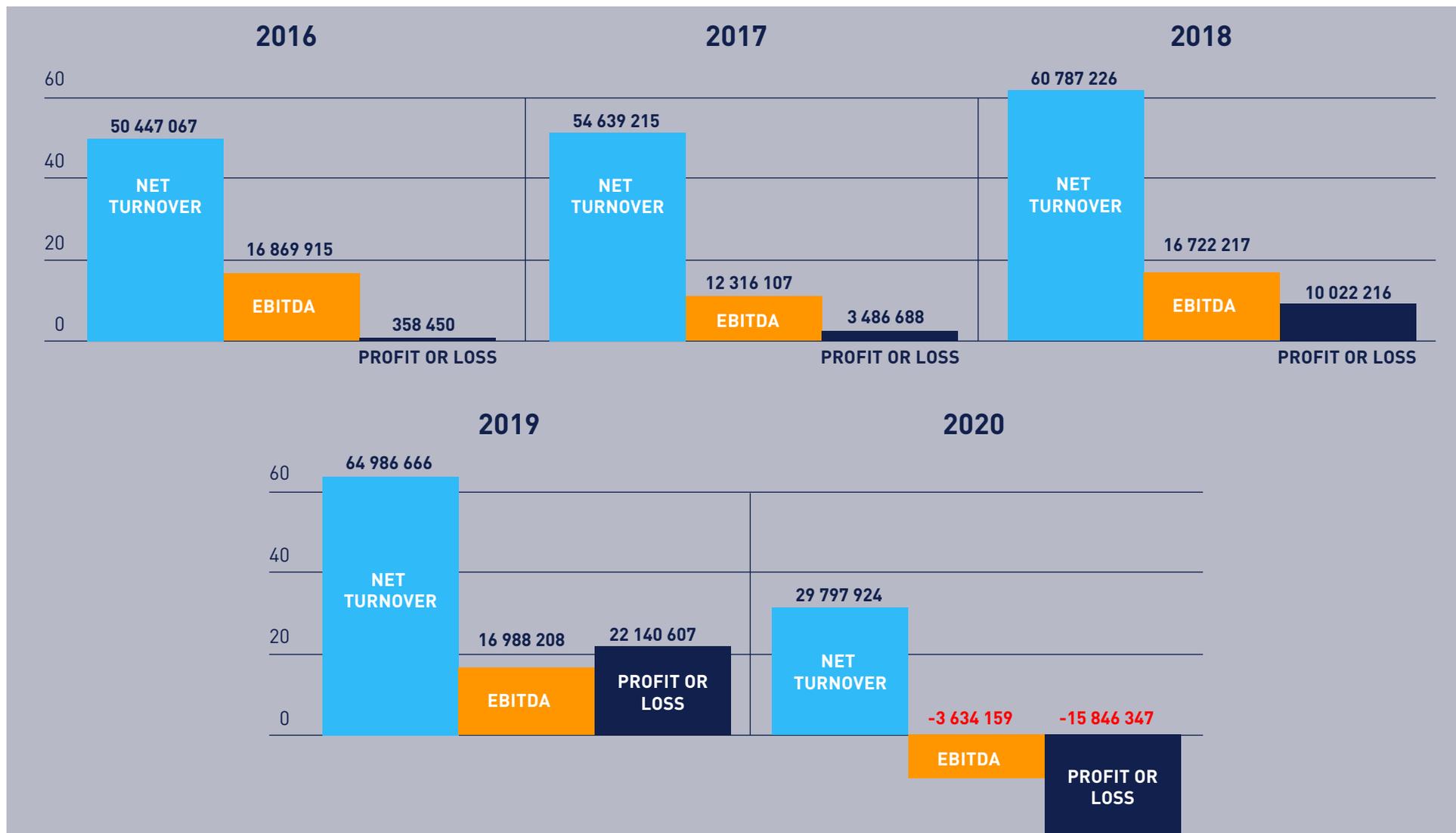
### TOP 10 countries by passengers



### TOP 10 destinations by flights



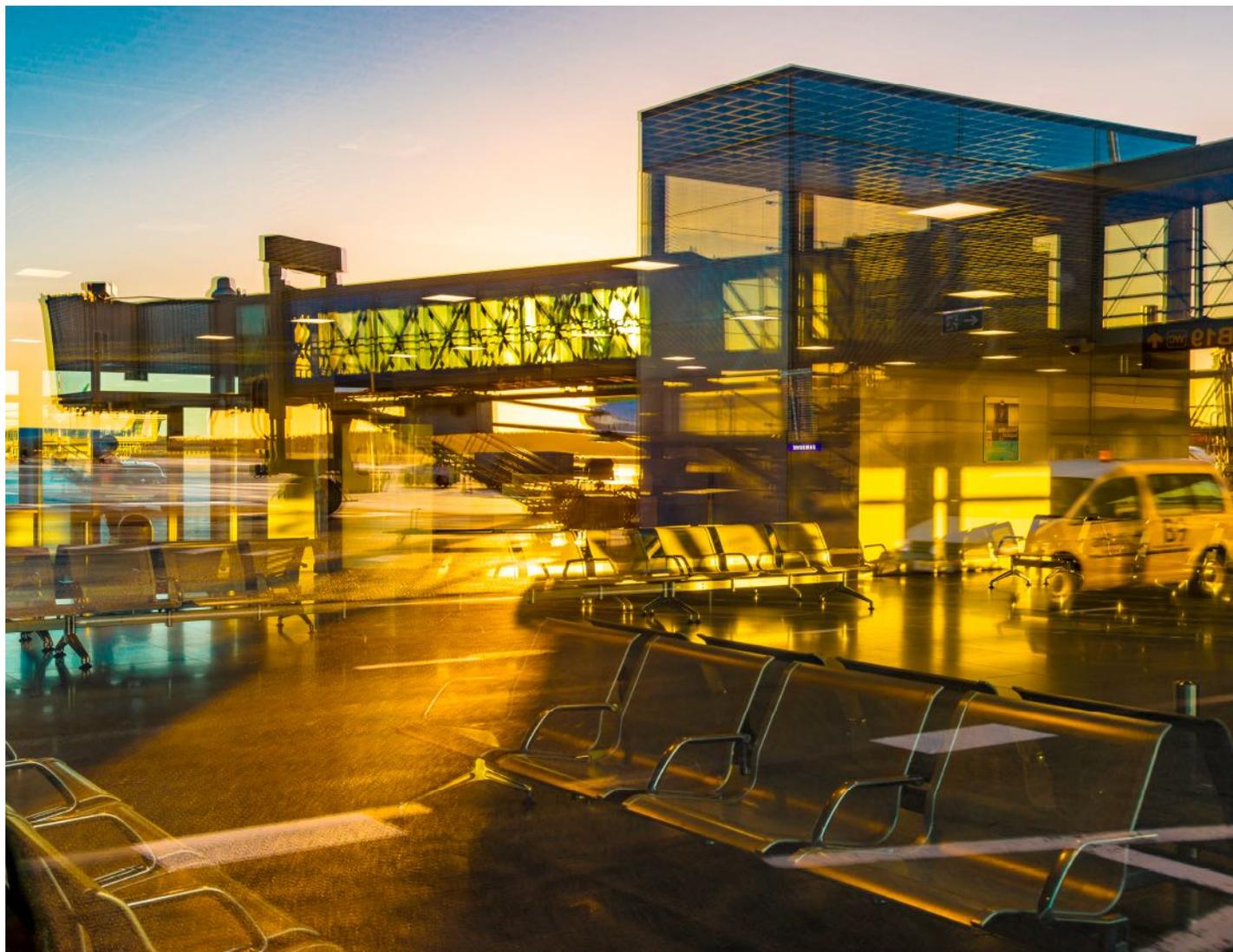
### Key financial indicators



More detailed financial results are available on the Riga Airport's Financial Statements 2020 that is available on the company's [website](#).

## RE-BRANDING

The company's brand is among the most important means of expression for identity and visual communication, and brand is something that grows and develops together with a company itself. The former version of the Airport's graphic standard (a document defining the company's brand and graphical guidelines) was developed in 2015, therefore it was decided in 2019 to review and update it. In 2020, the Airport started step-by-step integration of the new brand into all levels of operation, and it is expected that this brand integration will continue in 2021.



# IMPORTANCE OF SUSTAINABILITY AND RESPONSIBILITY

102-16

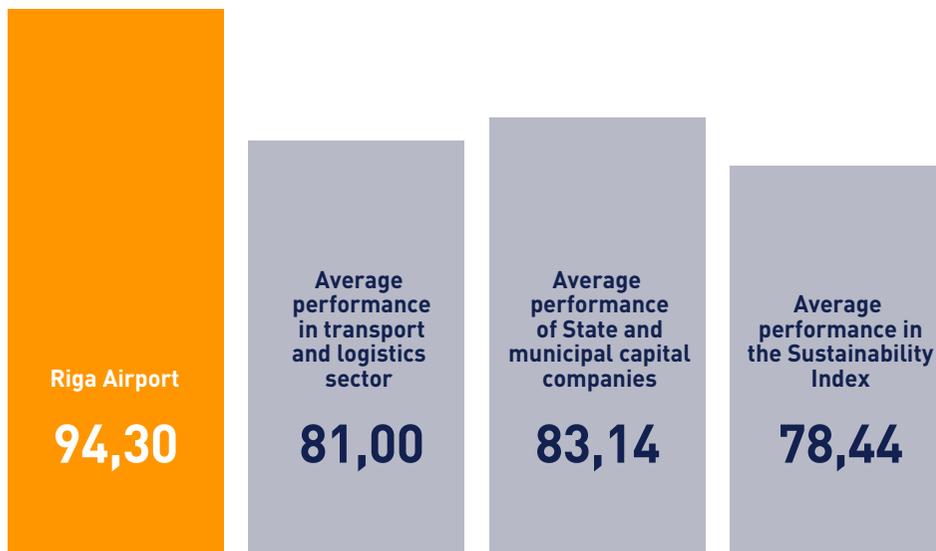
## Sustainable development policy

Riga Airport was taking major steps towards a sustainable and responsible business even before a joint sector opinion was formed in 2019 when the Airports Council International (ACI) adopted the first European-level document in the field of sustainable aviation—Sustainability Strategy for Airports. The sustainable development policy and goals of Riga Airport were developed on the basis of the goals put forward by ACI for the industry in general. See more on the Airport’s operating principles on page 18 in Section “Mission, vision and values”, “Ethics and anti-corruption policy”.

Thanks to responsible and balanced measures securing business success and reaching of the strategic goals, Riga Airport has improved its results in the Latvian Sustainability Index year by year. So in 2019, the Airport was awarded the highest—Platinum—category for the first time, and managed to hold this position and be among the most sustainable Latvian companies also in 2020.

 <p><b>ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>• We use natural resources responsibly and work actively to develop even more sustainable and efficient use of resources.</li> <li>• We care for and protect the environment through environmentally friendly business methods.</li> </ul>	 <p><b>COOPERATION PARTNERS</b></p> <ul style="list-style-type: none"> <li>• We are a reliable, safe and stable partner to our customers and business partners.</li> <li>• We ensure a responsible attitude in creating and disseminating information.</li> <li>• We promote fair and responsible business practices and cooperation in the search for sustainable solutions.</li> <li>• We expect that the highest standards of operation and performance are met throughout whole our supply chain.</li> </ul>
 <p><b>EMPLOYEES</b></p> <ul style="list-style-type: none"> <li>• We maintain a safe working environment and pay fair and motivating remuneration.</li> <li>• We develop the potential of our employees by providing appropriate training and inspiring our employees to grow.</li> <li>• We respect and observe labour and human rights</li> </ul>	 <p><b>SOCIETY AND LOCAL COMMUNITY</b></p> <ul style="list-style-type: none"> <li>• We support and contribute to the community and the environment in which we operate to show that our presence has a positive impact and benefits.</li> <li>• We respect public opinion by engaging in social dialogue at different levels.</li> <li>• We educate the public about our company and the aviation industry.</li> </ul>
 <p><b>CUSTOMERS</b></p> <ul style="list-style-type: none"> <li>• We provide customers with safe and high-quality services.</li> <li>• We develop new services and infrastructure while maintaining a consistently high level of quality.</li> </ul>	

## Results of Sustainability Index 2020



Source: Association "Institute for Corporate Sustainability and Responsibility"

In 2020 the company made another step on its way to sustainable development and prepared and published its first Sustainability Report in accordance with the requirements of the GRI core standard. The Airport also presented the electronic report to its stakeholders and partners, who contributed to this report.

The pandemic has added a new meaning to "sustainability", as the impact of

this crisis on the aviation and the related sectors amounts to several billions of euro even now, while the total amount of damage cannot be estimated as it is unknown how and when the pandemic and the related restrictions on flying and travelling will end. This situation made Riga Airport develop a new draft of Medium-term Strategy 2021–2027, in the second half of 2020, in which "sustainability" is regarded as one of the priorities.

## Sustainability management system



# OPERATING PRINCIPLES

## Mission, vision and values

102-16

### Mission

To provide customers with reliable infrastructure and excellent aviation and non-aviation services, to facilitate a sustainable route network offering extended connectivity of the country with strategic destinations and promoting economic growth.

### Vision

Riga International Airport is the first choice for passengers, airlines and companies in the Baltic Sea Region, offering a high degree of connectivity and top quality passenger service.

### Values

The activity of Riga Airport is based on two values: safety and service.



## Strategy

Pursuant to the Law on Governance of Capital Shares of a Public Person and Capital Companies, the general strategic goal of the Airport must be approved by the Cabinet of Ministers.

The expectations about the growth of Riga Airport have changed dramatically, and this was due to national policy planning documents and the goals set by the Ministry of Transport<sup>3</sup>, as well as the expected outcomes and the rapid aviation development in Latvia by March 2020 followed by the sharp drop caused by the COVID-19 pandemic. In some months of 2020 the number of passengers at the Airport fell by 99.5% compared to the year before, which had an adverse effect on the financial situation, economic activity, and project implementation.

Thus, at the extraordinary shareholders' meeting on 3 September 2020 when the Airport's performance results in 2019 were discussed, it was decided that a new Medium-term Strategy should be developed by 15 December 2020.

So, in 2020, Riga Airport drafted a new Medium-Term Strategy 2021–2027 which was coordinated with the Supervisory Board and submitted to the Ministry of Transport for a conclusion.

While the Medium-Term Strategy 2021–2027 is getting approved, the current medium-term strategy guidelines and medium- and long-term investment priorities are available on Riga Airport's [website](#).

In the Medium-Term Strategy 2021–2027, the Airport is presented as a future northern European traffic hub promoting the regional competitiveness of Latvia, while the mission states Riga Airport as an international traffic hub ensuring the growth of the Latvian economy, providing convenient and safe connectivity for passengers and business, and creating jobs and possibilities for business development.

Riga Airport approached the Ministry of Transport in 2020 with a strategic goal: to ensure modern air traffic

infrastructure and services by offering convenient and safe connectivity or passengers and business and by promoting sustainable development and competitiveness of the Airport as a regional traffic hub.

This goal was set in line with the targets specified in national planning documents for aviation in general and for Riga Airport specifying that, within the Sustainable Development Strategy of Latvia until 2030<sup>4</sup>, development of road, railroad, port, and airport infrastructure of international level plays an important role in improving the external connectivity of Latvia, while air transport still has the major role in securing fast external connectivity for passengers.

Riga Airport has the status of a civil aviation airport of national importance. According to the Law on Aviation, a civil aviation aerodrome of the State importance is strategically important and needed for the development of civil aviation infrastructure and provision of public interests. The aerodrome ensures the required high quality and safety standards.

## Strategic goals and objectives

In accordance with the strategy, Riga Airport has taken the direction of a cost-effective and competitive, dynamically growing air traffic hub in the Baltic region and Northern Europe, expanding the flight network to the west and east, as well as increasing transit passenger traffic and cargo capacity.

### Strategic goals

1. To improve connectivity and increase the number of passengers and the volume of cargo handled at the Airport, while maintaining leadership in the Baltics and strengthening positions in the Baltic Sea Region.

The goal is to develop the passenger and cargo transportation network, ensuring our leading position as the largest Baltic Airport. To achieve this strategic goal, Riga Airport is working to ensure competitive tariffs and maintain a positive image and impeccable reputation.

<sup>3</sup> Source: Ministry of Transport Available: <https://www.sam.gov.lv/lv/aviacija>

<sup>4</sup> Source: Sustainable Development Strategy of Latvia until 2030

During the first two months of 2020, the Airport continued breaking its own records in terms of rise in passenger number and secured an increase of more than 10%. However, the number of trips in March and the following months was negatively affected by the COVID-19 pandemic as a result the number of passengers started to decrease significantly in March hitting the lowest point in April when the number of passengers was 99.5% below the rate of 2019. All regular passenger flights were cancelled and only some repatriation and cargo flights were performed. The air traffic gradually resumed in the end of May and during summer it reached the highest numbers since the outbreak of the pandemic, but the decrease in passenger number was still considerable and amounted to 77% in comparison to 2019. In autumn as the COVID-19 cases rose rapidly in Europe and Latvia, the amount of air traffic plunged again. Overall, 2020 was closed with a 74% drop in passenger number (a 79% fall in the number of transfer passengers), and a reduction of 59% in aircraft number and of 14.8% in cargo flights. Decrease in the number of aircraft serviced was smaller than in the

number of passengers served only thanks to the increase in the number of business aviation and cargo flights.

So in 2020, the Airport handled 23.2 thousand tonnes of air cargo which is only 14.8% less than a year ago. This decrease was caused by the regular passenger flights not implemented due to COVID-19; in general and until now majority of cargo was transported by passenger flights. And as the number of cargo flights grew by 49% last year, the amount of cargo carried by cargo flights also increased by 40% in 2020.

## 2. To provide state-of-the-art and high quality services.

This goal aims to develop and improve the range of services and to continue to ensure a consistently high quality of customer service.

In the 1st quarter of 2020, Riga Airport kept carrying out the Airport Council International Airport Quality Survey (ACI ASQ), as the number of flights decreased the passenger survey was cancelled to be resumed when the flying starts again. The average rate of

passenger satisfaction in the 1st quarter of 2020 was 3.94 (out of 5). Among the things appreciated most is the easy orientating at the Airport, the availability of facilities, and terminal cleanliness. Among the services rated lower are luggage delivery time and value for money in car parks, shops and cafés.

Riga Airport was among the first ones in Europe to develop a programme for safe travelling named "Prevent the Virus to Travel". Thanks to this programme, Riga Airport joined the EU Aviation Safety Agency's (EASA) Aviation Industry Charter for COVID-19<sup>5</sup> thus demonstrating its willingness to work pursuant to the highest epidemiological safety standards in aviation and to cooperate with national and international bodies in reducing the risk of spreading the disease. In addition, in COVID-19 Airport Safety Rating of the prestigious aviation rating agency Skytrax, Riga Airport was awarded four out of five stars for the COVID-19 measures implemented.<sup>6</sup>

As part of improving customer service and reacting to the comments and

suggestions, in 2020 Riga Airport:

- installed a contactless COVID-19 testing point (operated by Gulbis Laboratory) and a permanent laboratory for performing COVID-19 tests which started operating in February 2021;
- installed an automated border control gate at border crossing points (two in the outbound zone, two in the transit zone, and four in the arrival zone), allowing to reduce the passenger service time at border control;
- upgraded the automated system for measuring waiting time at security control to ensure the waiting time is shown on screens;
- improved services for children by creating two new playgrounds;
- raised the awareness of the Airport's employees about a good service by launching a customer service course at the Airport's Training Centre for the employees of State Border Guard;
- installed three free drinking water

<sup>5</sup> Source: European Union Aviation Safety Agency Available: <https://www.easa.europa.eu/newsroom-and-events/press-releases/aci-europe-and-easa-sign-cooperation-agreement-airport-industry>

<sup>6</sup> Source: Skytrax Available: <https://skytraxratings.com/airports/riga-airport-covid-19-rating>

filling stations (there are now five such stations available at the Airport);

- placed five terminal maps near the flight information displays at the most important points for passenger flow;
- introduced a new service—a possibility to receive an SMS with an exact information about the status of a flight:
  - the planned time of departure;
  - the actual time of departure;
  - the planned time of arrival;
  - the actual time of arrival.

### 3. To provide safe and sustainable infrastructure.

The main objectives of this goal are to remove constraints on infrastructure capacity. It is also planned to develop the infrastructure given the growing number of passengers and to improve the air cargo infrastructure.

- In 2020, the work on the elaboration of the Stage 6 of the terminal expansion project continued by

coordinating the design with stakeholders and an approval was received from the Airport User Committee consisting of representatives of air carriers and service providers. (See more about the Stage 6 construction project on page 80).

- A public procurement was announced for upgrading the baggage service infrastructure by integrating the new X-ray screening machines and by installing new check-in desks, inter alia.
- The capacity of the Schengen arrival hall was raised along with the area available for passengers, by transferring a part of the baggage storage room located there to premises outside the arrival hall.
- Work was undertaken to install four self-service baggage check-in kiosks in 2021.
- Expansion of the second apron was completed with two new ICAO code C aircraft stands.
- A new cargo service apron has

been working since October 2020; the new apron is designed for servicing three code E/F aircraft and it is equipped with an underground fuel hydrant system for fast and convenient refuelling.

### 4. To improve core business processes and ensure their continuity.

The aim is to make core business processes more efficient by using the latest technologies, ensuring the continuity of the IT infrastructure and upgrading and improving the Airport's technical equipment.

- On 7 January 2020, the previous flight management system was completely replaced with a new Airport Operation Data Base, which is a critical precondition for the implementation of a uniform decision-making system (Airport Collaborative Decision Making, ACDM). In August ACDM was introduced locally, but complete transfer to the new system was carried out in April 2021 (see more about the project on page 83).
- In 2020, digitalisation of several

internal processes was started and it also included development of the financial and personnel management system.

- In addition, work on appropriate apron lighting infrastructure was continued by lighting being installed on the apron No. 4 and upgrading of lighting at stands on apron No. 2.
- 8 June 2020, the Airport's Risk Management Policy was approved, the risk management committee was established and the instruction for the management of the Airport's strategic, operational and financial risks was adopted pursuant to which risk identification and assessment is being performed.

### 5. Increase revenue by improving and expanding the range of services provided.

The aim is to develop a long-term spatial plan and business park development concept, as well as to increase the range of non-aviation services.

- In 2020, the business park development strategy was completed. To

ensure realisation of the planned construction projects included in the business park development strategy, it is planned to draft procurement regulations in 2021. Until then, it is necessary to assess the impact of COVID-19 on the market demand and to take measures for Mārupe Municipality Spatial Plan, which has been submitted previously, to be approved.

- In addition, last year the construction of a cargo terminal for the needs of the logistics company DHL was started. A tendering process regarding construction of the other cargo logistics centre near the new cargo apron was organised. Only one tender was received and it was also declared the winner.
- To ensure the availability of non-aviation services on the Internet (on-line) thus opening a new sales channel and improving sales results, an e-commerce functionality is being added to the current website and is planned to be completed in 2021.

- In 2020, a centralised infrastructure payment for the use of cargo infrastructure was introduced (EUR 5 per a cargo tonne carried) and applied starting from October when the cargo apron was put in operation.

#### 6. To mitigate environmental impact.

Riga Airport has identified the following material environmental impacts: consumption of power and heat, water consumption, noise emission, emission of pollutants into surface waters and municipal wastewater, spills of chemical substances, generation of municipal and hazardous waste, removing topsoil, and probability of fire.

Riga Airport implements several projects financed by the Cohesion Fund to develop environmentally friendly infrastructure and reduce the negative impact on the environment. In order to achieve this goal, it is necessary to maintain the environmental management system and energy efficiency plan, and to improve the waste sorting process.

- Due to the emergency situation declared in the State and substantial reduction of Airport's expenses for investment projects, the environment and energy management programme is implemented to a smaller scale than planned initially for 2020 (71% of the planned has been realised). The energy report has been updated, a training programme was elaborated and employees were trained, collection of oil products in the amelioration ditch in Skulte is in process (the Airport's territory and the underground is hiding evidence of environmentally unfriendly operation in 1970s; therefore, the Airport is still eliminating the consequences of this historical pollution and collecting the residues of oil products filtrating through soil and discharging into amelioration ditches<sup>7</sup>), in addition a new contract on containment of oil products was concluded, environmental inspections are being carried out, and the carbon management plan for 2020–2023 has been prepared.
- Within the project "Development of

safe and environment-friendly infrastructure" in 2020, construction of a helipad was completed in (which will help to reduce the CO<sub>2</sub> emission generated by helicopters), the rapid exit taxiway Y was built (to reduce the CO<sub>2</sub> emission generated by aircraft), axis lighting on the apron taxiways was installed and integrated into the existing aerodrome lighting management system. In addition, when the COVID-19 pandemic will step back, our international experts will be able to arrive to realise the ADB Safegate project.

- Reconstruction of the rainwater sewerage system in the landside part and the reconstruction of Muzeja Street (construction of oil separators to separate the water from oil products in car parks) will be carried on after the technological interruption when weather conditions favourable for road construction will set in.
- In late December 2019, construction design for the technical services building was approved with an aim to improve the energy efficien-

<sup>7</sup>Source: Environment Report Available: [https://www.riga-airport.com/uploads/Vide/Vides\\_parskati/Vides\\_parskats\\_2020.pdf](https://www.riga-airport.com/uploads/Vide/Vides_parskati/Vides_parskats_2020.pdf)



cy of the building, and the construction regulations are in the pipeline since 2020.

- In 2020, work continued on the introduction of an energy management data monitoring tool (installation works have already been completed in 93% of objects). Majority of them have been connected to the remote measurement reading system. Currently installation and connection of the remaining meters to the system is being carried out. It is planned to complete the project by the end of 2021.
- As part of the Airport Carbon Accreditation (ACA) programme, the Airport has prepared its GHG protocol and report. Carbon management plan for 2020–2023 has been prepared. Riga Airport has been certified for ACA Level 2, and the accreditation certificate is valid for two years, by 2 December 2022.
- According to the action plan for noise reduction, the continuous descent approach (CDA) rate has been assessed. Aircraft that

comply with the CDA protocol when flying over certain territories are quieter, consume less fuel, and generate less GHG emissions. In 2020, a total of 83% of the arriving flights met the CDA criteria of Riga Airport. The statistics is available on the Airport's [website](#). In September 2020, the procedure for aircraft engine inspection on the southern anti-icing platform was amended to reduce the impact of noise on the neighbourhood and local population.

## ETHICS AND ANTI-CORRUPTION POLICY

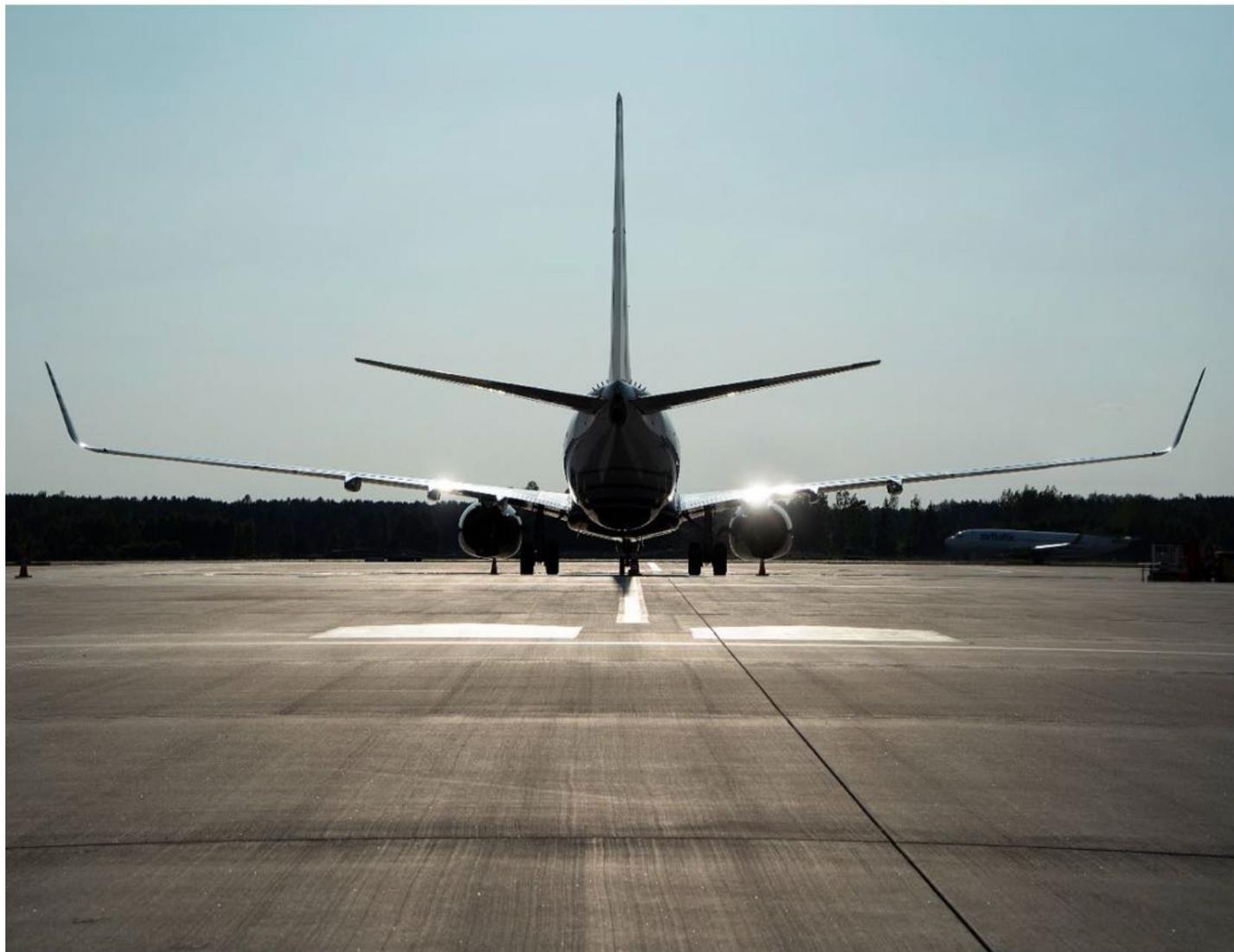
103, 102-16, 205-3

Riga Airport promotes business in accordance with honest principles, compliance with ethical norms, as well as takes the necessary actions to prevent the risks of corrupt and fraudulent activities and to eliminate and prevent any possible violations.

Riga Airport has developed a code of conduct, which has been approved by the Executive Board and which prohibits fraudulent and corrupt conduct and is binding on every employee of the company.

Every employee has the right and possibility to report, also anonymously, possible violations, including:

- possible violations of the basic principles defined in the Code of Conduct, like corrupt and fraudulent conduct;
- possible violations identified in the whistleblowing procedure;
- possible violations of the rights and interests of employee established by work procedure regulations and other regulatory documents.



## Everyone is responsible for the compliance with legal norms and principles of ethics at Airport

How to report a possible violation of the Code of Conduct, submit a complaint or blow a whistle regarding a threat to public interests observed in working environment?

### NOTE!

Violations specified in the Whistleblowing Procedure: inactivity, negligence or abuse of power by officials / employees, corruption, fraud, squandering of the financial resources and property, public health threat, food safety threat, construction safety threat, environmental safety threat, labour safety threat, public order threat, infringement of human rights, violation in the field of public procurement.

Violation—a criminal offence, administrative violation or other violation of legal norms or violations of binding ethical or professional norms.

The whistleblower shall assess, responsibly and in good faith, the information that he or she will provide in the report and, as far as it is possible, verify that the information provided is true.

Protection of the whistleblower's identity shall be protected.

This material has been prepared pursuant to the Order No. 20/126B of 8 October 2020 "Regarding the Procedure for Reporting and Examination of Employees' Complaints, Possible Violations". The order is available in e-RIX, Section "Orders".

### CODE OF CONDUCT

Address your direct or higher manager



E-RIX -> section "HELP" -> "Violation of the Code of Conduct"



If situation cannot be solved, report to the Standing Committee for the Review of Possible Violations



kodeksa.parkapums@riga-airport.com



### COMPLAINT

Address your direct or higher manager



If the issue has been neglected, present a submission to the responsible Executive Board Member or Chair of Executive Board



### WHISTLEBLOWING

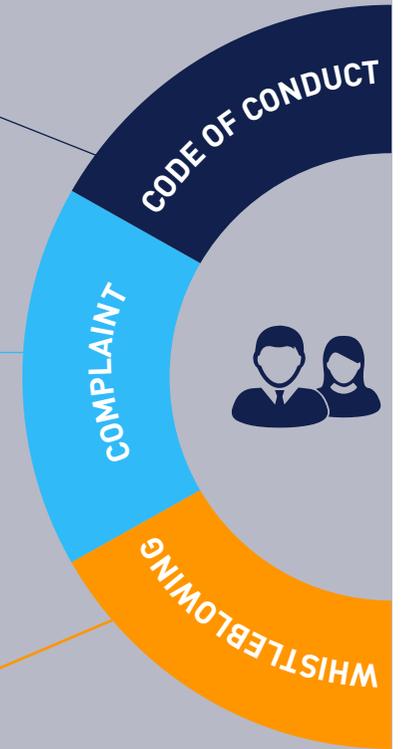
Fill in the form on [www.trauksmescelejs.lv](http://www.trauksmescelejs.lv)



Write a report indicating "Whistleblower's report", sign it with a safe electronic signature and send it to [kodeksa.parkapums@riga-airport.com](mailto:kodeksa.parkapums@riga-airport.com). A personally signed report may be submitted to the Administrative Support Unit or sent to the Airport via mail.



Turn to the Contact Point for Whistleblowers or the competent institution (select from the list of institutions published on [www.trauksmescelejs.lv](http://www.trauksmescelejs.lv)).





A Standing Committee for the Review of Possible Violations has been established at Riga Airport, which is responsible for reviewing the information received on possible violations and preparing opinions for further action. Since the introduction of the internal reporting system on 31 December 2018, there have been no reports of possible corruption at Riga Airport.

In 2018, Riga Airport implemented an internal control system in accordance with 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". Among other things, the company has identified and assessed the potential corruption risks, identified positions and functions exposed to corruption risk, developed an anti-corruption action plan, including measures to be implemented to reduce corruption risks. The Internal Audit Unit of Riga Airport regularly reviews anti-corruption measures and monitors the implementation of the anti-corruption action plan.

When organizing procurements, Riga Airport informs its cooperation partners from the very beginning in the procurement documentation that neither Riga Airport nor any of its employees may commit any fraudulent or corrupt activities, including bribery of domestic and foreign officials.

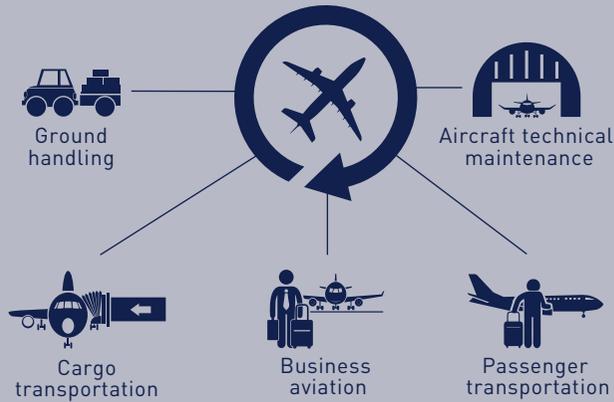
The basic principles for cooperation with contractual partners, including such basic principles as honesty, prohibition of conflicts of interest, prohibition of fraud and corruption, etc., are published on the Airport's website under [Procurement and Commercial Procedures](#).

## Services 102-9

The operations and services of Riga Airport can be broadly divided into four groups: aviation and non-aviation services, security services, and infrastructure and its capacity.

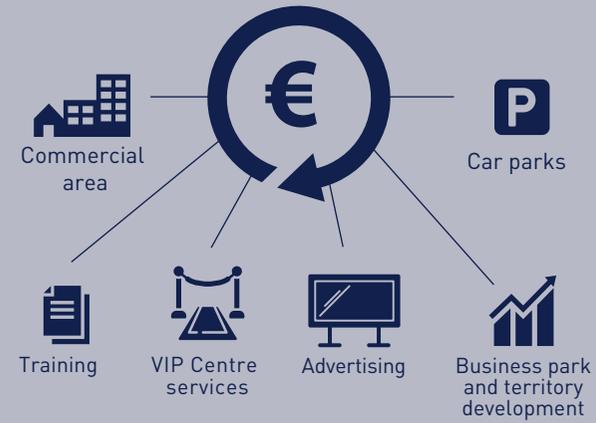
### Aviation services

DIRECTLY RELATING TO OPERATING PRINCIPLES



### Non-aviation services

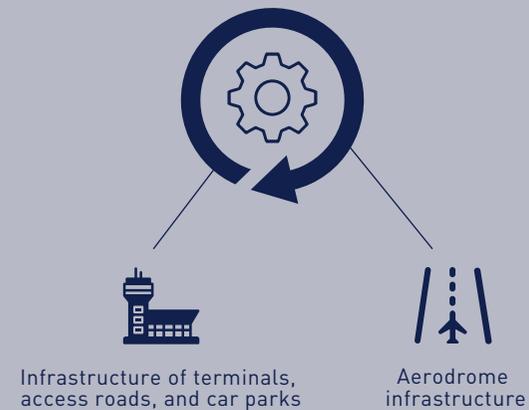
COMMERCIAL ACTIVITIES OF THE AIRPORT



### Security services



### Infrastructure and its capacity



## RIGA AIRPORT PROCUREMENT AND SUPPLY CHAIN

102-9, 102-10, 204-1, 308-2, 414-2

As Riga Airport provides both aviation services (aircraft, passenger and cargo services) and non-aviation services (rental of premises and territory, car parks, VIP Centre services, etc.), it mainly purchases various types of services, supplies and construction works for its core business in line with the Public Procurement Law and other laws and regulations effective in Latvia, and carries out procurements within investment projects. During the reporting period, no material changes to the company's supply chain structure or in the cooperation with suppliers, service providers and customers have occurred.

The company allocates approximately EUR 20 million annually for procurement (services, supplies and construction works).

In 2020, a total of 223 contracts have been concluded, including four construction work contracts, 80 supply contracts, and 139 service agreements. If compared to 2019, the overall number of transactions has dropped by 195 due to the COVID-19 pandemic (minus 8 construction work contracts, minus 123 supply



Services



Supplies



Construction works

### Procurements in 2020 (contract prices)

**5 451 762 EUR**

**691 019 EUR**

**1 633 181 EUR**

### The most important purchases at Riga Airport

**Maintenance of equipment and various systems, cleaning of territory and premises, modernization of security and IT systems**

**Security equipment, IT equipment, vehicles and apron equipment, other materials**

**Various repairs of buildings and aerodrome**

contracts, and minus 64 service agreements).

## Regulatory framework

When organizing procurements, Riga Airport is guided by the Directive 2014/24/EU of the European Parliament and of the Council on public procurement and on the Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors, and also complies with the provisions of the Law on the Procurements of Public Service Providers and the related Cabinet regulations, as well as other laws and regulations applicable to a procurement in question.

If the estimated contract price does not reach the threshold set by the Cabinet of Ministers for the application of the Law on the Procurements of Public Service Providers, the company follows the procurement guidelines for public service providers drafted by the Procurement Monitoring Bureau of the Republic of Latvia and the Riga Airport Procurement Procedure, which is based on the

principles and norms of the external regulatory documents specified above.

In addition, Riga Airport also takes into account the EU case law, decisions and explanations of the Procurement Monitoring Bureau, the provisions and principles of the Treaty on the Functioning of the EU, such as free movement of goods, right of establishment, freedom to provide services, principles of non-discrimination, equal treatment, openness and mutual recognition.

## Business ethics

In its procurements, Riga Airport requires suppliers to certify that if a supplier employs or plans to employ EU and/or third-country nationals, it will comply 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 might employ persons without valid employment contracts and promotes respecting of their rights provided for in regulatory enactments (see more

about Ethics and Anti-corruption Policy on page 53).

## Suppliers

In the majority or approximately 80% of procurements, Riga Airport purchases goods or services from Latvian suppliers, service providers and construction companies. As several goods required for the operation of the Airport are manufactured abroad, Riga Airport also cooperates with suppliers from other European countries and North America. The Airport has a total of about 300 suppliers, including subcontractors.

## Application of social and environmental criteria

Riga Airport regularly during the reporting year revises and updates its internal regulations to modernize and improve the efficiency of the Airport's Procurement Department in accordance with the Law on the Procurements of Public Service Providers and the case law.

To strengthen the social responsibility

principles in the procurement system, the Airport revised and updated its procurement procedure by including a norm that, in certain cases, Riga Airport when choosing a supplier of services / goods, will have the opportunity to award the contract to a company that has acquired the status of a social enterprise. This means that the customer, when choosing a supplier of goods/services, will be able to set criteria that, for example, give preference to an entrepreneur who employs people with disabilities.

Also, in accordance with the Law on the Procurements of Public Service Providers, Riga Airport applies green procurement as much as possible, thus trying to purchase goods and services with the lowest possible environmental impact, taking into account the life cycle costs of products or services with the same primary function, and promoting social improvements.

Riga Airport has not defined other criteria apart from those set in external regulatory enactments to assess the sustainability of its contractors (social impact and environmental impact).

The background features several overlapping grey rectangular shapes of various sizes and positions, creating a modern, abstract design. The shapes are arranged in a way that they appear to be layered, with some partially obscuring others. The overall aesthetic is clean and professional.

# **BRIEFLY ABOUT 2020**

Key events and achievements in 2020 | Awards and recognitions

## KEY EVENTS AND ACHIEVEMENTS IN 2020

99.87%—indicator of the punctuality of ground handling at Riga Airport

In COVID-19 Airport Safety Rating of the prestigious aviation rating agency Skytrax, Riga Airport was awarded four out of five stars for the implemented COVID-19 measures.



Riga Airport joined the EU Aviation Safety Agency's (EASA) Aviation Industry Charter for COVID-19.

In October the leading aviation companies, the Ministry of Interior and NGOs signed a memorandum of cooperation demonstrating determination to cooperate actively in preventing human trafficking.



The previous flight management system AFIP was completely replaced with a new Airport Operation Data Base (AODB), and the Airport started using the Airport Collaborative Decision Making (ACDM) system in its operations.



The multi-functional cargo apron was opened. The apron can accommodate various aircraft (from code C to E; ATR72/B733-B744 type aircraft) and also serve larger planes, like B747-8, AN124, and C5.



Construction of a regional logistics centre for the company DHL was launched within the Airport's territory. The centre will be among the most modern logistics centres handling aviation shipments in the Baltics.

The modernised 2nd apron was put into operation; the apron is mainly designed for serving business aviation aircraft. There is one code B, two code C stands on the apron and another code C stand next to the FBO business passenger terminal, as well as two passing-through parkings.



Riga Airport has announced an international tender to attract an investor for building a new multi-functional cargo handling and logistics centre within the Airport's territory.

The automated border control (ABC) gate of the State Border Guard was put into operation making the crossing of the border faster and more convenient.

Key events and achievements in 2020 | Awards and recognitions

## AWARDS AND RECOGNITIONS



Second Most Fairest Remuneration Payer in Latvia in 2020 ("Fontes")



Platinum Category in the Sustainability Index in 2020 (Association "Institute for Corporate Sustainability and Responsibility")



3rd place in the Transport and Logistics Category at the national survey "TOP Employer 2020" ("CV-Online")



Gold level company in the In-depth Cooperation Programme of the State Revenue Service in 2020



Winner and holder of the Global Creativity Award<sup>8</sup> (Event Organisation Category) in the Golden World Awards organized by the International Public Relations Association (IPRA)



2nd place in the Event PR Category of the Mi:t&links Baltic Communication Awards<sup>9</sup>



8th most loved and humane or socially most responsible Latvian brand in 2020<sup>10</sup> (Top most loved Latvian brands)



Appreciation Letter from the Ministry of Education and Science for contribution to the promotion of informal adult education in 2020

<sup>8</sup> Source: International Public Relation Association Available: <https://www.ipra.org/golden-world-awards/winners/>

<sup>9</sup> Source: Mi:t&links Available: <https://mitandlinks.com/en/news/winners-2020>

<sup>10</sup> Source: Top most loved Latvian brands Available: <https://balticbrands.eu/loved-brands/lv/humanity>

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# **CORPORATE GOVERNANCE APPROACH**

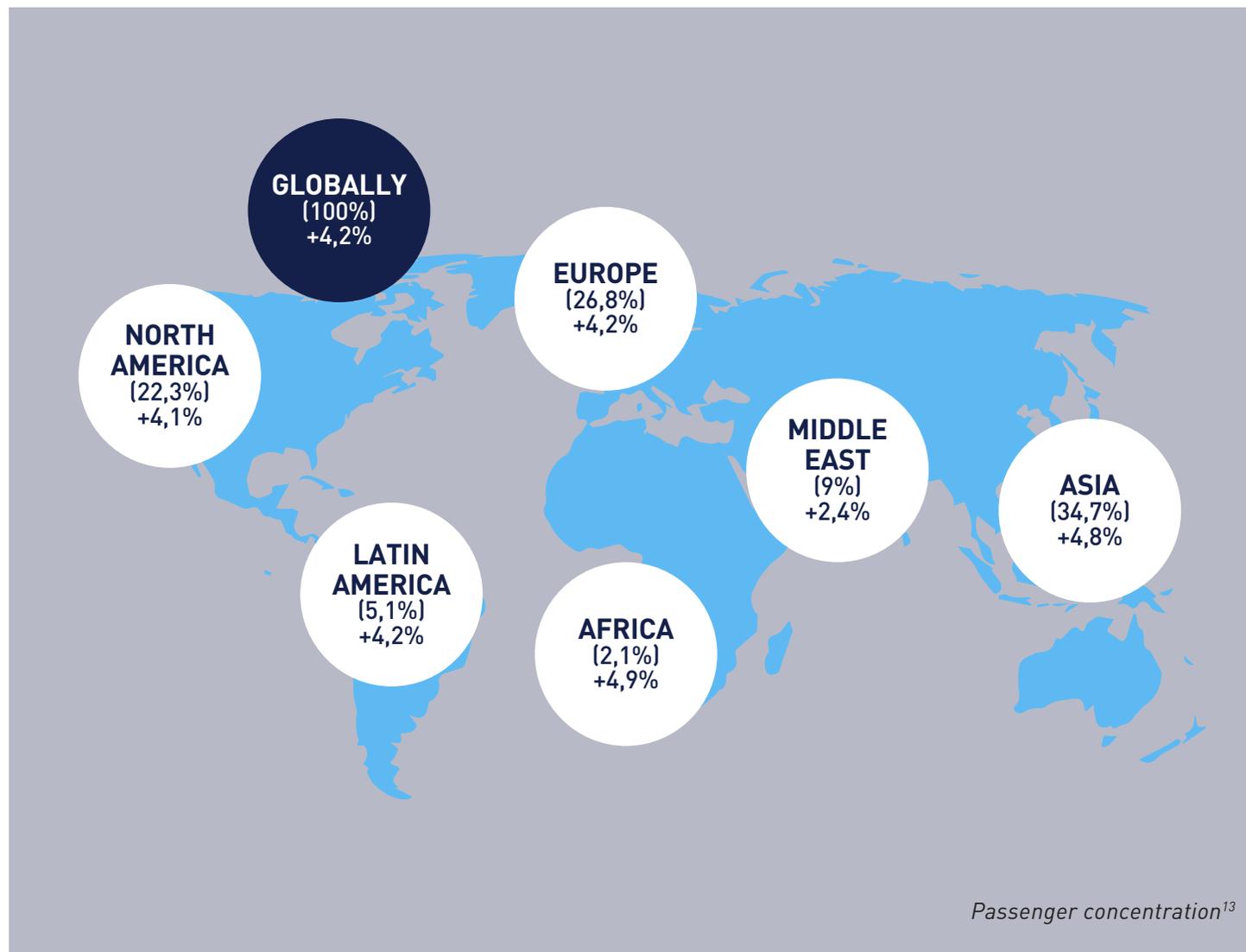
## EXTERNAL FACTORS AND TRENDS AFFECTING THE COMPANY <sup>11</sup>

Pursuant to Riga International Airport's Strategy, we have identified and analysed the following external factors affecting the company.

### International trends in aviation

Despite economic shocks, both use of air transport and economic activity has increased over the last decades. As flight prices decrease year on year, the number of passengers tends to increase. However, in the result of economic growth slowing down, also development of the aviation sector has become more moderate both on the global and European scale.

According to various researches, air traffic is sensitive to fluctuations in GDP which characterises the welfare of population and increase in economic activity and consequently affects the volume of air traffic.<sup>12</sup> It means that, when projecting the future development of the aviation sector, the expected global GDP growth rate must be analysed.



<sup>11</sup> The COVID-19 pandemic has urged the company to revise its strategy in 2020.

<sup>12</sup> Global growth of air traffic passengers and GDP (%) 1990–2018. Source: Data of World Bank Available: <https://data.worldbank.org/>.

<sup>13</sup> IATA report "Air Passenger Market Analysis – December 2019"



Traditionally, there are three markets that dominate in aviation—Europe, US, and Asia. Growth in the mature aviation markets (like the US and Europe) in the future could be around 3%, while Asia and other development countries can expect faster growth. This assumption is based on forecasts about low rate of economic development, market saturation, and competition generated by other means of transportation, as well as the limi-

ted increase in the number of European population.

During not only 2020 but rather the last decade, the overall geopolitical context and global challenges have substantially changed the social, economic, and political reality in the world. Development regions, like Asian countries, have seen significant growth: significantly increasing investments, flow of private financing,

changing demographic trends. There is also stronger urbanization and general digitalization. At the same time, West European countries face a complicated migration crisis, while the world's poorest countries are directly affected by unrest, political instability, consequences of climate change, unstable financial and capital markets, and illegal migration. In addition, there are more regions with military conflicts taking place, like,

Syria, Ukraine, Azerbaijan, Armenia. Illegal migration and threat from terrorism have negatively affected the economic growth in Greece, Egypt, Cyprus, and Turkey and reduced the tourism demand in these countries. All these factors have both direct and indirect impact on the aviation as well. Luckily, air traffic showed strong resistance to various external global shocks until the COVID-19 pandemic in 2020.<sup>14</sup>

## Aviation in Europe and the Baltics

Evaluation of the European and Baltic aviation sector shows that the rate of increase in the passenger number started slowing down in both Europe and the Baltics, and Latvia in 2019.<sup>15</sup> Comparison of the average rate of development in Latvia and the EU indicates that market saturation level in Latvia has been exceeding the average market saturation level in Europe over the last few years. But the spread of COVID-19 pandemic in whole world has severely hit the aviation market making its further development rather unpredictable. According to international experts, the aviation sector will

<sup>14</sup>Dynamics world air transport 1945–2020, ICAO report “Economic Impact Analysis”

<sup>15</sup>Number and rate of increase in the passengers and cargoes carried in EU-28, all Baltic States, and separately in Latvia, Lithuania, Estonia, data by Eurostat.

need more time to recover from the second wave of COVID-19 than expected, due to the implemented quarantine measures and travelling restrictions. So, the aviation market in both Europe and the Baltics will return to the level of 2019 in 2024 only, most probably. At the same time, the key driving forces and trends of long-term development will remain the same. The growth rates during the last years evidence the stable and unquestionable leadership of Riga Airport in the Baltic States. They also show that the Baltic market is becoming too small for Riga Airport and the company's intention to compete on the international scale in order to become a growing aviation centre in Northern Europe comes right in time.

## Local economic growth and demography

Development of Riga Airport depends on the national economic growth in the medium term as overall economic development directly correlates with the demand for aviation services, which, in its turn, results in increasing passenger numbers. Pursuant to data

of the Ministry of Finance<sup>16</sup>, it can be concluded that GDP in 2021 will gradually increase compared to 2020 thanks to a higher external demand and the EU recovery instrument, which will encourage new investment and export.

Another important criterion affecting the passenger flow at Riga Airport, is demographic situation. In the light of the geographical location of Riga Airport, its possibility to raise the passenger number is rather limited. While estimates show that the economy will gradually recover, the population in the Baltic States tends to decrease as a result of the negative natural population growth and the international migration. The forecast number of Latvian population in 2027 is as low as 1.78 million, of Lithuanian population—2.5 million, while the number of Estonian population could fall to 1.31 million.

Despite the small population in the Baltic States and the limited possibility of this number growing, construction of the new rail road

Rail Baltica, which will integrate the Baltics into the overall European rail network, will expand the coverage of Riga Airport and improve access from other regions. We expect that Rail Baltica will provide more passengers from Pärnu region in Estonia and from Kaunas and Panevėžys regions in Lithuania, but Rail Baltica will also compete with airlines for passengers in close destinations and could entice, possibly, both direct and transfer passengers.

## National Transport Development Policy

According to the Sustainable Development Strategy of Latvia until 2030<sup>17</sup>, development of road, rail road, port, and airport infrastructure of international level plays an important role in improving the external connectivity of Latvia. However, air transport still will have the major role in securing fast external connectivity for passengers.

One of the priorities set in the National Development Plan of Latvia 2021–2027<sup>18</sup> is quality living environ-

ment and development of territories, by implementing the Rail Baltica project, continuing the development of Riga Airport and by raising the competitiveness of transit services and entering new markets to make Riga into an important and modern multimodal transport hub.

But the medium-term policy planning document Transport Development Guidelines for 2021–2027<sup>19</sup> puts forward several goals, like meeting the mobility needs in sustainable manner while promoting the national economic growth, including contributing to the development and availability of business environment. To reach that, Riga Airport is mentioned in the following priorities: implementation of Stage 6 of the passenger terminal development project, provision of cargo infrastructure necessary to serve the cargo volume, and completion of the Cohesion Fund projects already started.

<sup>16</sup> Forecast of the Ministry of Finance for 2020–2023 Available: <https://www.fm.gov.lv/lv/aktualitates/jaunumi/budzets/62635-fm-2021-gada-prognoze-ekonomikas-izaugsmes-atjaunosanos-ar-51-pieaugumu>

<sup>17</sup> Source: Sustainable Development Strategy of Latvia until 2030

<sup>18</sup> Source: Latvian National Development Plan 2021–2027. Available: <https://www.pkc.gov.lv/index.php/lv/nap2027>

<sup>19</sup> Source: Transport Development Guidelines for 2021–2027 Available: [https://www.sam.gov.lv/lv/sabiedriskas-apsriesana-transporta-attistibas-pamatnostadnu-2021-2027gadad-projekts-un-strategiskas-ietekmes-uz-idi-novertējuma-vides-parskata-projekts/tap-2021-2027\\_pirma-redakcija.pdf](https://www.sam.gov.lv/lv/sabiedriskas-apsriesana-transporta-attistibas-pamatnostadnu-2021-2027gadad-projekts-un-strategiskas-ietekmes-uz-idi-novertējuma-vides-parskata-projekts/tap-2021-2027_pirma-redakcija.pdf)

The key priorities set by the Ministry of Transport that are directly linked to Riga Airport and aimed at promoting the aviation development of the aviation sector by 2027:

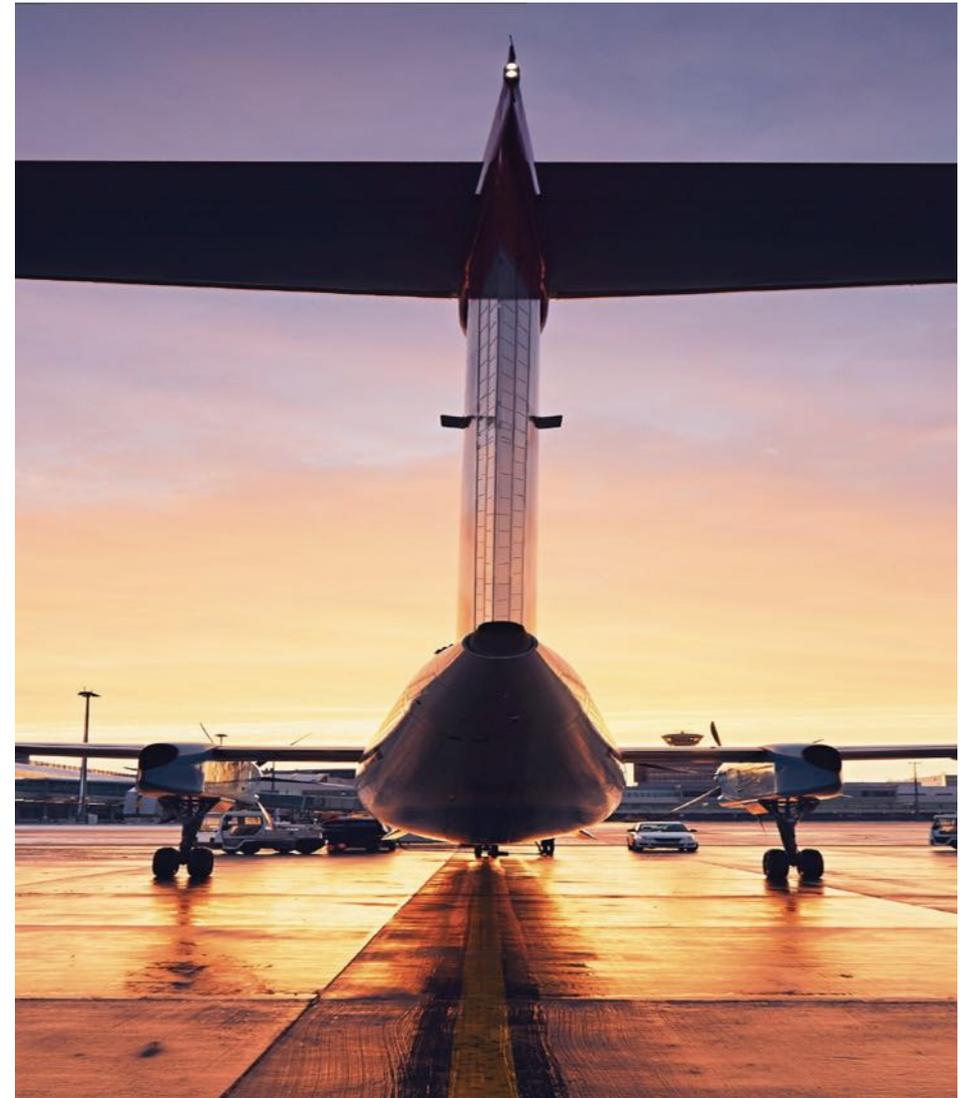
- to boost the importance of Riga as a European-level air transport hub by improving the infrastructure, expanding the flight network, promoting increase in transit passengers, and ensuring attractive price policy;
- to raise the capacity of terminal and aerodrome in order to ensure service of the planned growing number of passengers.

## Passengers

Over the past years, the number of foreign tourists is growing in Latvia, and also Latvian residents are travelling more often. In 2019, Riga International Airport carried out an important survey involving more than 7,000 passengers. The survey revealed travelling habits, the reasoning behind choosing a particular air carrier or airport, evaluation of services available at Riga International Airport, and other information which is essential for the development of aviation services.

According to the survey, most of the passengers are aged 26–30 (30%), 23% of passengers are 36–45 years old, and those aged 16–25, 46–55, 56 and more amount to 17, 16 and 15% respectively. In total, 53% of passengers are men and 47% are women.

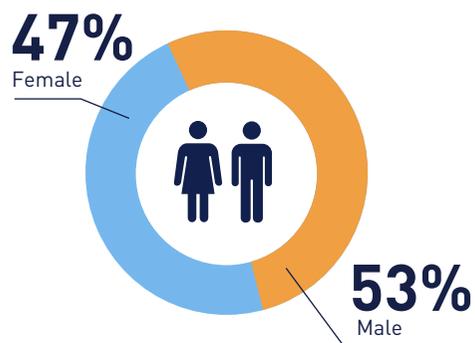
Most often the reason behind travelling is for recreational purposes (35%) or to visit friends / family (32%), but 31% of the respondents travelled for business. Out of all outgoing passengers, 19% travel more than 11 times a year, and the



next largest group<sup>20</sup> travels twice a year.

The popularity of Riga Airport is mainly due to low-cost airlines Ryanair, Wizz Air, and Norwegian Air Shuttle operating here. Another reason is the convenient transit flights offered by airBaltic, and the third aspect is the timing of the flights. Passengers also value the possibility to choose an airline they like and the fact that the Airport is located close to their home. According to the statistics 2019, around 30.4% of passengers at Riga Airport travelled in transit or transfer.

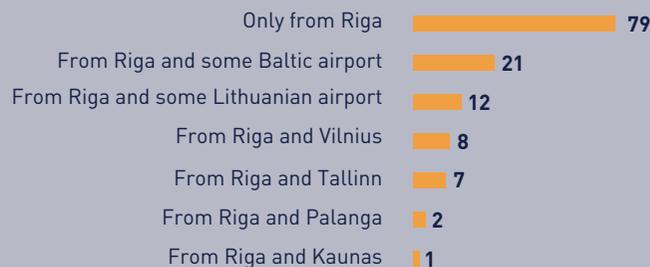
Since passenger survey is carried out once every three years, the passenger profiling study was not performed in 2020.



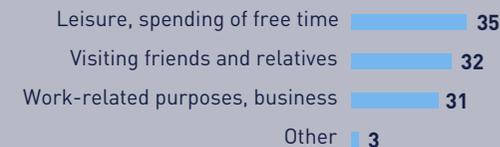
## Sample characterisation (%)

Whole sample n=7084

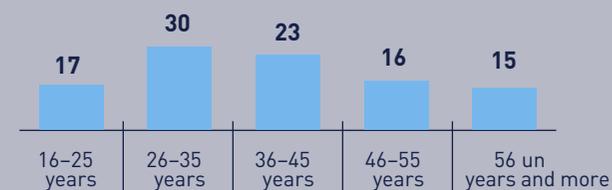
### Airports used (%)



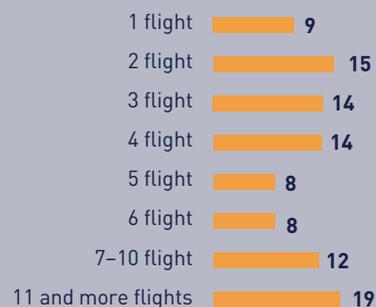
### Flying purpose (%)



### Age (%)



### Number of flights over the last 12 months (%)



### Country of origin\*



### Nationality\*



Riga Airport passenger profile | 3rd and 4th quarter of 2018 and 1st and 2nd quarter of 2019

\* Only the answers exceeding the rate of 2% are presented.

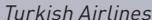
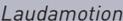
<sup>20</sup> Source: Ministry of Transport Available: <https://www.sam.gov.lv/lv/aviacija>.

## Airlines

### Passenger carriers

In 2020, Riga Airport serviced 17 airlines, including both full-service and low-cost. The largest air carrier at Riga Airport is the national airline airBaltic, accounting for 57% of the market share in 2020. The second largest carrier was the Irish low-cost airline Ryanair with 16% of the market share, and the third—the Hungarian low-cost carrier WizzAir with 9%. The TOP 5 is closed by the Norwegian low-cost company Norwegian Air Shuttle (3.3%) and Lufthansa (2.8%). See TOP 10 airlines by passengers and flights in Section “About Riga Airport” on page 11.

The company airBaltic also shows the largest proportion of transfer passengers at Riga Airport. In 2020, the number of transit / transfer passengers served amounted to just 492 thousand, which is 25% of the total passengers. The COVID-19 pandemic made the number of transfer passengers drop in 2020 by 79%, which was due to flights forbidden to non-EU countries accounting for a big flow of transfer passengers.

 AirBaltic	 Ryanair	 Finnair
 Aeroflot	 Lufthansa	 Holiday Europe
 LOT Polish Airlines	 Turkish Airlines	 Utair
 Pobeda Airlines	 Belavia	 Uzbekistan Airways
 Scandinavian Airlines System	 Norwegian	 Laudamotion
 Wizz Air	 SmartLynx Airlines	

### Transfer passengers



Direct flights from Riga Airport take travellers to the largest European cities, Asia, and Africa. In 2020 the most popular regular destinations from Riga were London, Moscow, and Oslo, but the most popular countries were Germany and UK (see TOP 10 destinations by passengers and flights in Section “About Riga Airport” on page 13).

In 2020, majority of passengers were travelling to London. The popularity of this destination can be explained with the private matters of those Latvian citizens residing in the UK, and travelling. Moscow is still a popular destination for tourists from CIS states, a convenient transfer airport, in addition, flights to Moscow in the beginning of 2020 while non-EU flights were allowed were performed by four airlines: Aeroflot, airBaltic, Pobeda Airline, and Utair Aviation. The big passenger flow to and from Oslo, Frankfurt, and Helsinki is related to the convenient connecting flight network and the number of tourists visiting.

Travelling by air is more popular during the summer. The busiest-months are from May till October,

when Riga Airport serves around 60% of passengers. However, the situation changed in 2020 when popularity of travel destinations was affected by not only the season but, mainly, the list of the “allowed” countries which was amended every week depending on the spread of COVID-19 in the particular destination and government decisions.

In 2020, the most popular charter flight destinations were Sharm El Sheikh, Hurghada, Heraklion, and Tenerife. Flights to these countries were mainly performed from January till March. The proportion of charter passengers in 2020 was around 3% of the total passenger number.

## Cargo carriers

In 2020, Riga handled 44% of all air freights in the Baltic States or a total of 23.2 thousand tonnes, which is 14.8% less than a year ago. This decrease was caused by the regular passenger flights not implemented due to COVID-19; in general and until now majority of cargo was transported by passenger flights. At the same time, the amount of cargo carried by cargo flights increased by 40%.

In 2020, an agreement was concluded with the e-commerce logistics company Cainiao Network Russia representing the Alibaba Group regarding shipment of e-commerce air cargoes from China to Ukraine via Riga Airport. Deliveries from Hangzhou to Riga are performed by the airlines Atran and Aviastar TU. In addition, Atran increased the flight frequency from one to five times a week in the 2nd quarter 2020. Also Rossya Airlines and Royal Flight performed additional cargo flights from China. China transit cargo from Riga to Lviv was carried by the airline Eleron, which started flying to Riga in the beginning of 2020 and raised the flight frequency from three to five times a week in the 2nd quarter. Additional cargo charter flights were carried out by the airlines GetJet, Ukraine International, Air Urga, and Smartlynx Airlines.

The largest air cargo proportion in 2020 was handled by airBaltic (23%, -55% compared to 2019), DHL (18%, +16% compared to 2019), and Atran (16%, +429%, compared to 2019). Also the amount of express mail shipments increased in 2020: by 31% for TNT/Fedex and 16% for UPS, while the

shipments to Afghanistan within the NATO cargo programme showed a downturn.

Majority of export cargoes handled by the Airport include mail and e-commerce shipments, consumer electronics, medications, spare parts, and high-value and dangerous goods. At the same time, high-value goods and spare parts, mail and e-commerce shipments, medications, and food are also among the most popular import cargoes, not to mention transit cargoes. Mail shipments (including postal transit) amounted to 34.6 % of all cargo shipments at Riga International Airport in 2020.

At the same time, cargoes handled within the ISAF programme accounted for 8% of the total cargo amount and were carried by Atlas Air, Silk Way West Airlines, and National Air Freight Group Inc.

There are four aviation freight warehouses at Riga Airport (Baltic Cargo Center, ACTS, KOLL, GreenCarrier), and the mail handling office of the State joint-stock company “Latvijas Pasts”.

In September 2019, the industrial building design and construction company Piche opened a 23,000 m<sup>2</sup> big high-tech park “Lidostas Parks”, which is located right next to Riga International Airport. The company started building another industrial park “Green Park” (warehouse area 50,000 m<sup>2</sup> and office area 7,000 m<sup>2</sup>) the same year. This is where Omniva, the logistics and parcel shop operator in Latvia and a subsidiary of Eesti Post, started their operations in August 2020 together with the Finnish logistics company Itella Logistics, and the Latvian-Chinese logistics company Deltra, which is a member of Globelink China Investment Group, which includes more than 70 various companies around the world.

In June 2020 the express mail and logistics company DHL Express and the property development and construction company Castor Construction started construction of a regional logistics centre (4,500 m<sup>2</sup>) for handling aviation shipments in the Airport’s territory. It is planned to complete the construction and open the centre in summer 2021.

To develop the cargo sector, Riga Airport invests in the infrastructure. As a step in the development of Airport's infrastructure, a new cargo apron was built in September 2020. The new cargo apron will accommodate three large fuselage aircraft stands allowing flexible aircraft planning and handling of all types of cargo aircraft.

## Competition Analysis

Airlines are not the only ones facing fierce competition, airports are also

struggling since opening up of state borders and dense networks of roads and rail roads make them compete for the same passengers. Successful infrastructure development, growth of airBaltic and the geographical advantages has secured the positions of Riga International Airport as a regional air transport hub and the best airport in the Baltic States. Large and stable covered territory, high proportion of transfer passengers, great connectivity, and high-quality services are what characterises a transport hub.

While the covered territory of Riga International Airport is comparatively small, the business model of airBaltic has greatly contributed to reaching a remarkable transfer passenger rate and connectivity; therefore, there are no directly comparable regional competitors to Riga International Airport. Among the airports serving as transport hubs in the target markets of Riga International Airport one can mention the airports in Berlin, Copenhagen, Helsinki, Saint Petersburg, Stockholm, and Oslo, as well as Warsaw in some extent.

States (catchment territory—geographic area from which an airport can draw commercial air service passengers) partially overlap, which means that airports are trying to attract the same passengers.

The main catchment territory of Riga Airport includes the Latvian capital Riga and wider territory around it. In broader sense, the Airport's catchment territory is 300 km around or 3–4 hours drive from Riga and includes all Baltic capitals (about 7 million inhabitants). The geographical location of Riga Airport is very convenient as it is located in the middle of the Baltic States, while the catchment territory of airports in Tallinn and Vilnius is restricted by the Baltic Sea and borders with Russia and Belarus. The catchment territory of Riga Airport is characterised by low population density and low purchase power (only 2% of the European territory with high purchasing power can be reached within an 8-hours drive from Riga).

The neighbouring airports in Vilnius and Tallinn only service low-cost airlines and direct network carriers providing feeder routes to regional transport hubs.

## Catchment territory of Riga Airport

The Baltic States are located on the periphery of the EU, characterised by low population density and poor transport infrastructure. Catchment territory of the airports in the Baltic



### Regular air cargo destinations:

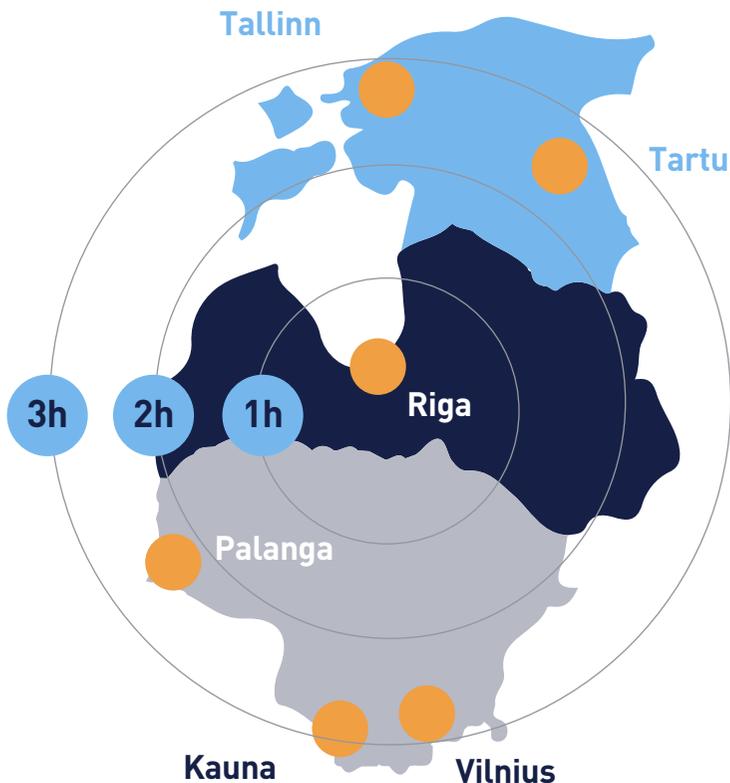
- Lithuania (Vilnius, Kaunas)
- Sweden (Stockholm, Örebro)
- Germany (München, Cologne, Erfurt)
- Belgium (Liège)
- The Czech Republic (Prague)



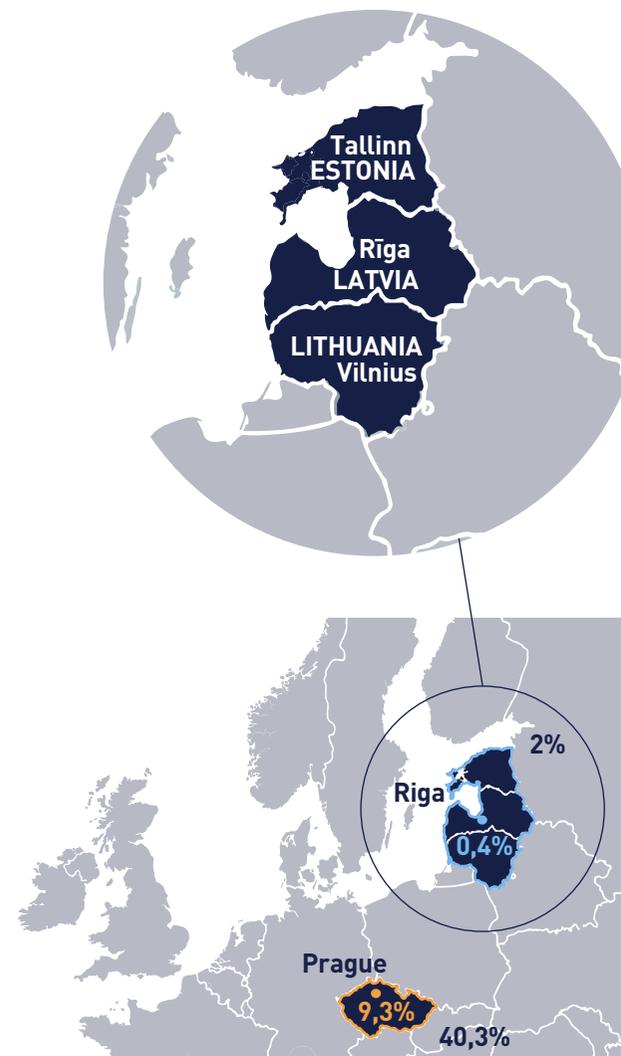
### Cargo airlines

- DHL
- TNT/FedEx
- UPS
- ATRAN
- RAF AVIA
- ELERON

### Catchment territory of Riga Airport. Times indicated for road transport.



### Location of Riga Airport (the European territory with high purchasing power within 2 and 4 hours driving distance) and catchment territory within 300 km radius.



## IMPACT, ROLE AND RESPONSIBILITY OF RIGA AIRPORT

### Connectivity and promoting Latvia as an attractive destination

As mentioned in the Section “Airport facts and figures”, Riga Airport served 2.01 million passengers in 2020, which is 74.2% less than a year before. Actually, the Airport started 2020 as one of the fastest growing European airports the number of passengers in January and February grew by 12.4% and 13.6% respectively. This trend threw some capacity-related challenges to Riga Airport making accurate and quick implementation of large investment projects its main task while maintaining a high level of service and looking for flexible short-term solutions to serve the growing passenger flow. But the COVID-19 pandemic changed the travelling environment completely and the Airport’s main task was now to take efficient epidemiological safety measures to ensure protection of the Airport’s employees and passengers and to maintain economic stability in the conditions of plummeting passenger numbers by developing those branches of operation hit less by the pandemic (business

park, freight transportation, technical maintenance, etc.).

Development of a wide route network is among the priorities of Riga Airport, therefore the company regularly negotiate with air carriers regarding launching new routes. In the beginning of 2020, Airport’s representatives participated in the route development forum Connect 2020 in Turkey, which is among the biggest such events in the world. Unfortunately, any further activities in developing the route network had to be stopped due to COVID-19 pandemic. As route development forums were cancelled, only individual communication with carriers previously flying to Riga could be performed to explain flight restrictions and model the possible scenarios for resuming regular transportation.

Aviation companies (like Riga Airport, airBaltic, VAS “Latvijas gaisa satiksme”, the Civil Aviation Agency, and the Latvian Aviation Association) worked together to carry out studies on safe travelling and develop proposals to the Government regarding gradual resuming of flights. In addition, in cooperation with companies



from tourism sector (the Association of Latvian Travel Agents and Operators ALTA and its members) joint proposals for restoring tourism flows were drafted.

One of the cornerstones of Riga Airport growth is the development of aviation cargo segment. To promote the cargo segment, Riga Airport has acceded to the national transit and logistics trademark VIA Latvia, which was developed under the supervision of the Ministry of Transport of the Republic of Latvia. This project opens door to participation in the development of multimodal transport and logistics solutions and presenting of these solutions at international fairs and for international working groups. Thanks to joint marketing activities taken by air, sea, and railway transport companies, an e-commerce programme for aviation cargoes from China (Hangzhou and Hong Kong) has been established in cooperation with State joint-stock company VAS "Latvijas Pasts", that ensures further distribution of shipments to other countries via mail. As a result, there is now a transit flow of e-commerce express mail from China to Ukraine



via Riga. Additionally, participation in international fairs in Beijing, Shenzhen, Riga, Minsk, Moscow, Almaty, and Tashkent under the umbrella brand VIA LATVIA has contributed to the global image of Riga Airport as a reliable and competitive provider of cargo transportation services. Despite the COVID-19 pandemic, 2020 is known for three key cargo infrastructure projects being implemented:

- construction of a regional logistics centre (4,500 m<sup>2</sup>) for the DHL was launched in June. The centre will be among the most

modern logistics centres handling express shipping parcels in the Baltics;

- putting into operation of the new special cargo handling apron (63,536 m<sup>2</sup>), which is located in the northern part of the aerodrome and is directly connected to the territory where the "Cargo City" of Riga Airport will be developed for handling special air freights. Construction of new infrastructure objects allows Riga Airport to double its cargo handling capacity and makes the Airport more

attractive in the eyes of air cargo carriers from all around the world. The new cargo apron can accommodate three large fuselage aircraft stands allowing flexible aircraft planning and handling of all types of cargo aircraft;

- in November Riga Airport announced an international tender to attract an investor for building a new multi-functional cargo handling and logistics centre in the "Cargo City" of the Airport, which is a territory for handling special air freights.

# POSITIVE IMPACT AND CONTRIBUTION TO THE ECONOMY AND SOCIETY

## 103, 203-2

The economic dimension of sustainability concerns the organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels.

Strategy, action plans

Audit plans

ISO certification

Risk assessment tool

Whistleblowing procedure

Data collection and analysis

### *Economic impact management*

The economic impacts of Riga Airport are invaluable. As the leader of passenger and air cargo transportation in not only Latvia but the whole Baltic States with an ambition to become one of the air traffic hubs in Northern Europe, Riga Airport ensures

the connectivity of the region with strategic destinations, which has a direct impact on the tourism and hospitality industry and foreign investment in Latvia.

According to the data of the Central Statistical Bureau of the Republic of Latvia, 20.4% of travellers arrived to Latvia by air in 2020 (27% in 2018 and 32% in 2019).

As suggested by a survey<sup>20</sup> undertaken by the Latvian Aviation Association, aviation forms 76% of the aviation industry's added value and EUR 177 million of the Latvian GDP, and Riga Airport accounts for around 20% of this amount.

To determine the indirect benefits, the Latvian Aviation Association uses in its research the associated impact on the Latvian GDP, like:

- indirect investment (associated with goods and services supply chains);
- induced investment (associated with the consumption of aviation workers);

- catalysis impacts (associated with the availability of quality aviation services, like tourism, mail, couriers, etc.).

According to the information provided by the Latvian Aviation Association, in the researches carried out from 2014 until 2020, the proportion of aviation impact on the GDP structure is from 2.5% to 3.5%, indicating that the aviation's economic impact on the national economy has been rather stable for at least the last five years and even slightly ahead of the overall national growth.

So for example in 2019 the direct impact (aviation output) was 0.99%, indirect impact (goods and services supply chains) was 0.55%, induced impact (consumption by aviation workers) was 0.30%, and the catalysis impact (tourism, mail, couriers, etc.) was 1.65%, summing up to 3.5% of GDP.<sup>22</sup>

The COVID-19 pandemic caused the estimated aviation contribution to GDP in 2020 drop by 46%<sup>23</sup> which accounts for 19.4% in the total reduction of the national GDP (-4.32%) or

for 43.82%<sup>24</sup> if considering also the induced and catalysis impact.

The drop in the national GDP in 2020 is directly attributable to aviation services.<sup>25</sup> Also the number of people directly employed in aviation has fallen by 21% (provisional data). It is expected, that the aviation industry employment rate will reach the level of 2019 by no sooner than 2026, provided that air traffic numbers return to the level of 2019 around 2024.

The aviation industry engaged the Oxford Research to study the impact of the transportation cut due to the spread of COVID-19 on the national economy.<sup>26</sup> It was concluded that restrictions on the industry come with serious damage to the national economy estimated from 20% (direct loss of the aviation industry) to 43% (including the tourism and related services sectors) of the total drop in GDP.

Overall, before the crisis there were 4,400 employees working directly in the aviation industry. At the same time, the number of employees in the related sectors was 21,000 people.<sup>27</sup>

<sup>21</sup> Source: Study "Assessment of the Economic Impact of the Latvian Aviation Industry" : [https://217bebb8-ac9e-451b-9c37-143d01207631.filesusr.com/ugd/d4ddd3\\_9060f358eda34fb9b77daed747e4d707.pdf](https://217bebb8-ac9e-451b-9c37-143d01207631.filesusr.com/ugd/d4ddd3_9060f358eda34fb9b77daed747e4d707.pdf)

<sup>22</sup> Source: Study "Impact of COVID-19 on the Latvian Aviation Industry" : [https://217bebb8-ac9e-451b-9c37-143d01207631.filesusr.com/ugd/d4ddd3\\_88be0a4f9cbc402d8160d277ab9dfc32.pdf](https://217bebb8-ac9e-451b-9c37-143d01207631.filesusr.com/ugd/d4ddd3_88be0a4f9cbc402d8160d277ab9dfc32.pdf)

<sup>23</sup> Source: Study "Impact of COVID-19 on the Latvian Aviation Industry" by the Latvian Aviation Association

<sup>24</sup> Source: Study "Impact of COVID-19 on the Latvian and European Aviation Industry": [https://217bebb8-ac9e-451b-9c37-143d01207631.filesusr.com/ugd/d4ddd3\\_2f4a3385a644469599b1713498cb957f.pdf](https://217bebb8-ac9e-451b-9c37-143d01207631.filesusr.com/ugd/d4ddd3_2f4a3385a644469599b1713498cb957f.pdf)

<sup>25</sup> Source: IATA "The importance of air transport to Latvia" Available: <https://www.iata.org/en/iata-repository/publications/economic-reports/latvia--value-of-aviation/>

<sup>26</sup> Source: Study "Impact of COVID-19 on the Latvian and European Aviation Industry" <sup>27</sup>Source: A research "Role of the Latvian Aviation in the National Economy" by the Latvian Aviation Association.

## Short-term economic impact of the aviation industry on EU-27<sup>21</sup>



## Long-term economic impact of the aviation industry on Latvia<sup>22</sup>

Long-term economic impact of the aviation industry: increase in investment and productivity may account to up to 1% of GDP.

Aviation industry has a significant impact on the Latvian and European economy in both short- and long-term. Restrictions result in severe economic consequences in the aviation industry, and it will take a lot of time to recover.

## Impact on the national economy

Riga Airport is among the biggest tax payers in Latvia, and paid as much as EUR 11,380,605 in the national budget in 2020.

To celebrate the fact that Riga Airport has submitted all reports and declarations on time, and that the annual net turnover exceeded EUR 4,000,000 in last three reporting years, and that the total annual amount of taxes administered and collected by the State Revenue Service of the Republic of Latvia exceeds EUR 700,000 in last three reporting years, and compliance with other criteria, Riga Airport has been included in the Gold Level of the in-depth cooperation programme of the State Revenue Service.<sup>28</sup>

## Active civic engagement in the sector

Riga Airport is an active participant in the think tank organised by the Latvian Aviation Association and the Ministry of Transport of the Republic of Latvia. This cooperation platform involves nearly all Latvian aviation stakeholders thus offering an integrated floor for

communication, information exchange, and implementation of new projects.

Results of the think tank are available on the Latvian Aviation Association's website in the blog [Think Tank](#).

To strengthen the opinion leadership in Latvian aviation and to promote the popularity of aviation in Latvia, Riga Airport together with the Latvian Aviation Association and the business newspaper "Dienas Bizness" organise one of the most remarkable events for aviation experts in the Baltics—the annual Riga Aviation Forum, which was held on-line in 2020 for the first time due to COVID-19 pandemic. In total, there were more than 2,000 viewers of both the live and recorded event video. Last year the forum also included a scientific conference that was dedicated to challenges for a sustainable aviation industry. As Laila Odiņa, Chairperson of the Board of Riga Airport, pointed out at discussions during the Riga Aviation Forum, the Airport pays great attention to sustainable solutions both now and when planning its future development. This includes also assessment of the possibility to use the Structural

Fund money that will be available for Latvia during the next EU programming period by 2027. This EU financing could be used for building waste water infrastructure and purchasing vehicles using alternative fuels, like electric apron buses, special electric apron machinery, and electric cars that can be used for ensuring the Airport's daily functions.

On 9 March 2020, the Latvian Aviation Association renewed a memorandum with the Ministry of Transport setting the key priorities for aviation industry and policy planning (see below).

## Vision

An efficient and sustainable air transport system is built in Latvia that is integrated into the European common air traffic system and that provides safe and accessible services of good quality for Latvian businesses and the public thus promoting development of the Latvian economy.

## Mission

To develop and independently implement such action policy that will ensure maintaining and raising the safety and security level of the

<sup>28</sup>Source: State Revenue Service of the Republic of Latvia. Available: <https://www.vid.gov.lv/lv/dalibnieku-registrs>.



aviation transport, outstripping development of infrastructure, successful operation of air carriers and that will be able to maintain and promote growing contribution of the air transport industry to the national economy.

## Goal

Riga is a competitive air traffic centre dominating in the Baltics and important in the Northern Europe with a well-developed airport and air traffic management infrastructure, excellent conditions for aviation entrepreneurship, financially stable air carriers registered in Latvia that provide Latvian and foreign customers with rich, growing, safe and quality range of direct and transit passenger and cargo transportation services that meet the needs of the economy. The aviation education and training system meets the needs of the industry and is able to offer its services in the external market. The number of services associated with aviation industry is growing.

Riga Airport also participates in the employer initiatives, including the Permanent Labour Right Working-Group under the Employers' Confed-

eration of Latvia which reviews and gives opinion on the legal acts regulating labour rights and amendments thereto. Within the Working Group in 2020, proposals regarding such draft laws and regulations were considered and provided: amendments to the Labour Law, amendments to the Law on the Suppression of Consequences of the Spread of COVID-19 Infection, etc.; in addition, the Working Group elaborated proposals regarding necessary improvements in the application of employment regulations and the Labour Law during the emergency situation due to the spread of COVID-19.

Riga Airport gave an opinion to the Employers' Confederation of Latvia on expenses arising from the purchase of personal protective equipment necessary for the prevention of consequences of COVID-19; this opinion was presented during a meeting with the Ministry of Finance, Ministry of Welfare, and Ministry of Health on 12 May 2020 where the possibilities to find financing from the EU funds for companies to purchase personal protective equipment, disinfectants, and safety equipment to prevent the spread of COVID-19.

# COOPERATION WITH STAKEHOLDERS

102-40, 102-42, 102-43, 102-44

Riga Airport as a sustainable and socially responsible company is willing to explore its real impact and to manage its role in the society. Since the Airport significantly contributes to the Latvian economy and development, its activities involve a wide range of stakeholders; therefore, cooperation with all such parties is an integral part of sustainable business practices, in the opinion of Riga Airport.

In line with the GRI Standards and AA1000 AccountAbility Stakeholder Engagement Standard, Riga Airport has identified, evaluated, and mapped its stakeholders.

In 2019, the following stakeholder groups were identified:

- 1) key stakeholders (most important stakeholders which are vital for the business to exist)—shareholder (the Ministry of Transport), employees and the Trade Union, business partners, investors / providers of financing, customers, passengers, and suppliers (importance value—1);
- 2) important stakeholders (the company must comply with regulations and the regulative framework)—supervising

institutions, State and municipal organisations (importance value—2);

- 3) less important stakeholders (relationships should be promoted to ensure more successful business in the long-term)—mass media, representatives of the local community and society, education institutions, NGOs and environmental organisations, professional unions and industry experts (importance value—3).

The most important organisations representing each stakeholder group were surveyed in 2019 and invited to participate in a stakeholder workshop, in which the critical environment, social, and economic aspects were identified. See more on page 51.

The discussion-based event organised by Riga Airport within the first stakeholder seminar in May 2019 gathered representatives of the most powerful stakeholders who shared their opinions on the current cooperation and suggestions and expectations regarding aspects affecting company's sustainability. Altogether, 51 representatives of stakeholders participated in the workshop, and Riga

## Most important stakeholders

Impact side significance	Impact side	Stakeholder organizations which participated in the workshop and submitted proposals
1	Airlines (including freight carriers)	<i>Aeroflot, airBaltic, RAF-AVIA, Smartlynx Airlines, Turkish Airlines, Greencarrier Freight Services Latvia</i>
1	Business clients / lessees operating in the company's territory	<i>TAV Latvia</i>
1	Providers of non-aviation services	<i>TAV Latvia</i>
1	Military clients	Latvian National Armed Forces
1	Employees and trade unions	Latvian Airport Workers Trade Union, 14 employees of Riga Airport from various structural units (normal working hours and shift work)
1	Providers of aviation services	SIA "Capital Handling", SIA "Havas Latvia", VAS "Latvijas gaisa satiksme"
1	Other suppliers and sub-contractors	SIA <i>Ferrus</i> , ESSPO UAB
1	Shareholder	Minister of Transport
1	Passengers (customers)	Customers offered their suggestions in an on-line survey
2	Regulators and government agencies	Investment and Development Agency of Latvia, Ministry of the Interior, Radiation Safety Centre, Transport Accident and Incident Investigation Bureau, Customs
3	Local community (municipalities, inhabitants, organisations)	Mayors and inhabitants of Mārupe and Babīte Municipalities, Bierīņi District Development Association, Association of Mārupe Entrepreneurs
3	Business associations	Latvian Chamber of Commerce and Industry
3	Public organisations	Latvian Aviation Association
3	Civil society organisations	Association "Institute for Corporate Sustainability and Responsibility", Association "Apeiron", Latvian Ornithological Society, Association Homo Ecos
3	Mass media	Mass media offered their suggestions in an on-line survey



Airport received 55 proposals covering:

- passenger experience and safety;
- environment;
- working environment;
- supplier relations;
- local community;
- stakeholder relations.

Since many of the suggestions are already being implemented by the Airport, the company has decided to

improve its communication with stakeholders regarding accomplishments. Some of the implemented solutions are: self-care facilities for PRM, free drinking water filling stations in the passenger terminal, the new Collective Agreement has been updated and approved, etc. While other suggestions that complement the Airport's strategic goals but are not being implemented currently due to their topicality and budget possibilities are postponed. Such

suggestions include development of an interactive website dedicated to environmental and noise issues, continued cooperation with pupils in the form of career days for local public schools, consideration of the possibility to contribute to the employee's 3rd pension pillar, and to assist the local community in maintaining the biological diversity. The Airport communicates with stakeholder groups as necessary but not less than once a year.

Riga Airport evaluates the social, environmental, and economic aspects of its operation and engage stakeholders in solving important issues on various levels:

- surveys to establish topical issues and service evaluation;
- references for feedback from clients;
- negotiation or dialogue for individual or group consultation;
- consultation to find out or exchange opinions;
- partnership to adopt joint decisions and cooperate.

# MATERIAL SUSTAINABILITY AND RESPONSIBILITY ASPECTS

102-46, 102-47, 102-49

To identify the key social, economic, and environmental aspects, Riga Airport applied the international GRI standards pursuant to a particular and targeted methodology. The aspects were identified in five stages:

- 1) mapping of potentially material aspects;
- 2) identification of priority stakeholders and analysis of sustainability aspects by employees and external stakeholders;
- 3) meetings and discussions of stakeholders;
- 4) summary of opinions of external and internal stakeholders in the materiality matrix;
- 5) selection of appropriate sustainability indicators and inclusion thereof in the non-financial report.

In 2019, Riga Airport chose to apply the AA1000 AccountAbility Stakeholder Engagement Standard to the cooperation with its stakeholders.

## 1. stage

The list of potentially material aspects initially includes the factors related to the operation of the Airport that might be topical for both the Airport and its stakeholders. The material aspects were identified using these sources:

- GRI standards and GRI Airport Operators Sector Disclosures;
- information disclosed by similar aviation companies;
- strategy, policies, strategic documents, etc. of Riga Airport.

## 2. stage

To identify the Airport's stakeholders and to evaluate the most important stakeholders, a survey of Riga Airport senior management and leading specialists was carried out. See the stakeholder map on page 48. The material sustainability aspects were established in a survey of the internal and external stakeholders. Overall, 98 external and 136 internal stakeholders participated in the survey.

## 3. stage

As part of defining the material sustainability aspects, Riga Airport organised a workshop in May 2019. The workshop gathered the company's senior management and 50 participants who represented all the key stakeholders of Riga Airport.

The stakeholders and Airport's management assessed the importance of the identified aspects on a scale from 0 to 4. The participants, working in groups, discussed ideas and proposals how Riga Airport could provide for the sustainability in the material aspects and what else the Airport could do to become more responsible and promote the sustainability of society.

Results of group work were presented during a panel discussion.

## 4. stage

During this stage, the results of stakeholder voting were summarised resulting in a materiality matrix of 19 sustainability aspects related to the Airport. The vertical axis of the matrix

shows the importance of an aspect to resulting in a materiality matrix of 19 sustainability aspects related to the Airport. The vertical axis of the matrix shows the importance of an aspect to the external stakeholders, while the horizontal axis—to the internal stakeholders. The matrix has been divided in three parts: material, slightly material, and less material aspects. Six aspects were assessed as material, 11—as slightly material, but 2—as less material. Passenger and customer safety has been assessed as material by both the Airport and its external stakeholders. Infrastructure development was named as the most important social aspect, while material environmental aspects included noise pollution, waste management, impact on soil, and biological diversity.

## 5. stage

The sustainability report includes all material, slightly material, and less material topics. Pursuant to GRI standards, all 19 aspects were analysed by 43 relevant indicators, five Airport Operators Sector Disclosures, and

other important considerations (see the GRI indicators table on page 151). The next step is to review the material aspects, reporting topics, and indicators every two years. The next stakeholder meeting had to take place in 2021, but was postponed to 2022 due to the COVID-19 pandemic. If the epidemiological situation still does not allow it, the Airport will look for other efficient ways for organising a similar event.

- 1 Passenger and customer safety
- 2 Employee health and safety
- 3 Passenger and customer safety
- 4 Training, skills, and development
- 5 Infrastructure development
- 6 Open and fair engagement of stakeholders, communication and cooperation
- 7 Fair treatment of employees, their motivation and involvement
- 8 Accessibility to all (including people with health issues)
- 9 Connectivity and promoting Latvia as an attractive destination
- 10 Respect for human rights in Airport's activities and expectations for lessees
- 11 Worker availability and personnel diversity
- 12 Responsibility and sustainability in the supply chain / procurements and among lessees
- 13 Capacity and service quality
- 14 Noise pollution, waste, impact on soil, and biological diversity
- 15 Passenger and customer experience and satisfaction
- 16 Energy efficiency and impact on climate
- 17 Active civic engagement in the sector
- 18 Promoting green thinking among passengers
- 19 Local community engagement and voluntary work by workers

## Materiality matrix



## PRINCIPLES OF CORPORATE GOVERNANCE



### External initiatives, principles and systems of management 102-12

To manage operational processes, ensure reliable and safe infrastructure, reduce environmental impact, and improve the service quality thus promoting reaching of the company's goals, Riga Airport has implemented and maintains an integrated management system (quality management system and environmental management system), which is certified to ISO 9001:2015 and ISO 14001:2015.

The sustainable development, reduced CO<sub>2</sub> emissions, and efficient energy use is attested by the energy management system, first introduced in 2018 and certified to ISO 50001:2011 in 2020.

Willing to promote integration of the sustainability and management aspects in the company's activities, Riga Airport continued participation in the Sustainability Index organised by the Association "Institute for Corporate Sustainability and Responsibili-

ty and received the highest Platinum category also in 2020, maintaining the company's high level for two years in a row. See more on page 17.

Riga Airport was among the first ones in Europe to develop a programme for safe travelling "Prevent the Virus to Travel", which was elaborated after implementation of travel restrictions due to the spread of COVID-19 in accordance with recommendations of international and Latvian health care organisations. This programme has been well-received by many parties—passengers, carriers, cooperation partners, and mass media. Thanks to this programme, Riga Airport joined the EU Aviation Safety Agency's (EASA) Aviation Industry Charter for COVID-19 thus demonstrating the Airport's willingness to work pursuant to the highest epidemiological safety standards in aviation and to cooperate with national and international bodies in reducing the risk of spreading the disease.

In COVID-19 Airport Safety Rating of the prestigious aviation rating agency Skytrax, Riga Airport was awarded

four out of five stars for the implemented COVID-19 measures.

In 2020, Riga Airport continued improving the business environment by active participation in experience and best practices exchange events in the field of personnel management, training, and occupational safety.

- The Airport participated in a discussion organised by the Latvian Aviation Association regarding employment challenges faced by the aviation industry, information exchange, and support instruments.
- It also provided for training of five university lecturers under the ESF project "Strengthening Transport and Telecommunication Institute Academic Staff in the Areas of Strategic Specialisation".
- In the travelling prize "Saules laiva" awarding ceremony, Riga Airport received an Appreciation from the Ministry of Education and Science for contribution to the promotion of informal adult education and quality study process in Latvia.

- As a representative of employers the Airport participated in the accreditation meeting of the Aviation Management study programme, Transport and Telecommunication Institute.
- Riga Airport participated also in a discussion "Cooperation between companies and professional education institutions" organized by the Latvian Chamber of Commerce and Industry.

To support young people in choosing their career path and acquiring practical work skills, Riga Airport:

- launched cooperation with the foundation "Mission Possible" under the School Programme "Ready for Life" by signing a memorandum of cooperation and by preparing two topics for study lessons integrating information about the Airport's core business processes (service of aircraft and handling of dangerous substances) into the physics curriculum for secondary schools;
- provided practical training of 23 pupils of secondary vocational

schools or universities.

As an air traffic hub, partner for a civil society and the leading airport in the Baltic region, Riga Airport together with the national airline airBaltic, Ministry of the Interior of the Republic of Latvia and the associations "Shelter "Safe House"" and "Resource Centre for Women "Marta"" participate in various activities related to implementation of a document aimed at prevention of trafficking in human beings in the aviation industry. See more on page 99.

For a long time, it was difficult for passengers to empty their bottles of water before the security control. Together with the non-governmental environmental organization Homo Ecos waste monitoring at the security control was performed, as a result of which a sink was installed where liquids can be poured out and an information about sustainability principles at the Airport, including information about waste sorting, was placed.

To improve services for PRM, the company consults with representatives of dedicated organisations and experts.

In 2020, the company also consulted with the organisation PassePartout Training Ltd. This organisation provides professional training for transport workers who work directly with PRM and their managers.

## Ethics and integrity

### 102-16, 205-2

The Code of Conduct adopted by the Executive Board in 2018 ensures transparent and ethical operation of the company, but principles of cooperation with partners is based on the business ethics guidelines adopted in 2019. See more in the Section "Ethics and Anti-corruption Policy" on page 24.

In addition, Riga Airport has developed a training programme "Code of Conduct PD 0611 P" and has specified that all employees must undergo a training once in three years. The training programme is based on requirements regarding reaction to issues related to possible violations, corrupt and fraudulent conduct. In 2019, all Riga Airport's employees (except State officials bound by the Law On Prevention of Conflict of Interest in Activities of Public Officials) underwent an e-training to



test their knowledge about the principles of the Code of Conduct.

The positions facing more risks of corruption, will have to participate in special awareness raising events minimum once in three years, and lecturers at such events will include specialists from the Corruption Prevention and Combating Bureau and other organisations. In 2019, in cooperation with the Corruption Prevention and Combating Bureau, Riga Airport organized workshops “Internal Control System for the Prevention of Risks Related to Corruption and Conflict of Interest” with 25 participants.

According to the regulations, next training for all company’s employees and the positions prone to corruption risk will take place in 2022.

To promote the integrity of company’s business partners, an additional norm has been included in the standard procurement regulations of the Airport since April 2019. This norm provides that the client and all its employees do not commit any fraudulent or corrupt actions, including prohibition to offer bribes to any national or foreign officials. Moreover, the client must approve the Code of Conduct and shall evaluate the corruption risks and take measures to reduce and prevent these

risks. Separate training for business partners is not organized. Basic principles for cooperation with contractors are available on the Airport’s [website](#).

## Compliance with environmental protection laws and regulations

### 307-1

Riga Airport complies with all the applicable environmental protection laws and regulations, which is also confirmed by the results of the inspection performed by the State Environmental Service on 10 March 2020.

According to these results, neither any violations of the environmental protection laws nor breaches of the polluting activity permit B were identified in 2020. As a consequence, no sanctions have been imposed on the Airport by the controlling institutions.

## Compliance with social and economic laws and regulations

### 419-1

No penalties or financial sanctions were imposed on the Airport in 2020 for any non-compliances with the social or economic laws and regulations.

## Governance structure

### 102-18

## Management model and organizational hierarchy

Riga Airport management model is based on the best practices of corporate management. Strategic and operational operations have been separated to ensure efficient management, decision-making, and

reaching of goals. Strategic management is the responsibility of the Executive Board, whose members are solidarily liable pursuant to the Commercial Law, but department directors are individually liable for the operational management. The main task of the Executive Board is to ensure that the company reaches its strategic goals. Departments are established with a view to promoting the company's basic activity and the relevant support functions.

Pursuant to the Articles of Association of Riga Airport that were effective until 11 November 2020, the term of office of Members of Executive and Supervisory Boards is five years. All Executive Board Members are entitled to act on the behalf of Riga Airport. Pursuant to the authorisation for the Board, the Chair of Executive Board and the responsible Executive Board Member, or with another Executive Board Member in case of absence of the responsible Executive Board Member, are entitled to represent Riga Airport in establishing rights to enter in any transactions and perform activities associated with the commercial activity, including signing

letters, claims, and similar documents. In 2020, the Executive Board consists of four members (Chair of the Executive Board and three Executive Board Members). On 16 April 2020, the composition of the Executive Board changed and since July there are only three persons in the Executive Board—Chair of the Executive Board Laila Odiņa and Executive Board Members Artūrs Saveljevs and Normunds Freibergs. The company's Articles of Association were amended on 11 November 2020, and it was established that the Executive Board shall be composed of three members.

- Chair of Executive Board (Airfield Executive Manager) is responsible for the work of the Airfield Safety and Management Department, Security Department, Legal Department, Human Resources Department, Communication Unit, Infrastructure Maintenance and Development Department, Quality Department, Internal Audit Unit, Standing Procurement Committee, Assistant to Chair of Executive Board, and Advisor to Chair of Executive Board.

- Executive Board Members are responsible for the work of Aviation Services and Business Development Department, Marketing Unit, Financial Department, Ground Handling Department, IT Department, Commercial Department.

## Shareholders

The State Joint-stock Company "Riga International Airport" is a State joint-stock company of the Republic of Latvia, and the holder of its capital shares is the Ministry of Transport. In the shareholders' meeting, the shareholder's interests are represented by the State Secretary of the Ministry of Transport or an official authorised by him or her. Shareholders' meetings are convened according to the requirements and terms stipulated by the Law on Governance of Capital Shares of a Public Person and Capital Companies. The main tasks of a shareholders' meeting are:

- to approve the annual account and to distribute the profit of the company;
- to elect and revoke Supervisory Board Members and the auditor, and

to decide on their remuneration;

- to approve and amend the articles of association and to reorganise the company;
- to increase or decrease the equity capital;
- to decide on other issues referred to in the Law.

In 2020, there were seven shareholders' meetings in which the following issues were discussed:

- regarding internal audit report 2019;
- regarding internal audit plan 2020;
- regarding approval of the annual accounts 2019, distribution of profit, implementation of budget and financial and performance indicators;
- regarding performance of the decisions of the shareholders' meeting of the first half of 2020;
- regarding final evaluation of the performance results of 2019;
- regarding approval of amendments to and a new version of the Articles of Association;

- regarding the use of the profits not disbursed as dividends from 2015 (profit of 2014) until 2020 (profit of 2019);
- regarding the updated financial and performance indicators and forecast results for 2020;
- regarding the planned financial and performance indicators and forecast results for 2021
- regarding drafting of the company's medium-term operational strategy.

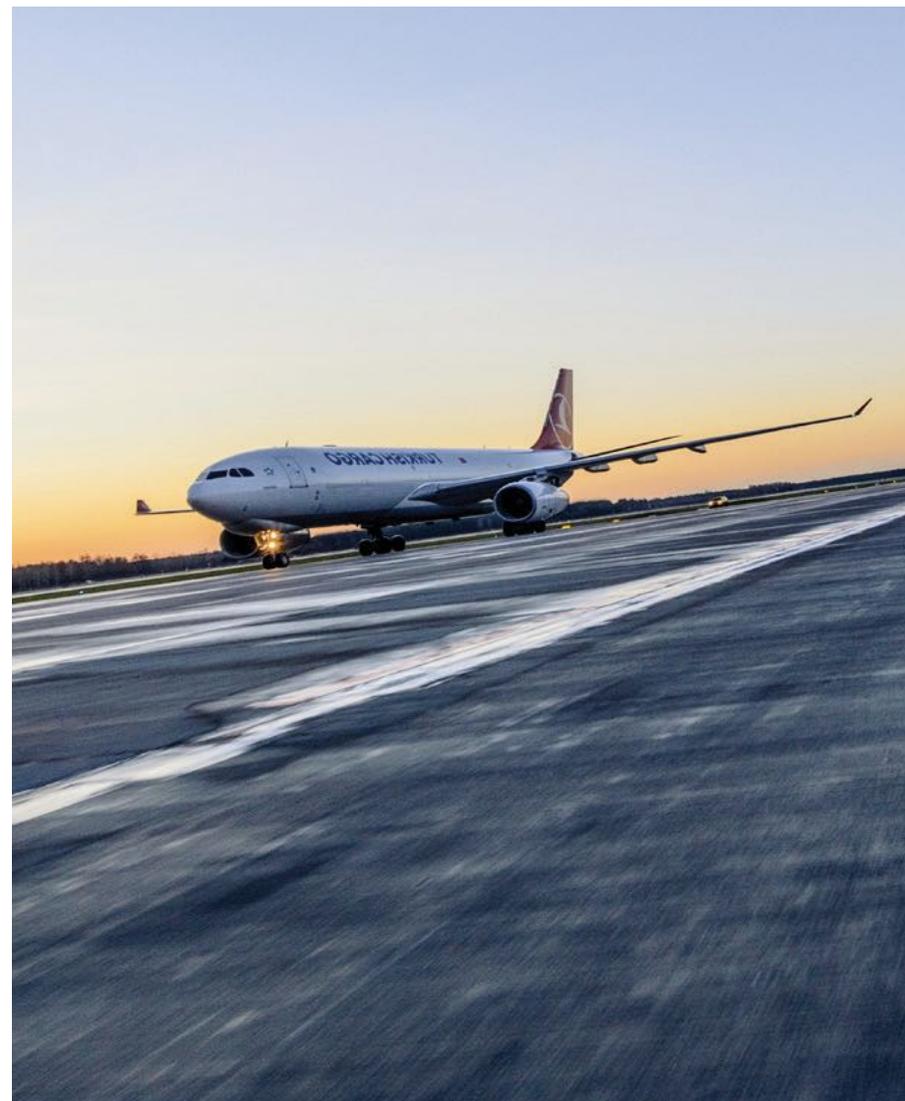
## Supervisory Board

Riga Airport Supervisory Board was established in 2016. The Supervisory Board is an institution representing the interests of the holder of State capital shares in between shareholders' meetings and supervising the work of the Executive Board. Pursuant to Cabinet Regulation No. 63 of 4 February 2020 "Regulations Regarding the Number of Members of the Executive Board and Supervisory Board in Capital Companies of a Public Person and Public Private Capital Companies, as well as the

Maximum Amount of the Monthly Remuneration for Members of the Executive Board and Supervisory Board", the Supervisory Council of Riga Airport is composed of three members—Juris Kanels, Laila Odiņa (until 15 April 2020), and Eduards Toms. The term of office of the Supervisory Board is five years. Read more about the Supervisory Board on page 60.

The main tasks of the Supervisory Board are:

- to elect and revoke the Executive Board Members and determine their remuneration, to supervise the work of the Executive Board;
- to supervise that the matters of the company are conducted in accordance with the requirements of laws, articles of association, decisions of the shareholders' meeting, and company strategy;
- to approve the medium-term operational strategy and supervise its implementation;
- to approve the planned financial indicators and annual budget and to supervise implementation of the budget;



- to supervise the performance of internal control and risk management systems and to verify their compliance and efficiency;
- to examine reports by the Internal Audit Unit regarding the results of internal audit or inspection, and to order other unscheduled audits or inspections, if necessary.

In July 2020, the Supervisory Council supported establishment of the Terminal Development Supervisory Committee, which is chaired by the Chair of Supervisory Council.

Regulations and Notifications of the Supervisory Board are available in the company's [website](#).

Overall, 20 Supervisory Board meetings were held in 2020 to discuss 106 items and adopt several decisions. The key decisions were:

- regarding environmental and energy management systems, goals and results;
- regarding the course of implementation of Stage 6 of the passenger terminal expansion project;

- regarding approval of the Supervisory Board Regulations;
- regarding procurement plan 2020;
- regarding the results of implementation of the operational plan 2019 and operational plan 2020;
- regarding performance of the action plan 2019 for implementation of the medium-term operational strategy 2017–2023 and the long-term strategy 2017–2036;
- regarding internal audit report 2019 and internal audit plan 2020;
- regarding performance of decisions by the Supervisory Council in 2019;
- regarding the company's situation in the light of the emergency situation declared in the State;
- regarding composition of the Executive Board;
- regarding annual accounts 2019, implementation of the budget, distribution of profit, indicators

characterising the size of the company and their groups, performance of financial and performance indicators, and appointing auditor for the annual accounts 2020;

- regarding damages caused to the Airport by COVID-19 and the allocated State support;
- regarding preparation for ensuring the Airport's operation after cancelling the travelling restrictions laid down during the emergency situation;
- regarding the course of implementation of the internal audit proposals;
- regarding the actual financial indicators 2020;
- regarding approval of the Risk Management Policy;
- regarding the State aid notification for the European Commission and

the actual financial indicators;

- regarding the actual financial indicators 2020;
- regarding participation in the Airport Carbon Accreditation programme;
- regarding the Business Park Development Plan;
- regarding approval of amendments to the Articles of Association and proposing the new version of the Articles of Association for approval by the shareholders' meeting;
- regarding the nomination process for selecting the Chair of Executive Board;
- regarding the use of the profits not disbursed as dividends from 2015 (profit of 2014) until 2020 (profit of 2019);
- regarding coordination of the medium-term operational strategy 2021–2027;



- regarding the budget and financial and performance indicators for 2021;
- regarding concluding an agreement with SIA "Eiropas dzelzceļa līnijas" on cooperation in implementation of the Rail Baltica project.

## Executive Board

Based on the Airport's Articles of Association, the company's activities are

organised and ensured by the Executive Board, which is composed of three members since 2020. One of these members is the Chair of Executive Board. Work of the Executive Board is supervised by the Supervisory Board, which consists of the Chair and two Supervisory Board Members. The Executive Board reports the Airport's performance results to the Supervisory Board and the holder of capital shares—Ministry of Transport of the Republic of Latvia.

Executive Board Members are elected by the Supervisory Board for a term of five years, and the Executive Board works pursuant to the Regulations, which is available on the Airport's website.

Chair of the Executive Board is chosen from the Executive Board Members and elected by the Supervisory Board; The Chair is responsible for the company's everyday activities. Members of Airport's Executive Board in 2020

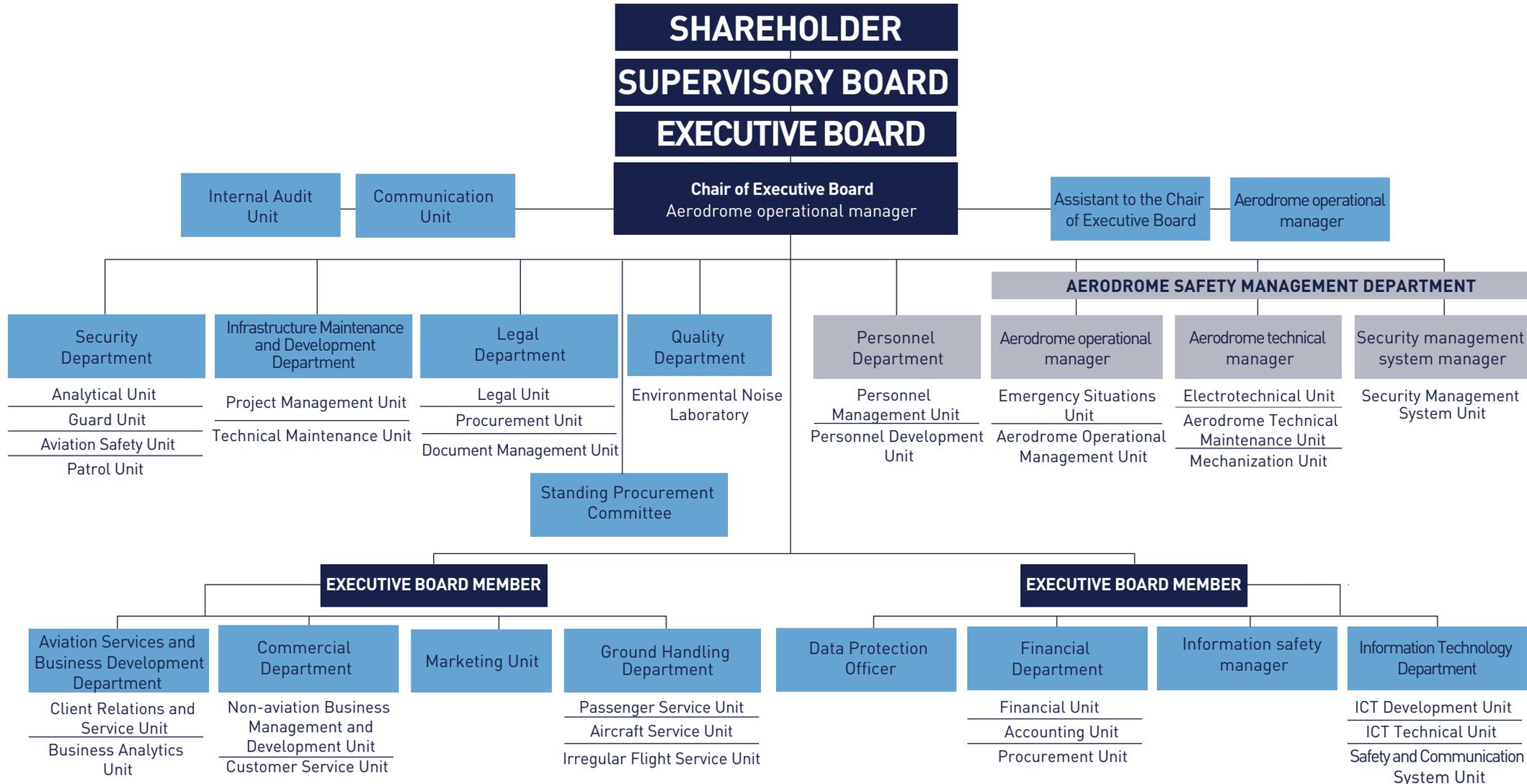
were: the Chair Ilona Līce (until 15 April 2020), from 16 April 2020—Laila Odiņa, and three Executive Board Members: Lauma Jenča (until 3 July 2020), Normunds Feierbergs, and Artūrs Saveljevs. Read more about the Executive Board on page 62.

The main tasks of the Executive Board are:

- to organize and ensure that company's activities comply with the laws and company's strategy;
- to examine and approve transactions, to supervise the company's economic activities, and to ensure that accounting is run in accordance with laws;
- to approve the annual budget and investment plan for each year and for a period of three to five years;
- to approve the company's structure, staff, and remuneration regulations.

If not stated otherwise, Executive Board meetings are held once a week. In 2020, there were 67 Executive Board meetings.

## ORGANISATIONAL CHART OF SJSC “RIGA INTERNATIONAL AIRPORT”



## SUPERVISORY BOARD



Chair of the Supervisory Board  
**JURIS KANELS**  
 In office since 17 May 2016.  
 Term of office: 5 years.

### Work experience

10.2016.	hitherto Associate Professor, Ph. D., Member of Board, Transport and Telecommunication Institute.
08.2015.	hitherto Director, Transport and Telecommunication Institute. Academic and Professional Aviation Centre.
03.2012.–09.2016.	Vice-rector for Administrative Issues and Manager of International Department, Transport and Telecommunication Institute.
10.2009. –09.2010.	Chair of Board, SIA "Selkoms".
06.2009. –12.2011.	Chair of Board, SIA "ANS" (previous name SIA "Aeronavigācijas serviss. Mācību centrs").
12.2008.–06.2009.	Member of Board, SJSC "Latvijas gaisa satiksme".
02.2007.–12.2008.	Member of Board, SJSC "Rīga International Airport".
11.2004.–11.2006.	Chair of Board, SJSC "Valsts informācijas tīkla aģentūra".
03.2004.–11.2006.	Member of Supervisory Board, SJSC "Rīga International Airport".
07.2003.–12.2003	Member of Board, Freeport of Ventspils.
04.2003.–10.2004.	2004 Chair of Board, non-profit SJSC "Latvijas Attīstības aģentūra"; after reorganization: Director, State Agency "Investment and Development Agency of Latvia".
11.2002.–05.2003.	Vice-chair of Council, AS "Rīgas jūras līnija".
01.2002.–04.2003.	Member of Board, non-profit SIA "Rīgas reģiona attīstības aģentūra".
07.1998.–12.2002.	Vice-chair of Board, SIA "Eirokonsultants".
01.1998.–05.1998.	Ambassador at large, Ministry of Foreign Affairs of the Republic of Latvia.
09.1993.–01.1998.	Ambassador Extraordinary and Plenipotentiary, Embassy of the Republic of Latvia to Belgium, the Netherlands, Luxembourg, and NATO, representation in the European Union.
01.1992.–09.1993.	Director of the Economics Department and Deputy State Secretary, Ministry of Foreign Affairs of the Republic of Latvia.
01.1991.–01.1992.	Deputy Director General of the Department for External Economic Relations, Ministry of Foreign Affairs of the Republic of Latvia.

### Education

Higher; 1978 Industrial Planning at the Faculty of Economics, University of Latvia.



Supervisory Board Member  
LAILA ODIŅA  
From 26 April 2018  
until 15 April 2020.

## Work experience

Supervisory Board Member,  
SJSC "Riga International Airport".

Member of Board, SIA "AOC".

Director of Operational  
Management, JSC "UTAir Airlines".

Executive Director, JSC "  
Azerbaijan Airlines".

Director of Operational Management,  
AS "Air Baltic Corporation".

## Education

University of London,  
postgraduate programme  
"Air Traffic Management".

Business Management,  
"RISEBA" University of Business,  
Arts and Technology.



Supervisory Board Member  
EDUARDS TOMS  
In office since 24 May 2019.  
Term of office: 5 years.

## Work experience

Supervisory Board Member,  
SJSC "Riga International Airport".

CFO, Primera Air Scandinavia A/S,  
Primera Air Nordic SIA, Primera Air ehf.

Financial and Administrative Director and  
Board Member with Signatory Rights,  
SIA "Consolis Latvija".

Financial Director, Betonika UAB  
(company of the Consolis Group).

Finance Process Improvement Manager,  
CFO, Consolis regional office.

Senior Vice-president, Financial and Control  
Department, AS "Air Baltic Corporation".

## Education

BEC and MEd, University of Latvia.

Executive MBA, Stockholm School  
of Economics in Riga.

## EXECUTIVE BOARD



Chair of the Executive Board  
ILONA LĪCE  
From 20 March 2017  
until 15 April 2020.

### Work experience

Chair of the Executive Board,  
SJSC "Riga International Airport".

Executive Board Member,  
SJSC "Riga International Airport".

Lecturer, University College of  
Economics and Culture.

Chair of Board, SIA "Projektu  
konsultāciju tehnoloģijas".

Supervisory Board Member,  
SJSC "Latvijas gaisa satiksme".

### Education

Master of Social Sciences in Public  
Administration, Faculty of  
Economics and Management,  
University of Latvia.

Bachelor of Social Sciences in  
Politics, Faculty of Social Sciences,  
University of Latvia.



Chair of the Executive Board  
LAILA ODIŅA  
In office since 16 April 2020.

Term of office: – pursuant to Section  
31, Clause nine, of the Law on  
Governance of Capital Shares of  
a Public Person and Capital Companies.



Executive Board Member  
ARTŪRS SAVELJEVS  
In office since 13 September 2017.  
Term of office: 5 years.

## Work experience

Executive Board Member and Director of the Commercial Department, SJSC "Riga International Airport".

Lecturer, Director of the Professional Master Programme Aviation Management, Transport and Telecommunication Institute.

Director of the Marketing Department, SJSC "Riga International Airport".

Director of the Non-aviation Marketing, SJSC "Riga International Airport".

## Education

MSc in Airport Planning and Management, Cranfield University.

Master in Economics (International Economics), University of Latvia.

Professional Bachelor's Degree in Business Management, "RISEBA" University of Business, Arts and Technology.



Member of Executive Board  
LAUMA JENČA  
From 31 October 2016  
until 3 July 2020.

## Work experience

Executive Board Member, SJSC "Riga International Airport".

Council Member, AS "VRC Zaslauks".

Director of the Legal Department, SJSC "Riga International Airport".

Long-term experience in the position of a leading lawyer in private capital companies.

## Education

Professional Bachelor's Degree in Law, Turība University.



Executive Board Member  
**NORMUNDS FEIERBERGS**  
In office since 10 November 2016.  
Term of office: 5 years.

## Work experience

Executive Board Member,  
SJSC "Riga International Airport".

Head of IT Department, Vice-president,  
AS "Latvijas Krājbanka".

Head of General Bank Service  
Management, First Vice-president,  
AS "UniCredit Bank".

Various other leading positions in  
various capital companies.

## Education

Master Degree in Business  
Management, Faculty of Economics  
and Management, University of Latvia.

Bachelor's Degree in IT, Faculty of  
Physics and Mathematics, University of Latvia.

## Economic, environmental, and social committees

There are two committees and two working groups at the Airport that supervise adoption of economic, environmental, and social decisions.

## Energy management system working group

Energy Management System Working Group is responsible for maintaining and improving the energy management system, and planning, promotion and control of energy management measures. The Working Group is managed by the environmental management system manager and includes representatives of the Executive Board and other units responsible for the use of Airport's energy resources and environmental protection.

In total, six meetings of the Energy Management Working Group were held, during which 44 decisions were made. Some of the most important decisions and measures taken by the Energy Management Working Group in 2020:

- evaluation of the quarterly and annual energy consumption results, cause analysis, and identification of the further activities;
- elaboration and approval of the energy report;
- identification of the possible energy-saving measures during the emergency situation;
- elaboration of the energy efficiency assessment section and adding thereof to the procurement standard form;
- setting target for reducing the Airport's CO<sub>2</sub> emission amount and identification of the further activities;
- approval of the carbon management plan for 2020–2023;
- preparation of an information material for Airport's employees about the measures for reducing heat consumption during the heating season and the use of heating devices;
- control of implementation of the energy management tool and integration of the historical data into the tool.

## Environmental noise management working group

Outside the Airport's territory, significant impact is only exerted by the noise generated by aircraft. Conditions for noise management are specified in the polluting activity permit B and Cabinet Regulation No. 16 "Procedure of Assessment and Management of Noise".

To assess the level of noise near the Airport during take-off and landing of aircraft as well as the number of population concerned and territories and population that are exposed to exceeded noise limit values, the Strategic Noise Map is prepared once in every five years.

On the basis of the Strategic Noise Map, Riga Airport prepares an action plan for noise abatement, which is the key instrument in managing the noise generated by aircraft. The action plan is elaborated by the Airport's Environmental Noise Management Working Group. The Working Group is headed by the Airport and gathers representatives of Mārupe Municipality, Babīte Municipality, Riga City Council, Health

Inspectorate, Lielrīga Regional Environmental Board of the State Environmental Service, national airline airBaltic, and VAS "Latvijas gaisa satiksme". Altogether, three meetings were held in 2020 and several significant tasks specified in the Action Plan were accomplished.

For example, procedures for aircraft engine inspection on the southern engine inspection platform (when this platform is available and not used for other purposes) were established. The procedure for engine check-up was published on EVRA AD2.20, and engine run-up was permitted in Deicing Pad South (DS3). In addition, the Aerodrome's operational manual was supplemented to describe the procedure for requesting and performing aircraft engine run-up in DS3 or Z3.

The Civil Aviation Agency prepared draft Regulation that was submitted to the Ministry of Transport, which then was proposed to the Cabinet in 2020. On 17 December 2020, amendments to the Cabinet Regulation No. 1041 "Regulations Regarding Restrictions on the Operation of

Aircraft at Aerodromes in Conformity with the Requirements of Environmental Protection” were approved. Paragraph 16 was deleted thus allowing to lift restrictions on amendments to flight procedures. The Airport submitted draft amendments to a working sub-group on aviation issues that was approved and proposed for Aeronautical Information Publication (AIP) of VAS “Latvijas gaisa satiksme”. As a result of the amendments, the impact of environmental noise during aircraft take-off is now reduced.

A special working sub-group for the aviation industry examines specific issues related to flight trajectories and procedures. In 2020, three meetings of the aviation sub-group were held to analyse the current situation at the Airport and provide several proposals. In general, the COVID-19 pandemic had a critical impact on the Airport’s operation resulting in a decrease in the aircraft noise level.

## Standing Committee for the Review of Possible Violations

Pursuant to the Whistleblowing Law, the Committee is obligated to review

information about violations reported by whistleblowers and violations of the Code of Conduct and to act pursuant to the company’s procedure. The Committee is managed by the Head of the Internal Audit Unit and includes another four members.

In 2020, the Committee did not hold any meetings as no reports / submissions regarding possible violations were received.

## Sustainability Committee

The goal of the Committee is to implement the Airport’s sustainability measures in accordance with the Corporate Social Responsibility Guidelines and Sustainable Development Policy, and to coordinate the sustainability-related issues at the Airport to ensure sustainability in all possible aspects. The composition of the Committee corresponds with the fields of responsibility defined in the Sustainable Development Policy. The Committee is managed by the Chair of the Executive Board and includes 13 members.

The Sustainability Committee met five times during 2020, and these were



among the most important decisions:

- regarding the results of the employee engagement survey and their further use;
- regarding the necessity to prepare a plan for improving the working environment;
- regarding approval of the document “Basic principles for cooperation with contractors” and uploading of the document to the Airport’s website;
- regarding accepting of regulations for employees’ idea competition and starting the competition in 2021;
- regarding the necessity to adjust the plan for improving the working environment according to the new situation caused by the COVID-19 pandemic;
- regarding establishment of regulations for the Colleague of the Year 2020 and the awarding ceremony;
- regarding analysis of the sustainability index results and expert commentaries;
- regarding the content analysis of GRI 2019.

Monthly remuneration of a member of the executive board shall be determined in conformity with the maximum amount of monthly remuneration provided for in Cabinet regulations. The Cabinet shall determine the maximum amount of the monthly remuneration of a member of the executive board, taking into account the average remuneration for the governance in similarly sized (net turnover, total sum of the balance, number of employees) capital companies in the private sector or—in individual cases—in the sector, in which the respective capital company is operating. The maximum amount of the monthly remuneration of a member of the executive board may not exceed the amount of the average monthly work remuneration of the previous year for persons working in the State published in the official statistics report of the Central Statistical Bureau, which has been rounded up to full EUR and to which the coefficient 10 has been applied. The monthly remuneration of a member of the executive board shall be determined for the whole term of office of the member with the right to review it once a year.

A member of the executive board may be disbursed a premium once a year after approval of the annual account. The premium may not exceed the amount of remuneration for two months of the member of the executive board of the capital company.

A member of the council shall be elected to the position for five years. Members of the council shall be elected and revoked by the meeting of stockholders.

Monthly remuneration of a member of the supervisory board shall be determined in conformity with the maximum amount of monthly remuneration provided for in Cabinet regulations. The Cabinet shall determine the maximum amount of monthly remuneration for members of the supervisory council, taking into account the average remuneration for governance in similarly sized (net turnover, total sum of balance, number of employees) companies in the private sector or—in individual cases—in the sector, in which the respective company is operating. The maximum amount of monthly remuneration for a member of the supervisory board shall not

exceed the amount of the average monthly remuneration of the preceding year of persons working in the State, published in the official statistics statement by the Central Statistical Bureau, which has been rounded up to full euros and to which the coefficient of 10 has been applied. Premiums to a member of the supervisory board shall not be disbursed.

The remuneration of the Chairs of the Executive Board and the Supervisory Board is related to the amount of the average monthly remuneration for work for the workforce in the State in the previous year as published in the official statistical notification of the Central Statistical Bureau of the Republic of Latvia by applying a coefficient to that amount according to the classification of capital companies. Riga Airport is classified as a large capital company (according to such criteria as number of employees and financial indicators), thus the monthly remuneration for the Chair of Executive Board is determined by applying the coefficient 10 and for the Chair of Supervisory Board is calculated by applying the coefficient 3.

The remuneration for Executive Board Members and Supervisory Board Members is determined in the amount of 90% of the remuneration for the Chair of Executive Board and Supervisory Board respectively. If an Executive Board Member additionally performs other duties, the total remuneration does not change and remains as described previously (in the amount of 90%: remuneration for performing the duties of Executive Board Member and remuneration for performing the duties of another position is calculated proportionally).

After the approval of the annual account, the Supervisory Council may decide on a premium for Executive Board Members. The premium may not exceed the amount of remuneration for two months of Executive Board Member, and is calculated by taking into account the company's performance indicators in the previous reporting year, implementation of the medium-term operational strategy, and performance results of the Executive Board Member.

An authorisation contract is concluded with Executive and Supervisory

Board Members, and the Collective Agreement is not applied to them.

In 2020, the total remuneration for Executive and Supervisory Board Members was EUR 483,199 (mandatory State social insurance contributions EUR 114,124).

Information on the remuneration for the Executive and Supervisory Boards is available publicly in the declarations of public officials, which are published on the website of the State Revenue Service.

## Dividend policy

In 2019, the Airport received an approval from the European Commission regarding a different dividend policy for 2017–2022, which has been applied in 2017 and 2018. As the COVID-19 pandemic started causing drop in air traffic, the Ministry of Transport, as the holder of capital shares of the Airport, turned to the Cabinet of Ministers with a request to invest EUR 49.9 million in the Airport's equity capital and to leave the dividend payments for 2019 in the amount of EUR 4.5 million at the disposal of the company to allow

implementation of the started investment projects and to reduce damages caused by the COVID-19 crisis. On 23 April 2020, the Cabinet of Ministers supported increasing of the Airport's equity capital and leaving of the dividend payments at the disposal of the company and ordered the Ministry of Transport to prepare and submit a plan on aid to commercial activities for eliminating the consequences caused by COVID-19 to the Ministry of Finance to ensure that notification of State aid is submitted to and approved by the European Commission. Discussions with the European Commission continued until late 2020, but decision on the aid was not taken last year.

Only on 8 March 2021 did the European Commission support increasing of Riga Airport's equity capital by EUR 35.2 million and leaving of the dividend payments for 2019 in the amount of EUR 4.5 million at the disposal of the company.

## Risk assessment and management

### 102-11

To establish an appropriate and eff-

icient internal control system for risk management, a Risk Management Policy was elaborated setting common goals for risk management process, risk management areas, key elements, process stages, basic principles and guidelines, as well as the responsibility and duties of the employees involved in the risk management process. To ensure Airport's risk management, a risk management committee was established. The company has developed a new internal regulative document—Strategic, Operational and Financial Risks Management Instruction IA 1452 I, pursuant to which risk identification and assessment was started.

Safety risk management process at Riga Airport is run within the safety management system pursuant to Commission Regulation (EU) No. 139/2014 laying down requirements and administrative procedures related to aerodromes pursuant to Regulation (EC) No. 216/2008 of the European Parliament and of the Council (see more about security management system on page 84).

Risk management policy prescribes

management of various risks, like strategic risks, operational risks (legal, compliance-related, staff, fraud, corruption and conflict of interests, continuity of operations, etc.), financial risks, risks related to fields of activity (aviation security, information systems, environment, energy management system, and working environment).

**Strategic risks** – Risks that are related to inappropriate planning and implementation of Airport's strategy or inappropriate strategic or development decisions affecting Airport's operation.

**Safety risks** – Risks that are related to safe provision of Airport's operation and that are managed within the Airport's safety management system.

**Aviation safety risks** – Risks that are managed within the Airport's aviation safety system.

**Environmental risks** – Risks that are managed within the Airport's environmental management system.

**Energy management risks** – Risks that are managed within the Airport's



energy management system.

**IT system risks** – Risks that related to the safety of Airport’s IT systems, including personal data protection risks.

**Working environment risks** – Risks that are related to the working environment at the Airport.

**Operational risks** – Risks that are

related to inappropriate, incomplete or non-compliant run of Airport’s processes / projects, staff activities or external events, like legal, compliance-related, staff, fraud risks, corruption and conflict of interests risks, personal data protection risks and ICT risks.

**Financial risks** – Risks that are related to possible losses caused by unpredicted financial changes and

insufficient financial flows, including inadequate budgeting, performance supervision, financing attraction to cover financial liabilities, like liquidity risks, market risks and credit risks.

The following risk management principles are applied to the implementation of risk management policy: integration into management, dynamic, practical applicability and efficiency, traceability and validity of information, continuous improvement, involvement and cooperation, the concept of “three lines of defence”. See detailed information about risk management principles on Riga Airport [website](#) in Section “About”

Implementation of risk management policy is supervised by the Standing Committee on Risk Management, the Executive Board, and the Supervisory Board, pursuant to their level of competence. To ensure the goals set in the strategy are met, it is necessary to provide for further maintenance of the Airport’s risk management process and for continuous improvement of that process.

## Internal audit function

The Head of the Internal Audit Unit ensures that internal audits are carried out regularly. The Internal Audit Unit consists of the Head and the Risk Manager. According to the Internal Audit Strategic Plan 2019–2021 and the Internal Audit Plan 2019, in 2020 there were three audits of the priority systems: “Maintaining of centralised infrastructure”, “Management of the Projects Co-financed by the EU Structural Funds”, and “Maintaining of IT processes”. Results of these audits were reported to the Executive and Supervisory Boards and the Shareholder. Head of the Internal Audit Unit ensures regular supervision of the implementation of internal audit proposals and, pursuant to management and structural unit requests, also consultations in and assessments of topical issues.

## Process quality and security audits

To ensure the achievement of Airport’s strategic goals, process and risk management is a part of the

integrated management system. Efficiency of the system, process performance and compliance of services with the requirements are assessed in a process quality and safety audits. In 2020, 25 process audits were performed at the Airport's structural units and companies of aviation service providers. In addition to internal audits, 16 external audits and inspections were performed at Airport's structural units in 2020 by the Civil Aviation Agency, State Fire and Rescue Service, Lielrīga Regional Environmental Board of the State Environmental Service, *BM* Certification, and airlines (for example, Finnair, Norwegian) providing flights to and from Riga.

Every year a schedule for environmental inspections is drafted. Pursuant to this schedule, 19 of the planned 22 inspections were carried out in the territories managed by Airport's lessees and service providers. Due to the declared emergency situation and constraints on gathering, it was not possible to inspect three lessees. No material violations causing pollution or risk of pollution were identified

during the inspections. The majority of violations / non-compliances in 2020 was related to inappropriate hazardous waste management (mainly, lack of or non-compliant marking of hazardous waste containers). Some recommendations were also related to inventory of chemical substances and mixtures and updating of safety data sheets.

Once a year, the Executive Board assesses the integrated management system and identifies what is needed to ensure continuous suitability, efficiency, and compliance of the systems to standards.





# **PERFORMANCE INDICATORS**

Core bussines results | Tariff policy

# CORE BUSINESS RESULTS

A01, A02, A03

## Performance indicators

In 2020, Riga Airport served 2,011,155 passengers, out of which the majority or 99.7% were passengers of international flights and only 0.3% were passengers of domestic flights. Riga Airport offers one domestic flight Riga–Liepāja, which is performed by the national airline airBaltic since 2017.

Out of the total number of passengers, 1.5 million or 76% were origin-destination passengers, while the number of transfer passengers in 2020 amounted to 492 thousand or 24%.

In 2020, Riga Airport handled 23,219 tonnes of cargo. Out of these, 11,523 tonnes were incoming, but 11,696 tonnes were outgoing freights. Special cargo flights transported 16,330 tonnes or 70% of total cargo, while the remaining 6,889 tonnes or 30% were carried by passenger aircraft.

In 2020, Riga Airport serviced 35,591 flights.



## Punctuality and capacity

### RIX 1

The overall (arrivals and departures combined) indicator of punctuality in 2020 was 86.95%. This indicator includes all conditions causing aircraft delay, including those that are not affected by the Airport's structures, like delayed arrival in Riga resulting in delayed departure.

At the same time, the indicator of punctuality arising from processes that depend on the Airport's structures was 99.49% (the goal set was > 99.00%, and the actual result in 2020 was 98.67%). This indicator is composed by factors that can be affected by the Airport and are related to the provision of security, border control, and customs services, provision of infrastructure and the related functions, and does not include the delays caused by airlines and ground service providers and the weather impact.

There are two ground service providers at the Airport—SIA Havas Latvia and the Ground Handling Department (RIX GH). The punctuality indicator for RIX GH was 99.87% in 2020.

The Airport Security Service's capacity was 1,040 passengers per hour (1,150 in 2019), while the runway capacity is 29 flights per hour. The reduced capacity of the Security Service can be explained with the epidemiological safety measures introduced because of the COVID-19 pandemic.

## Generated and distributed direct economic value

### 201-1

Due to the spread of COVID-19, which was declared a pandemic by the World Health Organisation on 11 March 2020<sup>29</sup>, according to which the Cabinet of Ministers of the Republic of Latvia passed the Order No. 103 "Regarding Declaration of the Emergency Situation" on 12 March 2020 to suppress the spread of the disease COVID-19 caused by the new virus, from 17 March 2020 until 9 June 2020 any regular international passenger transport by air, by sea, by road, and by rail road was cancelled, except for passenger traffic organised with State aircraft and military transport. This situation had a dramatical impact on the economic activity of the Airport.

In general, 2020 started with a comparatively big increase in the number of passengers: only in January and February the number of passengers served exceeded the results of 2019 by 117 thousands. But then due to the COVID-19 pandemic and as a result of the Cabinet Order No. 103, the number of passengers plummeted reaching the lowest point in April when only 3,000 passengers were served (-99.5% less than in 2019).

As the epidemiological situation improved allowing the Cabinet to revoke the state of emergency, the passenger number showed a positive trend in the 3rd quarter of 2020 with 191 thousand passengers served just in August. However, the rapid spread, also called "the second wave", of COVID-19 in the EU in the 4th quarter of 2020<sup>30</sup> made the number of passengers fall sharply again.

Decrease in the number of passengers served was especially sharp in the 4th quarter of 2020 when, due to the rapid spread of COVID-19, this indicator in whole EU and EEA countries was nearly 90% below the number as in the same period in 2019. Overall, the total number of pass-

engers at Riga Airport in 2020 dropped to 2.01 million, which is 5.8 million or 74% less than budgeted.

In the light of the above, the Airport's net turnover in 2020 was EUR 29.8 million or EUR 34.7 million less than planned, but the reduction compared to 2019 amounts to 54%, where:

- income from aviation services during the reporting period was EUR 15.0 million (a reduction of 63% if compared to the previous year and budget). Majority of aviation income is composed of income from services the charge for which is established in the Cabinet Regulation No. 823 "Regulations Regarding Charge for Security and Rescue Measures Provided at Aerodrome" and Cabinet Regulation No. 111 "Regulations Regarding the Price of Services Provided at the Aerodrome of the State Joint-stock Company "Riga International Airport";
- income from non-aviation services during the reporting period had fallen to EUR 14.7 million and, if

<sup>29</sup> Source: WHO Director-General's opening remarks at the media briefing on COVID-19, 11 March 2020 Available: <https://who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>

<sup>30</sup> See the data of the European Centre for Disease Prevention and Control on the distribution of laboratory-confirmed cases of COVID-19 in the EU member states in 2020-2021, <https://www.ecdc.europa.eu/en/cases-2019-ncov-eueea>

compared to a year before, the decrease is 39%, while reduction against the budget is 38%. Information about the number of passengers and flights served in 2020 is available on page 12.

The Airport closed the year 2020 with loss in the amount of EUR 15.8 million. Comparison of the actual performance results with their estimates shows that the actual numbers are better than forecast in the revised budget (on 10 December 2020, the Airport shareholder's meeting approved the Airport's financial and performance indicators and estimates for 2020 due to COVID-19 impact),

In addition, thanks to the Cabinet decision of 23 April 2020 regarding providing support to the Airport, by investing EUR 49.9 million in the equity capital to overcome the economic crisis and to stabilise the economic situation in the sector and by not disbursing dividends for 2019 in the amount of EUR 4.5 million to cover the damage caused by COVID-19, implementation of investment projects that are mandatory pursuant to international and national laws was

possible; otherwise, breaching of undertakings would result in additional costs and litigation risks.

By 31 December 2020, the amount reserved in the budget for investments was used to purchase fixed assets and to implement investment projects, as well as to make advance payments in the amount of EUR 13.9 million. Despite the crisis caused by COVID-19 in 2020, several big investment projects were realised (see more about performance indicators on page 80). For example, the following projects are close to end: construction of the rapid exit taxiway Y, renovation of surface of the runway and taxiway A and installation of axis lighting on aprons, construction of the helipad, reconstruction of the rainwater sewerage system in the Airport's landside part and the reconstruction of Muzeja Street.

## Climate-change related financial risks and impact

The Airport's Environmental and Energy Management Policy is aimed

at sustainable development and respect for the environment and society in general. The Airport services aircraft and passengers, safely operates the aerodrome and maintains and develops infrastructure according to principles for sustainable development and environmental, economic and social aspects, laws and regulations, and the standards ISO 14001 and ISO 50001.

The company regularly invests to ensure compliance with the environmental and energy management laws and assesses its compliance with the regulatory requirements.

Implementation of the energy management system ISO 50001 is ordered by the valid laws and regulations. Failing to meet the requirements of the energy management system and invest in fulfilling the system requirements can lead to an energy efficiency duty in the amount and pursuant to the procedure laid down by the Energy Efficiency Law. In 2020, the company did not have to pay the energy efficiency duty.

Under the Energy Efficiency Law, the airport as an obligated party of the energy efficiency obligation scheme has to take measures to improve the energy efficiency. If no financing is available and if it is not possible to fulfil the obligations, a mandatory contribution in the State Energy Efficiency Fund must be made in the amount and according to the procedure specified by the Energy Efficiency Law. In 2020, the Airport did not have to make any contributions in the State Energy Efficiency Fund.

In the environmental programme 2020, 10 goals were set, as well as 31 tasks and 70 activities for reaching those goals. In total, 20 out of 31 tasks have been completed fully, and five—partially, two have not been completed, two are postponed to 2021, and another two are cancelled. Out of all activities included in the environment and energy management programme 2020, 71% has been performed, which is less than in 2019; however, in the light of the impact of COVID-19 on the Airport's operation and income, this rate is considered good.

## Contributions to pension funds

As an employer, Riga Airport is aware of the importance of financial savings in increasing the pension capital and is considering channelling a part of the social contributions for its employees to private pension funds of a selected pension fund manager. Due to the dramatic impact of the COVID-19 pandemic on the Airport's economic and financial indicators, the company has postponed this initiative until recovery of the aviation sector and until the economic and financial indicators return to the pre-crisis level.

## Financial support by the State 201-4

In 2020, Riga Airport has received the following State grants.

### *Aviation security*

Based on the Cabinet Order No. 258 of 28 May 2019 "On the Use of Financing for the State Budget Programme 44.00.00 "Means for Ensuring Aviation Security, Rescue, and Civil-military Cooperation"", the Ministry of

Transport port, with the order No. 01-03/94 on 8 July 2019, allocated a grant to the Airport in the amount of EUR 42,724 to partially cover the costs of an X-ray screening machine for large check-in baggage. The project was completed in August 2020, and the allocated financing has been taken up in full.

But pursuant to the Cabinet Order No. 167 of 7 April 2020 "On the Use of Financing for the State Budget Programme 44.00.00 "Means for Ensuring Aviation Security, Rescue, and Civil-military Cooperation"" and the Ministry of Transport Order No. 01-03/99 of 16 April 2020, a financing in the amount of EUR 42,418 was allocated to Riga Airport for purchasing two explosives detection equipment.

Currently, EUR 34,243.08 from this grant have been used, but the remaining amount is EUR 8,174.92.

Considering the impact of the global COVID-19 pandemic on the Airport's operation and the restricted amount of financing available for projectco-financing, the Airport has post



poned the project until additional financing for purchasing the other explosives detection equipment is available.

The Airport regularly informs the Ministry of Transport regarding the use of the grant amount.

### *Strengthening of the State defence capabilities*

With the Cabinet Order No. 738 (minutes No. 77, Paragraph 64) of 4 December 2020 "Regarding Allocation of Financing to the State Infra-

structure", financing in the amount of EUR 530,000.00 (including VAT) has been allocated to the Airport for establishment of military infrastructure.

A contract with the State Centre for Defence Military Sites and Procurement was concluded on 22 December 2020 regarding implementation of the project "Renovation of the Surface on Field Z3", and, pursuant to the contract provisions, the Airport must-realise this project by 30 July 2021. Joint-stock Company "Riga International Airport" for Improving Airport.

## Tariff policy

The Airport's tariffs are determined by applying the so-called single till principle. According to this principle, all expenses are covered from the

income of both aviation and non-aviation services, which affects the amount of charges applied to airlines and passengers. Generally, the tariffs should cover the operating costs and capital investment financing and

provide for a reasonable profit.

The EU laws forbid discrimination of airline customers and illegal State-support, thus the Airport can only change the structure of tariffs or fees in line with the Cabinet Regulation No. 540 of 5 July 2011 "Procedures for the Determination and Changing of Airport Charges", which includes the norms arising from the Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges. The main principles for setting tariffs are transparency, rule of law, and equality. Before any fees are changed, air carriers are consulted about their amount and the included charges.

following Airport's services:

- passenger security check;
- check-in and cabin baggage screening;
- Airport security and crisis management (including rescue) service.

It also includes the measures for supervising the flight safety and civil aviation security by the Civil Aviation Agency.

Charges for security, passenger service, transfer passenger service, and PRM service are imposed for every outgoing passenger.

The charge for landing and take-off, which includes the use of runway and taxiway, runway and taxiway lighting, aerodrome management service and use of other aerodrome infrastructure if this infrastructure is necessary for ensuring landing and take-off, is EUR 2.05 for every 1,000 kg of the maximum take-off mass (rounding up to 10 kg) for every landing and take-off. The hourly aircraft parking charge is cal-



## Tariff structure

Majority of fees are collected in the following categories:

- security charge;
- passenger service charge;
- landing / take-off charge.

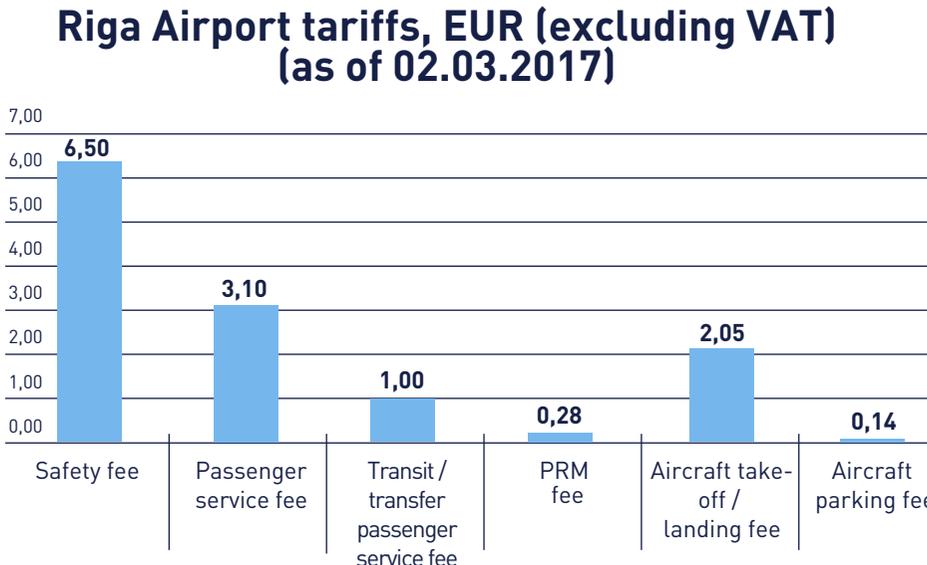
**Security charge** includes the

culated for every 1,000 kg of the maximum take-off mass (rounding up to 10 kg) for every landing and take-off. The hourly aircraft parking charge is calculated for every 1,000 kg of the maximum take-off mass.

### Competitiveness of tariffs

Despite the difficult financial situation, Riga Airport has managed to keep the aviation tariffs constant since 2017 and has also allowed air carriers to extend the payment term due to the complicated year for whole sector.

According to the strategy, it is planned to gradually raise the Airport's tariffs starting from 2022 in line with the realised investment plan. In the beginning of the year, Airport started consultations with air carriers, but because of the unforeseen drop in the number of flights and delayed implementation of investment projects due to COVID-19 increasing of charges was postponed until air transportation is resumed and investment projects (implementation of Stage 6 of terminal construction, and renewal of bus park and air bridges) are realised.



Pursuant to the new medium-term strategy, it is planned to raise the landing / take-off charge in 2024 and the terminal-related departure fees after the implementation of Stage 6 in 2027.

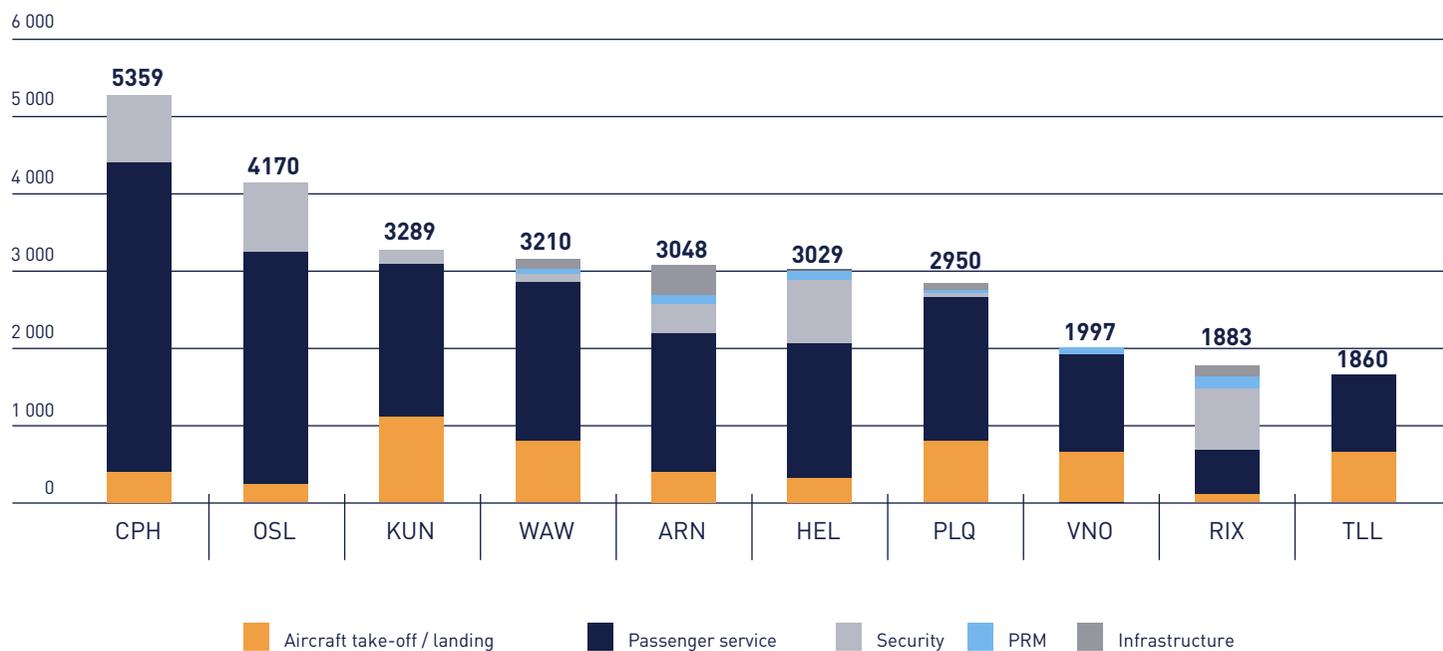
As shown in image 77, the tariffs offered to airlines by Riga Airport are among the lowest in Europe.

Depending on the type of the service aircraft, the tariffs in 2020 were either the lowest or second lowest in the region. To promote the expansion of destination network and opening of far-flung destinations (exceeding the distance of 4,200 km), Riga Airport offers tariff discounts for new routes, But the support for close new destination network and opening of far-flung destinations (exceeding the distance of 4,200 km), Riga Airport offers tariff and new air carriers includes marketing activities.

When looking at Riga Airport and the largest airports in Northern Europe- and regional airports with similar- strategy and external factors, in order to compare the airport charges, it is important to look at the total fee per aircraft as the airports may have different pricing policy and structure. Airports can either cover all aviation costs using aviation income or, similarly to Riga Airport, choose to pay part of aviation costs with non-aviation income which ensures lower charges. While some airports distinguish infra structure and security charges, other include these costs in the passenger service charge.

Judging by the increasing passenger number over the last years, such tariff strategy has secured the company's development. Thus, it is planned to maintain this strategy in the medium-term and to assess if such tariff structure can ensure investment capital for implementing development projects in the future. In the future, Riga Airport is planning to revise its tariffs every five years.

### Comparison of airport charges by aircraft, EUR



\* Boeing B737-800 (MTOW—79 tonnes, 189 seats (170 passengers, 90% load), parking for 1 hour)



# INVESTMENT

← Investment and development projects

## INVESTMENT

### Investment and development projects 103, 203-1

Availability and capacity of infrastructure and its correspondence to the amount of passengers, flights and cargoes play a great role in securing the core business of Riga Airport. Therefore, the company's priority is to maintain the existing infrastructure in appropriate quality to ensure the continuity of Airport's operations, and to implement development projects to raise the Airport's capacity, without which it would not be possible to serve the estimated increase in turnover.

Investments are used to grow the capacity of passengers terminal, to maintain and develop infrastructure at aerodrome and IT and security infrastructure, and to introduce environmental and energy efficiency improvements within the projects undertaken.

To solve the challenges presented by COVID-19, Riga Airport has taken strategic decisions to continue investment in the key development projects

that will allow the company to become more competitive.

In the medium-term the following investment projects have been selected as priorities: expansion of passengers terminal (Stage 6) and several projects financed by the EU funds (2014–2022), which are described in this Section.

Assessment of the impact on the local society shows the following positive aspects: dynamic development of business environment and growing economic activity, improvement of road infrastructure, connectivity and promotion of employment; but among the negative aspects there are: noise and spread of noise, emissions of air pollutants, and changes in air quality.<sup>31</sup>

### Passenger terminal expansion

Riga Airport has launched an extensive development project to expand the passenger terminal and increase its capacity by 12 million passengers a year. The expanded terminal will be connected to the Rail Baltica railway station thus forming a combined passenger service centre.



In 2019, the terminal expansion project was in the design stage, and in 2020 the work on the elaboration of construction design for Stage 6 of terminal expansion project continued. In 2020, the progress in implementing the project was 95% for terminal expansion and 75% for reconstruction of premises located within the existing terminal.

In 2020, the work on the elaboration of

the Stage 6 of the terminal expansion project continued by coordinating the design with stakeholders (Ministry of Transport, *airBaltic*) and an approval was received from the Airport User Committee consisting of representatives of air carriers and service providers and from the State Border Guard, Customs, Food and Veterinary Service. In 2021 it is planned to continue reconciliation of the design with NGOs.

<sup>31</sup> Source: State Environmental Monitoring Bureau Available: <http://www.vpvb.gov.lv/lv/ivn/projekti/?status=3&id=1708>

Stage 6 of terminal expansion project comprises construction of the following infrastructure and installation of the necessary equipment:

- reconstruction of the current baggage handling system to ensure upgrading to Standard 3 explosives detection system, pursuant to EU requirements;
- construction of a new central building for check-in, security control, and servicing of the arriving baggage;
- equipment and technologies necessary for ensuring implementation of Stage 6;
- construction of an access ramp and a multi-storey car park;
- construction of a new baggage handling system.

The project entails construction of new premises and purchase of technological equipment to ensure that



the capacity of check-in sector, security control, and baggage claim room matches the number of passengers during the peak hours. In addition, area sufficient for passenger flows is necessary and more space for commercial premises, and, within the project, a new check-in baggage handling infrastructure will be

relocated and expanded.

The terminal expansion design is being prepared by an association. The association “One Works, Sintagma, Vektors T” is represented by the Italian company “Sintagma” specialising in transport infrastructure projects, the Italian company “One

Works”, which has developed many airport development and expansion projects, including Venice Marco Polo International Airport Reconstruction Project and Brussels Charleroi Airport Passenger Terminal Expansion Concept, as well as Baltic Design Office “Vektors T”.

It is planned to finish the design works in the first quarter of 2021. Due to COVID-19 crisis, it was decided in March 2020 to postpone the launching of the procurement “Construction Work of Stage 6 of Terminal Expansion”.

## Project “Development of safe and environment-friendly infrastructure”

Already in 2016, Riga Airport entered into contract with the Central Finance and Contracting Agency regarding implementation of the Cohesion Fund project “Development of safe and environment-friendly infrastructure” to continue the provision of safe and environment-friendly services by introducing modern technologies and reducing the environmental damage.



Investment and development projects

The project includes seven activities:

- construction of another rapid exit taxiway;
- installing axis lighting on apron taxiways;
- reconstruction of the technical services building;
- reconstruction of the rainwater sewerage system in the landside part and the reconstruction of Muzeja Street;
- reduction of the Airport lighting infrastructure's GHG emissions;
- construction of helipad;
- third purchase of standard explosives detection system equipment.

In 2020, one of seven project activities was completed, five (out of five) construction designs were developed, and six out of seven activities have started (one was implemented in 2019). The value of works accomplished in

2020 is around EUR 5.55 millions. Construction works have been completed in the following activities:

- construction of helipad;
- construction of the rapid exit taxiway Y;
- installation of axis lighting on the apron taxiways and integration into the existing aerodrome lighting management system (apart from ADB Safegate steps that will be implemented when the international experts will be able to arrive when the COVID-19 pandemic lessens);
- reconstruction of the rainwater sewerage system in the Airport's landside part.

Muzeja Street will be reconstructed after the technological interruption, when weather favourable for road construction sets in.

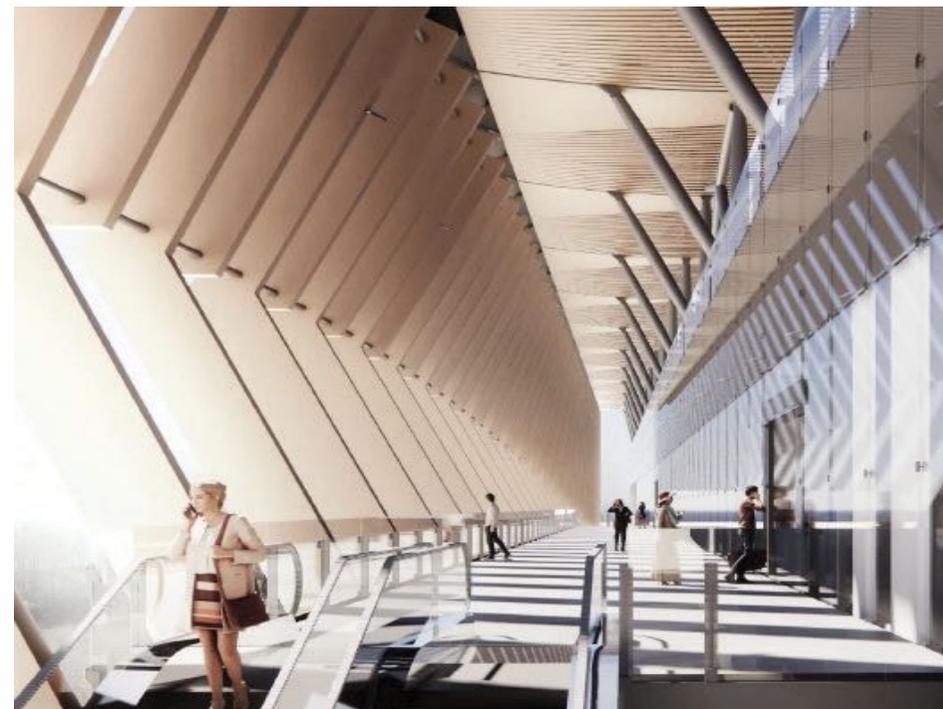
In the end of 2020, construction design for the technical services building was coordinated and work on construction regulations was commenced.

The total amount of investments in 2020 is about EUR 13,900.

## Investment projects

Realisation within the reporting period (thousand EUR)<sup>32</sup>

Aerodrome infrastructure	10 360
Infrastructure in the Airport's territory	1071
Infrastructure for servicing passengers and aircraft	1303
Development of power supply infrastructure	194
Replacement of road transport, machinery, and apron equipment	287
Emergency, security, IT infrastructure	576
Other projects	110
<b>Total:</b>	<b>13 900</b>



<sup>32</sup> Not included in the auditor's report on a limited assurance engagement.

## Investment in innovation and research

In 2020, Riga Airport has realized three important innovation and research projects related to IT infrastructure.

1. Continuation of the Airport Collaborative Decision Making (ACDM) system implementation project. On 8 August 2018, a cooperation agreement with TAV BİLİŞİM HİZMETLERİ A.Ş. was concluded on development, delivery and integration of AODB and ACDM platform. On 7 January 2020, the previous flight management system was completely replaced with the new one. In August ACDM was introduced locally in the Airport, but complete transfer, which was planned to be carried out in September 2020 was postponed to 7 April 2021. This postponement was due to the impact of COVID-19 and the resulting decrease in the number of flights: according to Eurocontrol regulations there is a certain number of flights necessary to test the system.

The goal of integration of the ACDM system is to raise the Airport's capacity and to improve coordination of operational processes among all participants involved in service activities at Riga Airport (air traffic management, ground service providers, airlines, Airport, and Eurocontrol), thus integrating into the Air Traffic Flow and Capacity Management (ATFCM) system. The ACDM procedures will secure more efficient decision-making process based on more precise and timely exchange of information and similar understanding of the bigger picture by all parties involved.

As a result of the project implementation, service quality will improve substantially together with safety for both airspace users and passengers. This will be ensured by the possibility to plan the take-off time more precisely allowing to reduce the waiting time at terminal and on runway especially during the peak hours, which will also reduce airlines' resource and fuel expenses related to waiting time before take-off and preparation of aircraft for flight. In addition, environmental pollution will also decrease.



The amount of investment covered in 2020 is EUR 289,352.83.

2. Implementation of new processes of the document management system (electronic signing of documents, model of Executive Board's meetings, etc.). Within this project, investment amounts to around EUR 35,000 in 2020.

3. Expansion of the automated passenger flow measurement system, which registers the time passengers spend at the Airport before security control, helps to plan resources quickly and efficiently according to the passenger flow, and shows the expected waiting time on screens (see also page 20).



# SAFETY

Safety and security / Incidents of non-compliance concerning the health and safety impacts of products and services

## SAFETY AND SECURITY

103

The main priority of Riga Airport is to guarantee flight safety at the aerodrome. The company's basic task is to ensure safe flights to its chief customer—the passenger—and to provide continuously safe environment for employees, lessees, and customers.

Therefore, safety at Riga Airport is composed of two elements: safety and aviation security, and each of them is supervised by a separate structural unit. Requirements for safety and security are set by the company's senior management in line with the rules and norms of ICAO, European Commission, and other documents regulating operation of airports and recommendations.

Safety on the aerodrome is responsibility of the Safety Management System Unit of the Aerodrome Safety and Management Department, whose task is to minimize the operational risks and hazards to flight safety. Security (safety) requirements for the Airport's activity in this area are set by the Aerodrome Executive Manager.

Riga Airport has introduced Safety Management System, based on the certificate LV-02 issued by the Civil Aviation Agency, and complies with the requirements and recommendations of international regulatory documents and the Civil Aviation Agency. The scope, priorities, and direction of the security management system (SMS) is defined in the security management strategy and safety policy and goals.

### Security

Duties and functions of the Airport's Security Department, which is responsible for security at the Airport, are regulated by the following international and national documents:

- Regulation (EC) No. 300/2008 of the European Parliament and of the Council of 11 March 2008 on common rules in the field of civil aviation security;
- Commission Implementing Regulation (EU) 2015/1998 of 5 November 2015 laying down detailed measures for the implementation of the common basic standards on aviation security;
- Commission Implementing Decision C(2015)8005 of 16 November 2015 laying down detailed measures for the implementation of the common basic standards on aviation security containing information as referred to in Point (a) of Article 18 of Regulation (EC) No. 300/2008;
- ECAC Doc. 30 Recommendations and decisions regarding facilitation of air transportation and aviation security;
- the law "On Aviation" of the Republic of Latvia;
- Cabinet Regulation No. 397 of 27 April 2010 "Regulations Regarding the National Civil Aviation Security Programme";
- Security Guard Activities Law.

In accordance with the mentioned regulations, the Security Department ensures elaboration and performance of the Airport's aviation security programmes and internal regulatory documents and making changes thereto; plans civil aviation security measures, ensures and supervises their implementation both on daily



Aviation security services and functions ensured by the Airport's Aviation Security Department :

- security check of vehicles, passengers, people other than passengers, and baggage;
- control of access by people and vehicles, control of access to cargo, mail, Riga Airport, and reserves to be consumed during a flight and supervision of compliance with the pass (permit) regime;
- guarding of aircraft and security check when requested;
- accompanying and supervision of vehicles and people in the Airport's critical territory, engineering and technical area, and at controlled-access objects in the open territory;
- performance of preventive measures to eliminate planned and committed breaches of aviation security and illegal activities in the operation of Riga Airport;
- systemic control of the security situation at Riga Airport, internal examination / investigation regarding violations of aviation security and other breaches;
- analysis of aviation security risks;
- security guard and video surveillance services;
- monitoring of public order in the terminal and in the Airport's territory;
- initial inspection of potentially dangerous unattended items;
- activities with radiation sources as defined in laws and regulations (licences, monitoring, etc.);
- monitoring of operation of all security systems and ensuring proper reaction in case of emergencies.

basis and in emergencies; performs quality control of aviation security processes; ensures procurement and inventory of technical equipment / security checking devices and their compliance with international and national regulatory documents, as well as prevents any illegal interruptions to the civil aviation.

Security Department of Riga Airport is the only service provider ensuring aviation security services not only in the whole Airport's territory, but also at business aviation terminals.

## Security (safety) and risk management

The emergency situation declared in Latvia in March 2020 and the resulting drop in the number of flights and passengers served by Riga Airport (statistics on the number of flights and passengers is available in Section "About Riga Airport" on page 12) had a significant impact also on the security management processes and dynamics of the registered safety occurrences.

As a result of the restrictions implemented due to the emergency situa-

tion, since 2nd quarter of 2020 it is necessary to pay more attention to security risks that are related to maintenance of competences, training (mainly extramural) and changes to the everyday routines of operational staff. Efficient security management is of key importance for any airport. Unfortunately, the possibility of making mistakes or deviations from the defined procedures grows in case of low work intensity at the aerodrome, as it is now.

Registration of safety occurrences, analysis of all occurrences and trends, and measures for reducing the arising risks is vital for improving the overall security at the Airport and is therefore performed systemically. Thus, action plan for achieving the 2020 safety objectives specifies safety objectives and the tasks for achieving these objectives.

## Operation of security management system

The security requirements for the Airport under the Regulation (EU) No. 139/2014 are defined by the Aerodrome Executive Manager, while the

security requirements for other Airport operations are laid down by the company's management in line with the ICAO, European Commission, and other applicable laws and regulations. The scope, priorities, and direction of the security management system (SMS) is defined in the security management strategy and safety policy and goals. The responsibility for the safety policy falls on the Aerodrome Executive Manager and the Executive Board. The policy includes the management's commitment to comply with the requirements for the Airport and to constantly improve the SMS efficiency.

The company has introduced and maintains a SMS with the main task to manage the safety of the operations at the Airport and to promote the dissemination of the culture of safety among all employees of the Airport and the companies, organizations and institutions located in its territory. All structural units, as well as other companies working at the Airport are involved in the SMS implementation.

SMS allows for systematic identification, prevention and mitigation of risks

to airport operations to ensure the required level of safety at the Airport. Along with the change impact assessment, also existing risks are managed by regular and repeated assessment to monitor and maintain the risk level in accordance with the security requirements. SMS is responsible for the availability of security resources, maintaining the personnel qualification, and methodological supervision of the compliance of airport processes with the security requirements.

Obligations and responsibilities within the SMS are defined across all Airport's administrative and operational levels from the senior management to regular employees, including officials and employees of other companies working at the Airport.

Members of the SMS Working Group actively and systematically participate in assessing the efficiency of SMS, analysis of the identified shortcomings, and improvement of the SMS operation. The SMS Working Group meets at least once a month (a total of 14 meetings were held in 2020). On regular basis and according to the procedure established in regulations,

security committees are gathered to ensure active communication among the representatives of the Airport and other companies working in the territory regarding issues critical and topical to the company's security management system and to reconcile all opinions. There are four security committees at the Airport—Runway Security Committee (met four times in 2020), Aircraft Service Security Committee (met twice in 2020), Aerodrome Maintenance and Traffic Management Security Committee (met twice in 2020), and Emergency Situation Management Security Committee (met once in 2020). The task of these committees is to evaluate the SMS performance, examine the safety occurrences and analyse the statistical data, discuss the international experiences, and draft proposals for SMS improvement.

The SMS review panel meets once every six months and is headed by the Aerodrome Executive Manager. The panel gathers the Executive Board, department directors, SMS manager, and invited specialists. The task of SMS review panel is to evaluate the efficiency of SMS efficiency in the

previous period and the possibilities for improvements.

Supervision of SMS is ensured by performing regular security audits and systematic security inspections. Security audits are part of the annual plan, which is approved by the Executive Board. In 2020 five audits were performed by the SMS Department: three in aircraft service and two in aerodrome maintenance. Systematic control of the compliance with security requirements is carried out with the assistance of independent security inspections. In 2020, 71 inspections were performed (19 in aerodrome maintenance, 11 in traffic management, 36 in aircraft servicing, and 5 in emergency situation management). Complicated cases are always analysed in depth in meetings of the SMS review panel and SMS Working Groups with participation of other aerodrome service providers.

## Accounting and evaluation of safety occurrences

The Airport has introduced a procedure for mandatory and voluntary reporting of safety occurrences and

hazards, and one of the characteristics of SMS efficiency is the safety occurrences registered. All safety occurrences are registered in a single database. Examination and analysis of safety occurrences depends on the type and importance of the particular occurrence. The SMS unit collects data on the numerical value of safety performance indicators registered in a calendar month and analyses the content and trend of these occurrences during the meetings of both the SMS unit and SMS Working Group. Whenever necessary, experts and the involved aerodrome service providers are engaged. Electronic reports on safety occurrences are regularly provided to the Aerodrome Executive Manager, Executive Board, department directors, and the companies working at Riga Airport.

To characterise the security level accurately, a set of safety performance indicators has been defined for all basic processes controlled within the SMS, for example, "Oil spills", "Non-compliance with road surface markings", "Non-compliance with aircraft pushback procedure", "Collisions or dangerous approximations



with other aircraft" etc. All processes have a set target value, which is revised by the SMS Working Group not less than once a year. Monitoring of the safety indicators is performed by the director of the structural unit responsible for the particular process.

In 2020, 1,279 safety occurrences or 35.94 occurrences per 1,000 flights were registered at Riga Airport. There is a big drop in the number of safety occurrences (39.51%), while the number of occurrences per 1,000 flights has significantly increased (47.84%). The latter can be explained

with the fact that not all safety indicators are directly affected by the number of flights. The Airport is largely provider of infrastructure and the proportion of various infrastructure-related safety occurrences, especially during the aerodrome maintenance process, is not affected by the movement of aircraft (for example, such indicators like "Maintenance of buildings and engineering and technical constructions", "Damages to aerodrome lights and electrical systems", "Construction project management", etc.). The assessment of the set safety level used so far (number of safety occurrences per 1,000

flights), which was monitored systematically and analysed within several safety indicators, was no longer the most appropriate method for assessing the safety level as did not present the trends in an accurate way. These changes urged the process managers look for other methods for assessing trends, for example assess the number of occurrences against a certain period of time.

Within the SMS, trends in safety occurrences are closely monitored and, if necessary, the safety performance indicators are revised, supplemented, or subdivided every year. In 2020, new safety performance indicators were not established (10 new indicators were defined in 2019).

## Safety objectives

Safety objectives for a calendar year are defined according to the Safety Policy approved by the Aerodrome Executive Manager and the Executive Board. These objectives define a specific security level or process performance that must be achieved over a defined period. If possible, safety objectives are set in quantita-

tive terms using safety indicators, for example “To limit the number of accidents at aerodrome involving two or more vehicles to no more than 0.29 occurrences per 1,000 flights” (the objective was met in 2020: 0.20 occurrences per 1,000 flights were registered), “To limit the number of accidents at work (with loss of ability to work) and injuries at work (without loss of ability to work) for employees working at the aerodrome to no more than 0.57 occurrences per 1,000 flights” (the objective was met in 2020: 0.45 occurrences per 1,000 flights were registered).

Safety objectives are defined for the Airport in general (these also apply to other companies) and for separate its structural units. In total, 11 safety objectives were set for the Airport in 2020. At the same time, objectives for structural units are defined based on the results of safety (risk) assessment of the processes under the responsibility of the particular structural unit, performance of that structural unit in the field of safety, and requirements of regulating and recommendation documents. As a result, a total of 34 safety objectives were set for the

Airport’s structural units in 2020. Heads of structural units prepare draft safety objectives, which are assessed by the SMS Working Group that approves the final version of the safety objectives for the Airport in general and for the structural units. To ensure reaching of each safety objective, heads of structural units specify tasks and deadlines that are also evaluated and approved by the SMS Working Group and then collected by the SMS manager in a joint action plan approved by the Aerodrome Executive Manager and the Executive Board.

## Safety risk management

One of the most important processes at the Airport is safe operation of the aerodrome, which is monitored and ensured by applying safety risk management process within the safety management system. The goal of risk management process is to ensure appropriate safety level of aerodrome operation and targeted reduction of the risk level aimed at identifying and assessing the existing and potential hazards within the

safety management system that affect the safety at aerodrome and, based on the safety (risk) assessment results, and at deciding on adequate and reasonable measures for reducing the risk level to ensure and raise safety level at the aerodrome. Risk management is part of all SMS controlled-processes.

Within risk management, the current aerodrome safety level and the measures for reducing the hazard risks are determined by identifying hazards and assessing their risk level. Hazard risk levels that exceed the tolerated risk level must be lowered to the level tolerated by defining and implementing adequate and reasonable risk reducing measures.

Risk management is a continuous process intensity of which depends on the hazard risk level. In 2020, a total of 14 measures for reducing the risk level were defined in the SMS as a result of assessing the risk levels of existing hazards (9 in aerodrome maintenance, 0 in traffic management, 5 in aircraft servicing, and 0 in emergency situation management). Of these, 11 measures were imple-

mented in 2020 by end of the year, but later deadline within the coming years was defined for 21 measures. As a result of risk reducing measures, the risk level of eight hazards decreased by one. It should be noted: the lower risk level for a hazard, the more time is necessary for risk monitoring to reduce that risk level. For example, for a moderate risk to be changed to low risk a continuous hazard monitoring for at least two years must be performed, in addition, no safety occurrences related to the particular hazard may be identified during this period.

Decision making in the whole risk management process is based on a common opinion adopted by the working group. The working group consists of risk management specialists and representatives of structural units. Safety risk assessment reflects the information discussed by the working group, fact-based arguments, views, statistics, evidence (including results of investigations, audits and inspections related to the particular process), The whole assessment process accounts for the decision adopted by the working group.

## Promoting safety and just culture and communication

The safety culture is based on the safety policy defined by the Aerodrome Executive Manager and the Executive Board and on the safety requirements for Airport operations. SMS explains the safety requirements and gives information on the performance of these requirements, as well as contributes to active and open discussion of any safety-related problems. Active engagement of managers of all levels in securing safety promotes and strengthens understanding of the employees of the Airport and other companies that safety is priority No. 1 at the Airport.

Communication has always been the key factor in any field of operation, especially in such complex industry as aviation. SMS ensures efficient communication on safety requirements, their performance, and the problems identified. In addition to nine security committee meetings, 14 SMS Working Group meetings and separate weekly meetings with

ground handling providers, 10 safety leaflets and 12 information materials on safety occurrences in other airports were issued in 2020. Safety requirements can be explained by the Aerodrome Executive Manager, SMS manager, SMS Department, heads of structural units and other companies, operational managers, employees of Personnel Development Department and Communication Department of Riga Airport.

High level of responsibility and motivation of employees is the cornerstone of safety culture at Riga Airport. The culture of safety is also maintained with the help of personnel training system, active communication about the safety issues and their importance, and by performing regular safety enhancing measures at the company and its structural units on daily basis. Training on safety management issues is provided to all employees of Riga Airport and other companies; for example, 767 employees participated in the training programme "Safety management systems" in 2020 and 754 employees were educated to raise their level of

understanding about the necessity of maintaining safety and to provide them with the skills and knowledge necessary in performing their official duties. One of employees involved in assessing safety risks participated in the training programme "Safety risk management" in 2020.

Just culture is a concept playing important role in successful maintaining of SMS. As stated in Regulation (EU) No. 376/2014: 'just culture' means a culture in which front-line operators or other persons are not punished for actions, omissions or decisions taken by them that are commensurate with their experience and training, but in which gross negligence, wilful violations and destructive acts are not tolerated. In 2018, a training programme "Just culture at organization" was created within the SMS for the senior and middle management, and heads of companies working at the Airport. The senior and middle management of various companies (57 representatives) have participated in three workshops dealing with techniques for motivating employees, possible management reactions to conduct by employees,

and the most successful problem solving models. Normally, rotation of management of aerodrome service providers is not very high, therefore additional workshops in 2020 were not planned and organised, instead workshops will be organised repeatedly in future.

Within the SMS, proposals regarding improvements in complying with safety requirements may be submitted by any employee of the Airport or another company. The easiest way is to send an e-mail ([safety@riga-airport.com](mailto:safety@riga-airport.com)). Information to Riga Airport employees can also be provided by filling in safety report form on Riga Airport intranet. In addition, safety report form on the company's website is publicly available to all. Each proposal is assessed by the SMS unit and, if necessary, also by SMS Working Group or the particular safety committee to decide on the steps to be taken (for example, changes to procedures or instructions) to implement the proposal.

## Incidents of non-compliance concerning the health and safety impacts of products and services

416-2

No such cases have been registered in 2020.

### Bird strikes A09

In 2020, a total of 25 collisions with birds was confirmed at Riga Airport. Out of these, two were serious strikes. The rate of bird strikes per 10,000 flights is 7.0.

Our goal is to limit the value of bird strike index to no more than 9 (within a quarter) and the number of confirmed strikes to no more than 0.72 occurrences per 1,000 flights.

The total number of flights is presented in Section "Performance indicators" on page 12.





# **SERVICE QUALITY**

## ACCESSIBILITY

### Access by public transport

Public transportation to and from city centre is provided by SIA "Rīgas satiksme" (bus No. 22 or express bus No. 322). The public transport stop is located 300 metres from the Riga Airport passenger terminal. Public transport from Riga Airport to Riga runs several times an hour, on average every 20 minutes. In addition, Airport's customers can use the international passenger road transport service provided by: Tolimojo keleivinio transporto kompanija (TOKS) (to Vilnius, Tallinn, and Warsaw), Ollex (to Siauliai and Klaipeda), FlixBus (to Tallinn and Warsaw).

According to the ACI ASQ survey data about 1st quarter 2020, the proportion of passengers arriving at the Airport using public transportation was 23% out of all outgoing passengers.

Riga Airport provides its passengers and customers four car parks (a total of 2,886 parking places). The parking capacity (from the total number of parking spaces):

- short-term car park P1 12%;
- short-term car park P2 10%;
- short-term car park P3 59%;
- short-term car park P4 19%.

The short-term car park P1 is in the front side of the terminal, in front of arrival sectors E and C, while the long-term car parks P2, P3 and P4 are a few minutes' walk from the Airport terminal. For the convenience of customers, free transfer from the long-term car park to the Airport terminal is available. There is no charge for the first ten minutes of using the short-term car park P1 to meet or accompany passengers. Customers can pay in cash, by bank card or the mobile application Mobilly in all car parks. Due to a significant drop in the number of passengers and flights, the long-term car parks P2 and P4 have been closed for an indefinite time. Car can be parked in the long-term parking P3.

Information about parking at the Airport is available on the Airport's website under the section "Parking".

Information about public transportation to and from the Airport is available in both Latvian and English on the website <https://airport-transport.lv/>

### Access by PRM RIX 2

Riga Airport is responsible for the implementation 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. This includes staff training and awareness-raising on disability, accessibility of the environment, improvement and adaptation of infrastructure, and equal, harmonious and non-discriminatory service for PRM. In accordance with the requirements of Regulation (EC) No. 1107/2006, the Airport promotes equal service to all passengers and guests of Riga Airport.

Investing in the modernisation of passenger infrastructure, the Airport's passenger terminal, which was built in 1974, has been supplemented with outbuildings adapted to

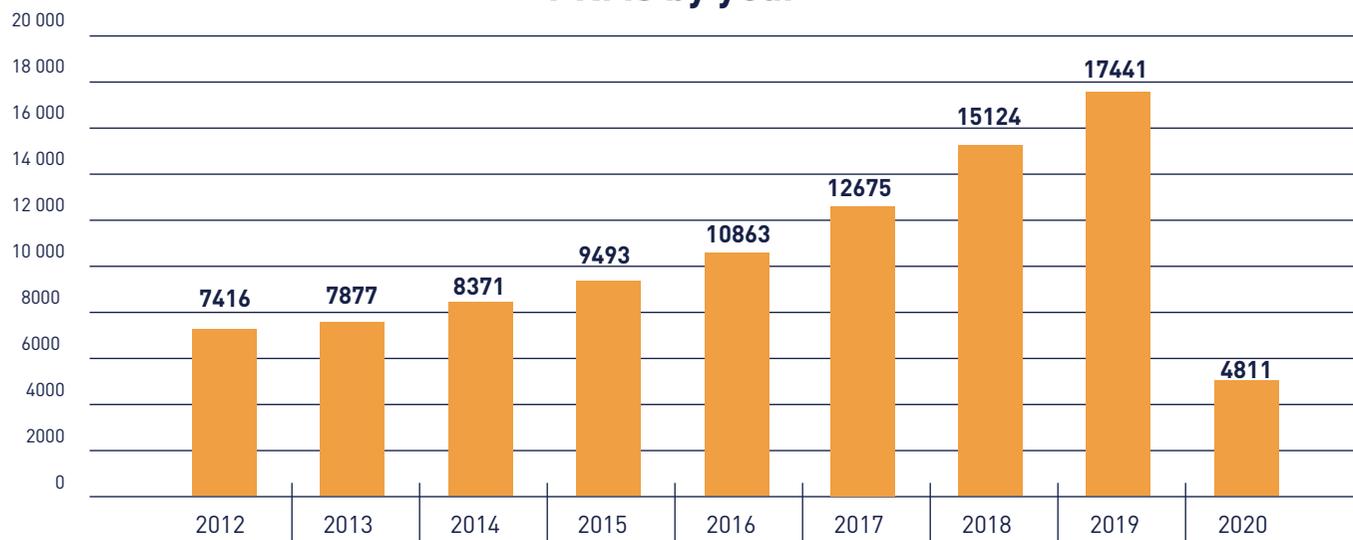
PRM standards and compliant with environmental requirements for everyone, regardless of their physical or other abilities.

The Airport's performance in this area has been highly recognised at an international level—in 2019, ACI informed that Riga Airport is among the best European airports of its group and included the Airport in the category of Accessible Airports. Out of all praises received by the Airport in 2019, the kindness and helpfulness of Airport's employees has been praised most often (7) followed by the quality of PRM services (6) (see more about the PRM survey in the Section "Service quality" on page 96).

### PRM service

The PRM service is available to passengers with temporary or permanent reduced mobility. This service must be booked in advance at the time of ticket purchase. If the ticket is purchased less than two days before the flight, the service can be applied for electronically by writing to [IPAsupervisor@riga-airport.com](mailto:IPAsupervisor@riga-airport.com).

### PRMs by year



The Airport provides pre-booked PRM services within ten minutes of activation, whereas provision of an unannounced service can take up to 40 minutes. The service provides assistance from the call point to boarding the aircraft, which includes:

- assistance with check-in, transfer of baggage, wheelchair or other aids approved for carriage by the airline selected for the flight;
- assistance with security, customs and border control inspections;

- assistance with visiting shops, cafés or the business lounge;
- assistance with visiting restrooms;
- assistance with getting from the departure sector to their aircraft seat and placing the passenger's hand luggage in its intended place.

Arriving at Riga Airport, PRMs are provided with:

- assistance with disembarking from

the aircraft and getting to the terminal;

- assistance (if the passenger is a resident of Latvia) with getting to the arrival sector, passing customs and border control checks, receiving luggage, getting to the passenger's next destination (in the territory of the airport), which would be the car park, taxi, public transport or hotel;
- getting the passenger to their required aircraft connection (if the passenger is transferring) and

assistance with passing customs and border control checks.

In 2020, Riga Airport served 72.4% of PRMs less than in 2019. And the overall number of PRMs in 2020 amounts to 4,811. The proportion of PRMs against the total passenger number in 2020 was 0.23%.

### Staff training for work with PRMs

The Airport's staff providing PRM service is provided training pursuant to the requirements of Annex 5-G of the ECAC Doc. 30.

In 2020, mandatory training was conducted for all Airport's employees directly involved in PRM service (with possible physical contact) and all employees indirectly involved in the PRM service (no physical contact, such as security, check-in or aircraft service staff), as well as all employees of companies and State institutions working in the territory of the Airport, as well as the terminal — customs, State Border Guard, State Police, shops and cafés.

Riga Airport provides five training programmes in the course “Service of Persons with Restricted Mobility”, each of which are intended for a different target group:

- passenger service staff;
- apron service staff;
- aviation security staff;
- PRM service staff;
- external organisation staff.

This training takes place once every two years, and for PRM service staff—every year. PRM staff receives practical training, including proper passenger lifting, kinetics, escorting visually impaired passengers, and more. The PRM training programme for 2020 included also issues related to human trafficking and memorandum on prevention of trafficking in humans concluded by representatives of aviation industry.

The training for staff and external organisations is led by Airport training instructors, who in turn have

been trained by a recognised and certified European company and have gained practical experience in the field of PRM service.

## Client relations and satisfaction

### 103

As stated on page 20, one of the strategic goals of Riga Airport is to provide modern and high-quality services at a professional level. The company is constantly working to improve the quality of services, expand offering and develop new services in accordance with customer needs. The company values the wishes and opinions of its customers, which is the basis for building sustainable relationship and collaboration with customers.

According to the ACI ASQ survey, among the things appreciated most by passengers at Riga Airport are:

- easy orientating;
- quality of Wi-Fi;
- comfortable departure sectors;

- feeling of safety in the Airport;
- getting to / from Airport;
- waiting time at check-in desk;
- waiting time at security check.

At the same time, aerodrome service providers represent various businesses, therefore their interests are directly related to the activities performed at the aerodrome. Also the needs of airlines differ depending on whether the company is a low-cost or classic airline and whether the air carrier has a hub in Riga or not.

Customer experience is all services provided to a customer throughout the Airport’s service chain starting from car park to embarking the aircraft irrespective of which company provides the particular service.

Development of Riga Airport strategy for customer service was launched in 2020, and it is planned to approve it in 2021. The goal of customer service strategy is to plan, develop, implement and maintain an experience that is acceptable by a customer through-

out the whole service chain which is gradually improved to ensure excellent service for Airport’s customers. This all is related to the Airport’s ability to exceed the customer needs and expectations thus promoting their belief that their needs and expectations are met. This requires common understanding about customer service standards for all employees involved in service provision at the Airport.

In order to improve the quality of services provided to Riga Airport customers and to find out customers’ opinions, assess satisfaction, and identify the necessary improvements, the Airport implements various measures (see more in Section “Passenger experience and satisfaction” on page 96). The company has established a Customer Service Working Group whose task is to assess the customer needs and expectations in order to be able to develop proposals for raising the customer service level, to supervise and realise implementation of customer service strategy and compliance to this strategy by companies that are part of the Airport’s service chain.

# PASSENGER EXPERIENCE AND SATISFACTION

## RIX 4

### Passenger survey

In order to evaluate the quality of services provided by the Airport, since 2015, Riga Airport has been participating in the Airport Service Quality global benchmarking programme developed by ACI, which determines passenger satisfaction from arriving at an airport. Since 2016, Riga Airport has been included in the EU group of airports with 5–15 million passengers served per year. The group has 39 airports in it, and in 2019, Riga Airport ranked 18th, receiving an average passenger satisfaction rating of 3.89 (the goal was 3.90).

The survey is carried out by the Aviation Services and Business Development Department, and passengers are offered to fill in the survey form on a tablet. Survey participants are selected according to the methodology specified by ACI ASQ—a certain number of surveys on a specific flight on a certain day and time of the week.

In 2020, the ACI ASQ survey was only conducted in the 1st quarter. Further participation in ACI ASQ surveys was suspended as regular passenger

flights were cancelled and resumed later but on a much lower scale due to COVID-19 and the positions of employees performing ACI ASQ were cut.

In the 1st quarter of 2020, 503 passengers participated in the survey. Out of 38 airports in the group, Riga Airport ranked 17th with the average passenger satisfaction rating 3.94 (0.05 higher than in 2019) out of 5.

Comparison of changes in the Airport's results in the 1st quarter 2020 and in 2019 shows that there are improvements in almost all criteria. Among the things appreciated the highest (4.11–4.21) are the easy orientating at the Airport, the availability of facilities, terminal cleanliness, kindness and helpfulness of Airport's employees, and feeling of safety. But value for money at Airport's car parks is rated the lowest (3.32).

### PRM survey

In order to assess the quality of services provided to PRMs, Riga Airport performs a special survey. Out of 4,811 PRMs served in 2020,

582 people or 12.09% participated in the survey, which corresponds to the target set in PRM service standards—to survey 10% of all PRMs served every year. Of these, 344 were outgoing passengers, 186—incoming passengers, and 52—transit passengers. In 377 cases the PRM service was applied for and in 205 cases the PRM service was not applied for in advance.

The average satisfaction score on a five-point scale was 4.63 points, which is higher than the 2019 score of 4.55 points. The initial target was 4 points.

### Customer feedback

Customers can provide their feedback orally, electronically by sending the feedback to the Airport's e-mail address ([office@riga-airport.com](mailto:office@riga-airport.com), [customer@riga-airport.com](mailto:customer@riga-airport.com), or another company's e-mail address) or filling in the feedback form on the website, or in writing by filling in the feedback form or sending it by mail.

The feedbacks submitted in form or

orally are most often provided to the information service employees.

In 2020, Riga Airport received 936 reviews, and their number, compared to 2019, has decreased by 36.8%. This drop can be explained with the reduction in the number of passengers and the related decrease in the number of people greeting and accompanying travellers due to restrictions imposed to limit the spread of COVID-19. However, analysis of complaints per 1,000 passengers over a year shows that the number of complaints has slightly increased from 0.08 in 2019 to 0.09 in 2020.

Feedback can be divided into several groups—questions, suggestions, praise, and complaints.

Type of feedback	2018	2019	2020
Recognitions	16	31	16
Questions	334	810	723
Suggestions	10	27	16
Complaints	449	613	181
<b>Total:</b>	<b>809</b>	<b>1482</b>	<b>936</b>

The largest amount of praising feed-

back has been received for the kindness and helpfulness of Airport's employees (7) and the quality of PRM services (6). While the number of praising feedback is lower in 2020 than a year ago, the proportion per 1,000 passengers has slightly increased from 0.004 in 2019 to 0.008 in 2020.

Complaints are most often related to passenger experience at the Airport, for example missed flights (36 or 19% of all complaints), items removed from carry-on baggage during the security check and availability of services (23 or 12%), mainly related to prices at stores and cafés.

There was a significant drop (from 76 to 5) in the number of complaints about waiting time at security check in 2020. This improvement was secured by the low number of passengers and the analysis of insufficiency of personnel resources at the Security Department and by implementing the enhancements specified by the Customer Service Working Group (resource planning, etc.).

In response to the feedback received



and continuing to improve the level of customer service in the company, the Customer Service Working Group is working hard on the issue of customer service quality and improving the cleanliness of the terminal. For example, information was placed at the

restrooms located in the terminal regarding the possibility to inform via WhatsApp or SMS about the necessity to clean up. As a result, efficiency of the cleaning service was raised.

In addition one of the 16 passenger

proposals was accomplished in 2020—installation of drinking water filling point, and now passengers can fill their bottles at three stations in the departure zone and two—in the arrival zone.

## Survey of air carriers and aerodrome service providers

To assess the quality of its services, Riga Airport performs survey of airlines and aerodrome service providers once a year.

Survey questions for the air carriers and their division in 2019 was based on the ACI ASQ passenger survey to compare how Airport services and infrastructure is assessed by carriers. But the main attention in the survey of service providers was paid to the suitability of the Airport's infrastructure (terminal, apron, and cargo handling) to business needs, the impact of the existing airline route network on business development, and the opinion about cooperation and communication with Riga Airport.

Last year the survey focused on the conditions created by the COVID-19 pandemic.

There were 31 respondents in the survey: 10 air carriers (same number as in 2019) and 21 aerodrome service providers (23 in 2019). Representa-

tives of air carriers who did not fly to Riga in 2020 or who do not have a representative office in Riga did not participate in the survey. But aerodrome service providers who did not participate in the survey were mainly maintenance, repair, overhaul (MRO) companies. Assessment was performed on a five-point scale, where 1—very low, 2—low, 3—average, 4—good, 5—excellent.

The average result for Airport's operation and decision making process during the COVID-19 pandemic was 4.11. The position of the company's management to retain the workforce as much as possible, searching for and implementation of alternative business opportunities (cargo transportation, communication with banks regarding attraction of additional financing without waiting for the State aid, continuation and completion of the started projects, measures for restricting the spread of COVID-19, extending of invoice payment terms, etc.).

Some of the negative aspects pointed out include the lack of rapid COVID-19 testing, replacement of passes (to

receive a new pass, an employee must arrive to the Airport's pass office), etc.

The support provided by the Airport to its partners during the COVID-19 pandemic was assessed at 3.76, and respondents suggested the following improvements: active communication to explain the necessity of the adopted and planned decisions to operational employees and to model future scenarios, drafting of a minimum resource plan / cost statement for ensuring functioning of the Airport, improved public communication (emphasis on and promotion of the Airport's safety), Zoom or Teams meetings for Airport's users once a week, pass discounts for the next period, etc.

The average assessment of the amount and quality of the content publicly available on the Airport's website is 4.26, while the website section available for registered users only providing access to the internal documents binding upon the Airport's partners received was rated at 4.25. And a remark was made that it is rather difficult to find the necessary information in Airport's documents.

Communication with the Airport received the score of 4.36. To improve the company's operation, communication, epidemiological safety and to reduce travel restrictions, various proposals were offered.

## Justified complaints about violation of customers' privacy and loss of customers' data 418-1

In 2020, no substantiated complaints related to violations of customer privacy were recorded at Riga Airport. There were also no cases of loss, leakage or theft of customer data.

Also in 2020 Riga Airport ensures compliance with the requirements of the General Data Protection Regulation by:

- continuing staff training (on the Airport's e-training environment);
- auditing the Airport's business processes within which personal data is processed;
- carrying out assessments regard-

ing impact on the personal data protection pursuant to Article 35 (3) of GDPR;

- involving Data Protection Officer in the development of agreements and elaboration of data protection disclaimers;
- advising employees on topical data protection issues;
- evaluating information systems from both risk and data protection perspective;
- maintaining a register of personal data events and a register of personal data processing systems;
- developing and clarifying the existing Quality System procedures governing data protection issues.

## Human rights 103, 412-1

So far, no separate human rights impact assessment has been performed at Riga Airport, however, the Airport's goal is to ensure compliance with all laws and regulations,

which concern the observance of human rights in the workplace, providing services and evaluating partners.

Riga Airport complies with all the conventions and protocols of the International Labour Organisation ratified by Latvia and recognises their main goal—to promote social justice and the recognition of international labour law. The Personnel Policy of Riga Airport defines that the company prohibits selective treatment and discrimination of employee's based on gender, age, race, origin, financial status or other circumstances.

In order to ensure the observance of human rights among employees, the Code of Conduct of Riga Airport defines rules for behaviour, for example, dignified, tolerant and equal treatment in mutual communication. The observance of the Code of Conduct is mandatory for all employees.

The Riga Airport Personnel Development Department organises training to ensure the understanding and knowledge of Airport employees

when serving customers of different cultures, ethnic origins, and religions. This topic is a part of the course "Customer Service", which is undergone every two years by the staff involved in customer service; the issue of non-discriminatory service is included in the airline passenger service rulebook as well. To improve the staff's knowledge and raise the understanding about cultural differences, aviation safety training programmes offered by the Security Department include topics on various religions and cultures. In addition, the Training Centre of Riga Airport organises external courses covering various issues related to trafficking in humans. Some of the courses available:

- tolerance and diversity management skills;
- training in occupational safety (training of trusted person);
- generation management;
- combating human trafficking;
- employment of third-country na-

tionals in Latvia;

- professional communication with customers of various categories.

Since the single air transport market should be equally available to all inhabitants, Riga Airport pays particular attention to PRM service. Persons with restricted mobility have the same rights to free movement, free choice and non-discrimination as all other citizens (see more on page 93).

In selecting suppliers, Riga Airport performs a special contractor control procedure, see more on page 29.

As mentioned on page 31, on 19 October 2020 the leading aviation companies—Riga Airport and the national airline airBaltic, Ministry of the Interior of the Republic of Latvia, and NGOs—signed a memorandum of cooperation thus undertaking active cooperation in preventing human trafficking.

This memorandum was initiated by Riga Airport, which has participated in various activities in preventing this global crime also previously. "Traff-

icking in humans is one of the most severe crimes and a gross violation of human rights and personal dignity. Being the largest airport in the Baltic States and the main air traffic hub in the region we understand our significant role in preventing this crime. Although Airport has previously cooperated with the competent public authorities and NGOs providing help to victims of this crime and has included this topic in its training programme, such complex issue which involves both public institutions, transport industry and the non-governmental sector calls for systemic cooperation,” points out Laila Odiņa, Chair of the Executive Board of Riga Airport.

The goal of the memorandum is to facilitate prevention of human trafficking and to strengthen the cooperation between aviation companies, public authorities and NGOs in recognising victims of human trafficking and to direct victims for support, help and protection. In the memorandum, aviation companies, competent public authorities and NGOs express their willingness to cooperate and mark boundaries, scale and principles for cooperation.





# EMPLOYEES

## EMPLOYEES

103

Riga Airport is one of the largest and most recognisable employers in Latvia, with employees of all generations of the workforce and various levels of education working together. Many of the company's professions and the knowledge and skills required for working here are unique in Latvia. In order to achieve the company's strategic goals and implement high security and service standards, it is important to attract, train, manage and retain professional, motivated, result-orientated and loyal employees. Therefore, the company's goal is to pay special attention so that all employees are provided equal opportunities, while paying special attention to socially vulnerable groups of employees. Riga Airport is constantly improving its personnel selection, training, remuneration, evaluation and occupational safety systems, as well as promoting professional development opportunities.

2020 was full of unprecedented challenges presented by the COVID-19 crisis. The crisis was especially hard for the aviation industry and thus also Riga Airport—both the company and



its employees. COVID-19 came with not only care for the health and safety of ourselves and others but also radical restrictions on tourism, changes to plans and targets, and uncertainty about the future. Previously, high stability and continuous growth was a matter-of-course for all Airport's employees, but in 2020 the Airport's management had to take some difficult decisions to ensure the survival of the company. Nevertheless, the decisions in relation to employees were as gentle and beneficial as possible. Even when the

situation improved during the summer period, it was clear that returning to the previous level cannot be expected soon. These conditions caused lasting high psycho-emotional pressure for employees who kept working by taking care of themselves and passengers to prevent the virus from "travelling" and to secure the company's operation and implementation of goals.

Despite the impact of the COVID-19 pandemic causing various restrictions and financial stress (as income

plunged dramatically), the Airport managed to adapt and realise its operational processes in line with the changing regulatory requirements and to keep caring for its employees by introducing new initiatives.

### Number of employees, Collective Agreement, and personnel diversity 102-8, 102-41, 405-1

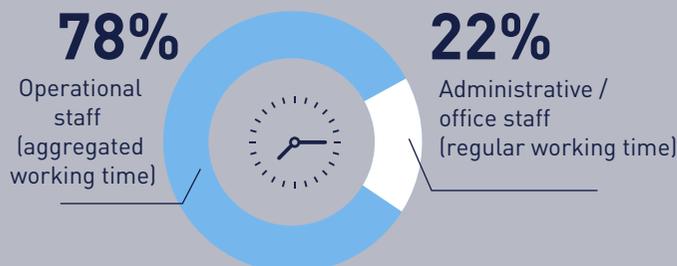
As at 31 December 2020, there were 1,009 employees at Riga Airport, and the high proportion of men can be explained by the large number of technical professions, as well as professions that require physical endurance. Nevertheless, proportion of women is growing (1% increase in 2020).

Most of employment contracts are full-time and open-ended. In 2020, 617 men and 369 women had employment contracts for an indefinite period of time, and 23 men and no women had employment contracts that expire at a set time. In 2020, 631 men and 316 women worked full-time at Riga Airport, whereas 2 men and 2

### Senior management (Executive Board and department directors)



### Personnel



women worked part-time. In addition, 58 full-time workers (including seven men) were on maternity or paternity leave (workers with an open-ended employment contract).

A collective agreement promotes the protection of the legal, economic and social interests of employees in addition to the requirements specified in legal acts.

In 2020, the Collective Agreement covered 98% of Riga Airport employees (excluding seasonal employees) whose probationary period had expired. The Collective Agreement applies to not only the members of the Trade Union, but all employees working for the company. It ensures the equal treatment of all employees in terms of social guarantees and various benefits and reduces the possibility of conflicts between employees and the employer.

On 6 March 2020, amendments to the Collective Agreement were approved by the general assembly of company's employees thus concluding the work started in 2019. The term of the Collective Agreement is

## Key changes to the Collective Agreement

### Payment for overtime work

2020		6 x year
Before		3 x year

Night work is paid starting from the first hour of night work.

### Vacation pay

Seniority at Airport	Vacation pay in percent from basic salary
from 1 to 5 years	70%
from 5 to 10 years	80%
from 10 to 15 years	90%
from 15 years	100%

### Additional vacation for seniority

Seniority at the Airport	Working day
from 1 to 3 years	
from 3 to 5 years	
from 5 to 10 years	
from 10 to 15 years	
from 15 years	

### Bonuses

- Additional vacation in the amount of **two** working days for employees with at least two children aged 0–14 years.
- Concluding a marriage: previously EUR 200.00, now **EUR 300.00**.
- Childbirth, adoption: previously EUR 500.00, now **EUR 750.00**.
- Compensation for medical optical corrective appliances: previously EUR 130.00, now **EUR 150.00**.

**30%**

A bonus up to **30%** of the basic salary for additional work duties: filling in for an absent employee or performing the duties of a vacant position.

Knowledge Day benefit (per child aged 5–18 years): previously EUR 110.00, now **EUR 150.00**

Increased limits for various support measures: allowances, expenses for medical treatment, etc.

And other bonuses.

The changes were elaborated in cooperation with the Latvian airport workers trade union.

two years. In this general assembly also seven trusted representatives were elected.

To amend the Collective Agreement, a standing conciliation commission was established with an equal number of representatives of Riga Airport and the Latvian Airport Employees' Union. In January 2020, the conciliation commission agreed on the final version of the amended Collective Agreement, which was approved by the Airport's Executive Board in February.

The new version of the Collective Agreement stipulates many significant improvements for Airport's employees, for example rise in several benefits, supplement to salary for work in night starting from the first hour. It also allows the Trade Union to participate more in improving the working environment, and provides for Airport's support to the Trade Union.

Unfortunately, the Airport's estimated income plummeted to a critically low

level as a result of the economic crisis caused by the COVID-19 pandemic in March. Moreover, forecasts about the recovery of aviation industry were rather pessimistic. Since Riga Airport is a State capital company, its employees did not receive any furlough allowance established by the State.

To maintain the company and its ability to operate in the long-term, the Executive Board had to take some emergency decisions, including re-

garding cutting personnel costs by 40%. This included reduction of the number of employees, and this process lasted for two months by ability to operate in the long-term, the Executive Board had to take some emergency decisions, including regarding cutting personnel costs by 40%. This included reduction of the number of employees, and this process lasted for two months by June 2020 (see more in the Section "Labour turnover" on page 125).

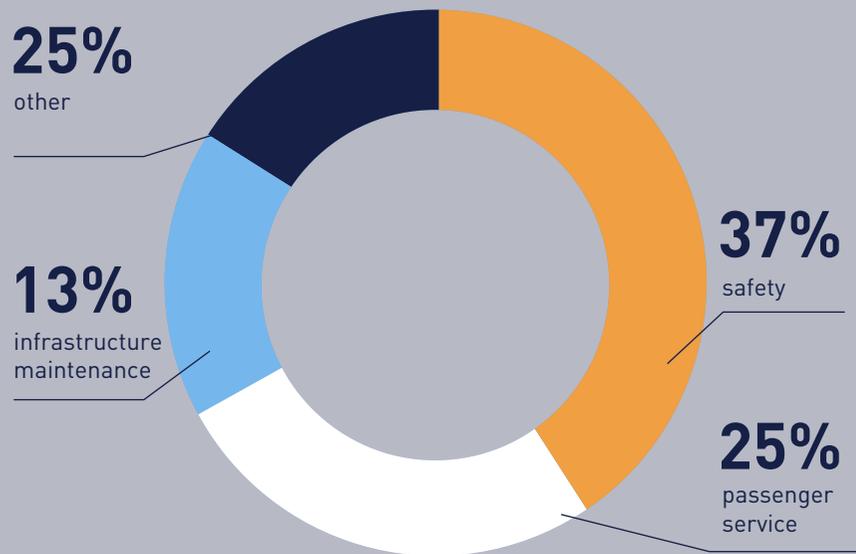
### Number of employees by area (%)

**271**  
NUMBER OF POSITIONS

**1009**  
TOTAL NUMBER OF EMPLOYEES

**41** years  
average age

**78%**  
maiņu darbs



#### TOP 3 departments

**333** Security

**230** Ground Handling

**219** Aerodrome

#### TOP 5 positions

**151** Aviation Security Inspector

**58** Aircraft Service Agent

**43** Operator of Aerodrome Maintenance Machinery

**41** Passenger Service Agent

**33** Senior Aviation Security Inspector

The company invited the employees to return to work at the Airport as the aviation industry, and thus also the Airport's activity, resumed. When returning to work, the total seniority of these employees was considered to be uninterrupted. In 2020, Riga Airport reinstated 33 employees who were released from work due to the collective redundancy.

## Health and safety 103

Employees have always been the greatest value of Riga Airport and the basis of outstanding achievements. One of the core values of the airport is safety, so taking care of the safety and health of employees is one of the main priorities. The safety and health protection of Airport employees and other employees working in the company's territory is ensured by highly developed safety management and occupational safety systems through systematic risk assessment, prevention, and risk mitigation. The Airport makes significant investments in promoting the health of employees and improving the working environment.

Large portion of the time and resources of specialists involved in occupational safety processes was devoted to restrictive measures aimed at preventing the spread of COVID-19. In addition, other important changes were also introduced: the number of the employees involved in occupational safety processes was increased by creating a new position "Occupational safety manager", and seven trusted representatives in the field of occupational safety were elected by the general assembly of company's employees and trained thereafter. The occupational safety team took over the supervision of the

Airport's hazardous equipment and measuring devices. Occupational safety specialists performed regular inspection and examination of documents in relation to development and implementation of several important construction projects carried out by contractors in 2020.

### Occupational health and safety management system 403-1

The occupational safety system and organisational procedures at Riga Airport are created on the basis of

Latvian laws and regulations and the occupational safety requirements specified in the company. Occupational safety requirements are determined by the "Occupational safety organisation procedure DA 1100P", which is approved by the Chair of the specified in the company.

Occupational safety requirements are determined by the "Occupational safety organisation procedure DA 1100P", which is approved by the Chair of the safety objectives are approved by the Executive Board. The procedure applies to all Airport's structural units and is bounding

## Labour protection safety objectives 2020

Objective	Result in the objective	Actual result
To limit the number of accidents at work (with loss of ability to work) and injuries at work (without loss of ability to work) for employees working at the airfield to no more than 0.57 occurrences per 1,000 flights.	0.57 occurrences per 1,000 flights	0.45 occurrences per 1,000 flights (16 occurrences)—objective achieved
To limit the number of accidents at work (with loss of ability to work) and injuries at work (without loss of ability to work) for employees working at SJSC "Riga International Airport" to no more than 0.02 occurrences per the total number of employees of SJSC "Riga International Airport".	0.02 occurrences per all Airport employees	00.004 occurrences per all Airport employees (15 occurrences)—objective achieved

upon all employees. Commitments to security objectives are set out in the Safety Policy.

The internal monitoring plan for work environment for the year is determined with an executive order, and the company's safety objectives and the action plan for achieving the 2020 safety objectives are approved by the Executive Board.

## Hazard identification, risk assessment and accident investigation 403-2

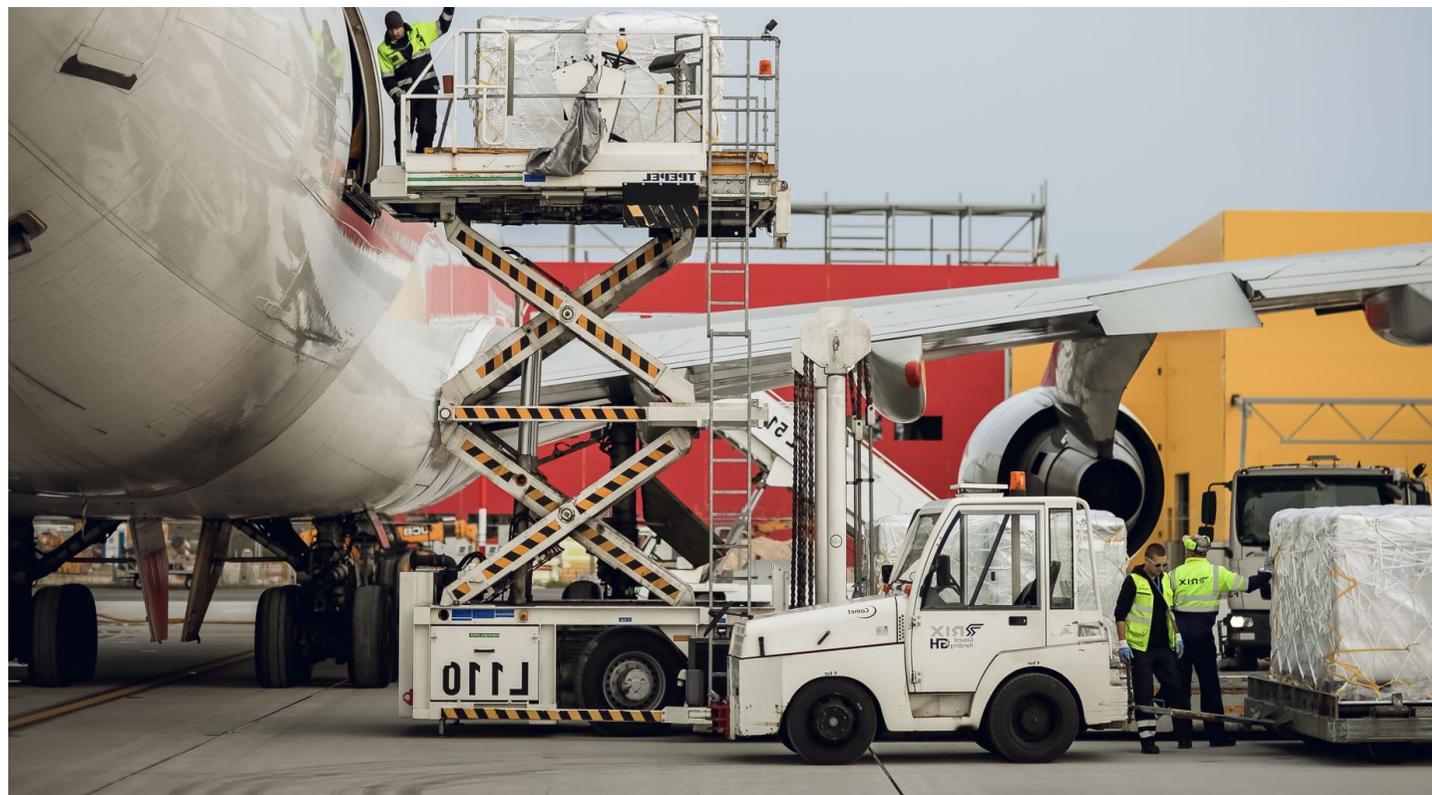
Riga Airport has defined the duties, rights and responsibilities of the employer, heads of departments and employees in the field of occupational safety.

By July 2020 there were two occupational safety specialists responsible for the maintenance and improvement of the occupational safety system at Riga Airport—a senior occupational safety specialist and an occupational safety specialist. Starting from July 2020 the amount of work increased and the third

occupational safety specialist position ("Occupational safety manager") was established. All Airport's occupational safety specialists have a professional Master's degree in occupational safety and a professional qualification "Senior Specialist in Occupational Safety".

See more about internal regulatory documents prescribing measures to be taken in case of accident in the Section "Accidents at work" on page 108. Pursuant to the Safety Management System Manual DP 8003 R, the company has introduced and maintains a voluntary safety incident

reporting system. Within the system it is established, that the management of the Airport and of other companies working at the Airport undertakes not to impose any punishments on persons providing reports unless safety incident has set in as a result of negligence, intentional act or inactivity.



# EMPLOYEE PARTICIPATION, CONSULTATION AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

## Assessment of work environment risk factors

403-4, 403-7, 403-10

The risks of work environment are assessed at each department not less than once a year. The plan for assessing department work environment risks is determined with an executive order.

In 2020, work environment risks were assessed in all structural units of Riga Airport—11 departments, two units and 29 divisions. Employees and trustees or employee representatives have the opportunity to get acquainted with occupational safety documentation, including work environment risk assessments.

The Collective Agreement and the “Occupational Safety Organisation Procedure DA 1100P” of Riga Airport determine that employees must participate in the improvement of the occupational safety system, as well as determine and describe the procedures of occupational safety to improve employee safety and health at work.

Work environment risks are assessed by labour protection specialists, additionally inviting:

- trustees or employee representatives;
- employees who work in the relevant workplace and have a good knowledge of such workplace;
- the head of the relevant department or his/her delegated representative.

The occupational safety instructions and the combined equipment use and occupational safety instructions specify the working environment conditions that are harmful to the employee's health, as well as prohibit starting or continuing work if damage to machinery / equipment is found that may endanger the employee's health.

Work environment risk assessment is carried out in accordance with the Internal Work Environment Monitoring Plan 2020, using the Finnish 5-point system. For each risk factor, the degrees of risk are determined

and the consequences of the risk are multiplied by the probability of the risk.

Risk mitigation measures shall be applied where the risk level is III (“tolerable risk”) or higher. In these cases, a plan of preventive measures in occupational safety is prepared, determining the responsible employees and deadlines.

## Procedure of reporting

The procedure for reporting accidents that have occurred or are about to occur is determined by the “Labour Protection Organisation Procedure DA 1100P”. The reporting procedure is also specified in the section “Occupational safety requirements in emergency situations” of each occupational safety manual, which describes the actions of employees in the case of damage to work equipment, first aid and fire and if a situation dangerous to human health and life has occurred.

Employees can also report incidents or near misses anonymously using the voluntary safety incident reporting system and filling in the form “Safety

Report DP 8201 F” or the safety report on the Riga Airport [website](#) or in the intranet e-RIX Help desk “Safety Report”.



Safety report

If information has been obtained from an employee through the voluntary safety incident reporting system and the employee reports a threat to the safe operation of the airfield caused by his or her actions and if such actions were not malicious, the submitted information may not be used to punish the employee.

To improve the general awareness, a memo “Procedure for reporting accidents in the Airport” was prepared and sent to all employees in 2020.

## Investigation of accidents at work

In 2020, no severe accidents at work (causing fatalities or loss of ability to

work) were registered at the Airport. The accident rate at Riga Airport is calculated against the number of accidents at work per 1,000 flights (employees of companies working at Riga Airport, including Airport employees), which was 0.45 in 2020.

The main types of injuries are crushing and squeezing of various parts of the body, as well as physical tension in the musculoskeletal system. This also includes musculoskeletal injuries.

Investigation of work-related accidents at Riga Airport is established in Article 6.9 "Investigation and registration of accidents at work" of the Occupational Safety Organisation Procedure DA 1100P. In turn, an executive order determines the actions of the responsible persons after an accident at work.

The order stipulates the procedure for investigating accidents and determines the composition of the accident investigation commission. A trustee or employee representative is involved in such investigations.

Each accident at work is investigated by the Airport staff in the following composition:

- the superior manager of the injured party;
- the direct manager of the injured party;
- an occupational safety specialist;
- a trustee;
- the head of SMS or their delegated representative if the accident affects the processes controlled by the SMS.

After each accident, an organised commission performs an investigation of accidents at work and preventive measures are identified and implemented, such as improvement of technical mechanisms, unplanned safety instruction, changes in the aircraft maintenance manual.

Once a month, the SMS unit organises working group meetings, in which topical safety incidents, incidents that have taken place, accidents, near

misses, potential hazards in the work environment, etc. are considered in terms of occupational safety.

## Accidents at work 403-9, LA6

The accident rate at Riga Airport is calculated against the number of employees (in 2020 this ratio was 0.014), among the registered accidents there were 11 incidents causing loss of ability to work (according to the qualification, health problems were not severe) and four near misses without the loss of ability to work. In 2020, there were no registered fatalities and no accidents at work, due to which the employee had serious consequences.

The main types of injuries are related to crushing and squeezing of various parts of the body, as well as physical tension in the musculoskeletal system. An analysis of recent statistics on accidents at work has shown that men are the main victims of injuries. Most accidents are due to negligence or non-compliance with the requirements set out in the safety instructions.

In 2020, 0.45 accidents at work per 1,000 flights were detected for all employees, who are not employees of SJSC "Riga International Airport", but rather employees of companies working at the aerodrome. Overall, 16 accidents at work with or without loss of ability to work were registered for employees of four companies. In 2020, no fatalities and no accidents with serious consequences were registered. Employees of aerodrome service providers have suffered mainly musculoskeletal injuries related to hand, finger and back injuries caused by using equipment necessary for work.

Steps to be taken by the responsible persons after an accident at work at Riga Airport are prescribed by the order No. 18.89B and the Occupational Safety Organisation Procedure DA 1100 P.

After analysis of accidents at work in 2020, the following key measures were performed at the Airport:

- provision of occupational safety instructions and information about the accidents at work to employees;

- inspection of the technical condition of working equipment and replacement of parts;
- drafting up of a memo to repeatedly inform employees about safework and occupational safety requirements;
- upgrading of work equipment with additional safety devices;
- repeated instructions to employees regarding handling of baggage units weighting more than 20 kg;
- provision of information to employees of other structural units regarding the past accidents and measures to be taken.

## Occupational diseases 403-10, LA6

Cases of occupational diseases at Riga Airport are investigated and determined pursuant to the applicable Cabinet Regulations and Airport's procedure.

In 2020, an occupational disease was

confirmed for five employees, and two of them continue working. None of employees has left the work due to health condition. Most of the occupational diseases are related to joint and spine diseases caused by the physical character of a workspace: handling weights, ergonomics, static postures, and whole-body vibration, but in one case—psychological and emotional aspects.

To reduce the risks of occupational disease and to assess exposure time, the harmful working environment factors are measured, where possible. The necessary information on harmful working environment factors are communicated to the employees and their direct managers on regular basis. In addition, all company's employees are presented an occupational safety report discussing the recent developments in the field, drawn up by occupational safety specialists. Information about occupational safety issues is regularly provided in the intranet e-RIX, e-mail, and newsgroup "e-RIX informs".

Riga Airport provides its personnel

with new equipment and instructions on how to use it, and replaces the outdated equipment with modern solutions.

As a response to occupational disease applications of Riga Airport's employees, one inspection by the State Labour Inspectorate took place in 2020 to draw up the hygienic characterisation of the workplace. At the moment of preparing this report, result of this inspection was not available yet.

The organisation and procedure of occupational safety apply to all employees of Riga Airport equally.

## Personnel training in occupational health and safety 403-5

Personnel training in occupational safety is regulated by the "Occupational Safety Organisation Procedure DA 1100P" and the executive order on the list of positions. These documents prescribe the professions for whom

the initial and regular occupational safety instruction must be provided.

Instruction of new employees in occupational safety is performed on their first day at work. In 2020, instructions were provided to a total of 167 employees: new employees, employees returning from a long-term absence, and seasonal workers.

In March 2020, the general assembly of Airport's employees elected seven trusted representatives. In July the main trusted representative was elected. Last year occupational safety training was also provided to four trusted representatives elected but not trained previously.

Overall, 16 employees received training in performing high risk jobs in 2020.

Training in electrical safety, according to the Latvian Power Standard LEK 025, was performed in 2019 and was still effective in 2020 for all 24 employees of the Airport's Electro-technical Department.

The training pertaining to each position is specified in the document "Position-related Training".

## COVID-19 restrictive measures

Overall health and safety of Airport's employees and the society in general is, inter alia, the key responsibility and value of Riga Airport as a socially responsible and sustainable company.

To ensure a set of efficient measures aimed at maintaining the safety of Airport's employees and customers during the COVID-19 pandemic, Riga Airport elaborated a programme #NeļaujVīrusamCeļot (Prevent the Virus to Travel) and a programme for the safety of company's employees #Strādāvesels (Be Healthy),

Riga Airport was awarded four out of five stars for the implemented COVID-19 measures in COVID-19 Airport Safety Rating of the prestigious aviation rating agency Skytrax. An independent Skytrax audit performed in December 2020 examined the efficiency and consistency of the implemented epidemiological safety procedures and the cleanliness in the Airport's terminal by bacterial surface sampling. Auditors also assessed the cleaning and disinfection procedures, social distancing policy and control, use of facial masks, availability of hand disinfection

devices, and use of personal protection equipment by employees ([the audit conclusion is available here](#))

As stated in the Skytrax conclusion, Riga Airport provides clear and understandable information about the epidemiological safety measures taken at the Airport and how incoming and outgoing passengers should act. The Airport has established strict rules regarding the use of facial masks and entering the terminal, and compliance to these rules is controlled by the security staff by verifying ticket reservation.

Employees are familiarised with the occupational safety and health care measures using special orders that are updated pursuant to the national procedure for limiting the spread of COVID-19. Information to employees is provided frequently and regularly in the intranet e-RIX, weekly newsgroup "e-RIX informs", visual materials, and during employee meetings.

Already in the very beginning of COVID-19 pandemic (end of February–beginning of March 2020), Riga

## NEW HEALTH AND SAFETY MEASURES



Within job duties, shall regulate the passenger flow as necessary to ensure physical distancing.



When working in the terminal, shall comply with the employer's requirements and use one of the following: surgical mask, respirator, face shield, and other personal protection equipment necessary for work.



In the free time when not performing job duties, shall use disinfectant liquid to disinfect the items, which are in the responsibility of the particular structural unit, commonly used by passengers and staff rest rooms.



When embarking an aircraft, shall use one of the following: surgical mask, respirator, face shield.



If it is found that a COVID-19 positive passenger is on the flight, the ground service provider for that flight shall immediately disinfect the surfaces of all ground equipment touched by the passengers of that flight.



Airport organised special meetings for employees of structural units; in these meetings, a doctor from a health care company, with which the Airport has concluded a cooperation agreement, and the senior occupational safety specialist participated. Specialists presented verified information about the new coronavirus and measures for reducing its spread, and answered questions. Overall, 22 meetings were held, and infographics #Strādāvesels (Be Healthy) were prepared presenting the information in clear language.

Measures introduced to limit the spread of COVID-19:

- regular, systemic and varied provision of information to employees about the steps taken to limit the spread of COVID-19 at the national and Airport's level;
- provision of hand and surface disinfectants, facial masks, and other protective equipment for employees;
- purchasing and installation of protective screens;

- floor marking and warning signs for social distancing at workplaces;
- regular inspections in places where employees contact passengers;
- provision of natural immunity boosting supplements (lemons, ginger) for employees;
- testing of employees;
- measures to promote psychoemotional health and reduce pressure.

## Employee health 403-6

Employee health is one of the key priorities of Riga Airport's personnel policy.

To maintain the confidentiality of employees' personal data and health data, Riga Airport performs the following steps:

- storing and handing over of health information is performed in compliance with confidentiality and data protection requirements (closed rooms/ cabinets.



password-protected electronic documents, handing of information only to the work e-mail or in person by presenting a personal identity document);

- information is only available to the employees whose job duties entail working with this information;
- data is processed in the minimum amount necessary;
- information circulation regarding health insurance services is ensured by the particular employee and the insurer.

## Health insurance

Pursuant to the Collective Agreement, all employees after the probationary period, except for seasonal workers, receive a health insurance policy. Policy, in cases prescribed by the Collective Agreement, is also retained after the legal employment relations and in 2020 it was retained for all employees who lost their job as a result of the collective redundancy caused by COVID-19.

The health insurance policy has a wide coverage and limits, including health examinations, vaccinations, specialist consultations and examinations, in-patient and out-patient medical assistance, rehabilitation, dentistry, sport, and critical illness insurance. Health insurance policy gives the employees the feeling of safety, as it is easier to receive health care services with it, which promotes early diagnosis that, in turn, facilitates faster recovery. The policy also includes health promotion activities.

The health insurance policy provides that employees can receive health care services without paying themselves, including at the out-patient clinic in the Airport's territory.

Once a year, the Human Resources Department surveys the employees on the health insurance service and analyses the statistics of policy use. Then, based on the collected information, policy coverage is adapted to employee needs, as much as possible. The survey conducted in August 2020 revealed that employees are overall satisfied with the services included in the insurance policy, their

variety and relevance (94% of employees assessed the policy as “excellent” or “good”).

In the procurement process of health insurance services, Riga Airport engages also a representative of the Trade Union. Despite the complicated financial situation, a procurement for the personnel health insurance was performed also in 2020 (the policy will come into effect in 2021) to take care of the employee health and motivation. The new insurance policy will have the same coverage and even offer some improvements, for example higher limit for out-patient and in-patient rehabilitation (like massage) costs, paid oncology care, and paid pregnancy care.

In 2020, information about health insurance services, including changes during the emergency situation (how to receive paid medical consultations on-line or how to receive psychotherapy services) was regularly updated.

All employees are insured against accidents at work.

## Other health promotion activities

There is a medical room in the Airport’s passenger terminal, where employees can receive medical assistance in case of trauma, sudden illness or worsening of health status. The medical room works 24/7 (except for changes to the working hours in the spring 2020 due to the COVID-19 pandemic) and offers first aid and a physician’s consultation.

Within the Airport’s territory, there is an out-patient clinic ensuring fast medical assistance which can be paid for using the health insurance policy.

Within set limits, expenses for medical optical corrective appliances (glasses, contact lenses) are covered once in two years.

Pursuant to the Collective Agreement, benefit is issued to employee in case of a long-term or severe illness if the State or the health insurance policy does not cover the related costs. In 2020, the Airport covered expenses for a child’s medical treatment for two employees and paid for

other health-related expenses for two employees.

## Healthy lifestyle

Majority of events organised in 2020 were aimed at limiting the spread of COVID-19 (see more on page 110).

During the viruses season, occupational safety specialists ensure natural anti-cold remedies and immunity boosting supplements, like ginger and lemons, are available at all staff kitchens.

In December, the Human Resources Department organised vaccination for the flu in the Airport’s premises, and this possibility was used by 70 employees.

Employees were provided regular information on on-line training (and their recordings) aimed at promoting healthy lifestyle, including reducing stress and improving psychoemotional health.

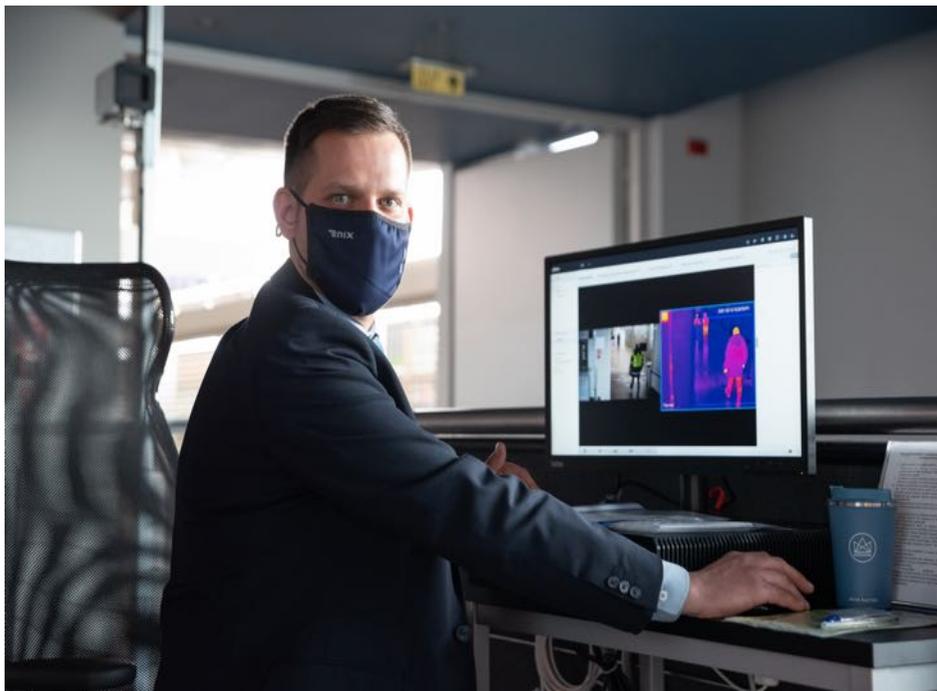
Employees are regularly provided with useful and easy-to-read information materials in e-mail, on infor-



mation boards, and at rest rooms.

## Sport

Riga Airport is of the opinion that various sports activities not only bring benefit to the health but is also a good team-building measure promoting positive micro-climate within a group, which is important part of health and well-being at work. In cooperation with the Latvian Airport Workers Trade Union, Riga Airport encourages its employees to have an active and healthy lifestyle by providing paid football, basketball, and volleyball training and partly-paid ice hockey



training. Unfortunately, due to the COVID-19 pandemic, the company's annual sporting event was not organised in summer 2020.

Within the set limits, the health insurance policy covers various sports activities, including sports memberships, (sport clubs, swimming pools, sport dancing, ice skating, etc.). While there were restrictions on attending

sport clubs, employees still had the possibility to participate in sport activities outside, on-line or to use video recordings.

Every year Airport's employees have the possibility to participate in the largest sport events in Latvia, for example, Rimi Riga Marathon, trail running series Roebuck, and the Latvian Cyclists Unity Ride. In 2020,

Rimi Riga Marathon was cancelled, but 80 Airport's employees participated in the trail running series Roebuck that took place and 20—in the annual bicycle race Unity Ride. The Airport's basketball team won the Mārupe Municipality Basketball League 2020 for the second time in a row. But Riga Airport's football team ranked 3rd in Riga Football League Competition 2019/2020.

## Skills and development 103, 404-1

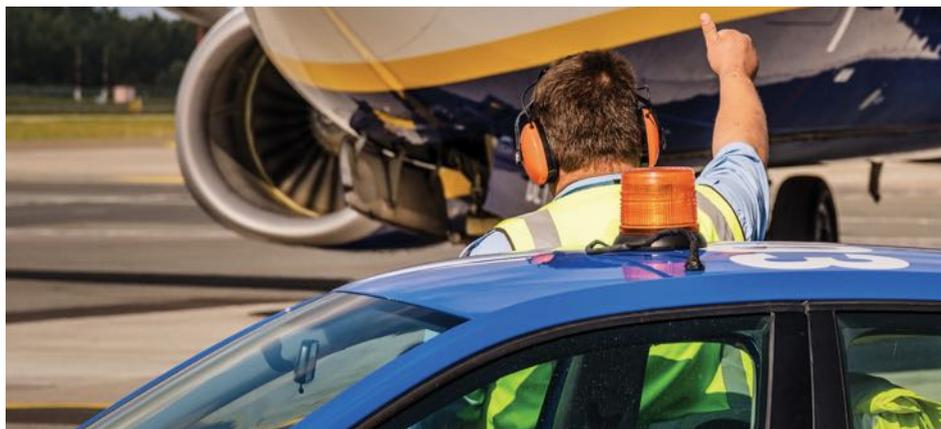
Work in aviation sector requires responsibility, precision, knowledge and accuracy; therefore, Riga Airport provides appropriate training possibilities to ensure development of the staff potential and guarantee provision of quality services. The Human Resource Department or the Learning Centre (LC) of the Airport organises top-class professional training. ACI and the Airport as ACI's representative has the opportunity to provide training to participants from all over the world.<sup>33</sup>

### Types of training at Riga Airport:

- initial or repeated training (pursuant to the Position-related Training form) most often related to ground service, aviation safety, and airfield maintenance;
- additional unplanned training following an accident, negative process trends, management order, or important changes to the Airport's operation, structure, binding processes or laws and regulations;
- training in addition to the Position-related Training form, procedure of which is given in the "Personnel Management Manual PD 1399 R", for example, fully or partially paid studies at university or training courses.

The staff training and professional development policy and procedure is set by two documents "Staff Training and Competence Procedure PD 0099 P"

<sup>33</sup> <https://aci.aero/global-training/training-information/training-centres-venues/>



and “Personnel Management Manual PD 1399 R”. Heads of departments define the amount of mandatory training for each position and these trainings are included in the Position-related Training form PD 1462 F. According to the Position-related Training form, training is organised by the Training Centre or the department itself.

On average, one employee has spent 17.8 hours in face-to-face and on-line trainings within the Training Centre’s programmes and external training organised by the TC (except for self-studying courses—these can be acquired individually—and voluntary

training, like mini-lectures on various subjects).

### Acquiring skills and improving qualifications 404-2

Riga Airport provides both initial professional training for every new employee and regular training for raising qualification during the paid working hours.

### Training provided by the company

Training at Riga Airport’s Training

## Courses by type of training

	Number of courses	h	People trained
<b>Face-to-face training</b>	<b>1035</b>	<b>3785,5</b>	<b>8546</b>
RIX employees	<b>626</b>	<b>2707,5</b>	<b>4194</b>
Employees of external organisations	<b>382</b>	<b>936,5</b>	<b>4060</b>
<b>Live training</b>	<b>358</b>	<b>957</b>	<b>3426</b>
RIX employees	<b>83</b>	<b>290</b>	<b>447</b>
Employees of external organisations	<b>258</b>	<b>590</b>	<b>2843</b>
<b>Self-studying in e-RIX</b>	<b>-</b>	<b>-</b>	<b>9335</b>
<b>External training at RIX</b>	<b>198</b>	<b>-</b>	<b>399</b>
<b>Total</b>	<b>1 591</b>	<b>4 742,5</b>	<b>21 706</b>

Centre is led by professional instructors who have gained their qualifications at institutes and training institutions of IATA, ICAO, ACI, ECAC and others, and who have both theoretical and hands-on knowledge and experience in the relevant subjects.

TC also cooperates with other training centres in Latvia and abroad to develop joint training projects.

The Airport's TC has developed and provided a total of 136 training courses in 2020, including 53 new or updated programmes. Work on developing new programmes and on updating the existing ones is continuous to reflect the topicalities in the particular industry and Airport's activity, changes to regulatory enactments, and analysis of case studies. Training programmes developed by the TC are mainly related to the core business of Airport: ground handling, aviation safety, and aerodrome operation, as well as crisis management, fire safety, and occupational safety.

In addition to the position-related training, Airport's employees have also the possibility to attend qualifica-

tion raising training in Latvia and abroad also in 2020, although last year the possibilities to train abroad were affected by the travel and financial restrictions.

Face-to-face training, especially practical training (like, security

In 2020, the TC provided 1,035 training courses (a total of 3,785.5 hours) that were attended by 8,546 people. Employees of Riga Airport participated in 4,194 courses (one employee attended several courses), and employees of other organisations took part in 4,060 courses. To continue, 399 participants used the opportunity to participate in a training offered by a guest lecturer, in 2020.

In total, 3,426 people participated in live trainings, and 9,335 used the self-learning opportunity in the e-environment.

screenings, driving lessons, work with special equipment), was strongly

## RIX training programmes

Type	Number	Developed / updated in 2020
Aviation safety	19	1
Occupational safety	5	-
Crisis	17	2
Aerodrome	28	4
Fire security	19	10
Environment	1	-
Ground	56	32
General	6	2
<b>Total</b>	<b>151</b>	<b>51</b>

affected by the restrictions imposed due to the COVID-19 pandemic, for example the allowed number of participants. When possible, trainings were quickly adapted for e-environment. The time in which Airport's operations were restricted was intensively used for raising and improving the employee qualifications. At the same time, projects for implementation new and more efficient training environment elements were realised.

As the offer of external training providers extended and technical solutions improved in 2020, employees were most actively invited to participate in various e-training activities. E-training allows useful spending of time especially during a furlough or when the company's activities reduce; moreover, training in general raises the individual competitiveness of employees and is useful for work.

In 2020, the possibilities offered by the platform e-RIX were expanded by developing the section "Qualification raising"—information on free on-line training was placed and regularly

## Courses by area

Type	Number of courses	h	People trained
<b>Face-to-face training</b>	<b>676</b>	<b>2823,5</b>	<b>5092</b>
Aviation safety	193	1334,5	1138
Occupational safety	11	7,5	136
Crisis	80	122	652
Aerodrome	141	383,5	1391
Fire security	55	122	467
Environment	13	11	116
Ground	121	623,5	491
General	44	172	493
<b>Live training</b>	<b>359</b>	<b>962</b>	<b>3432</b>
Aviation safety	95	348,5	846
Occupational safety	3	1,5	11
Crisis	14	19	39
Aerodrome	216	503	2355
Fire security	2	4	12
Environment	3	1,5	30
Ground	18	71	111
General	8	13,5	28

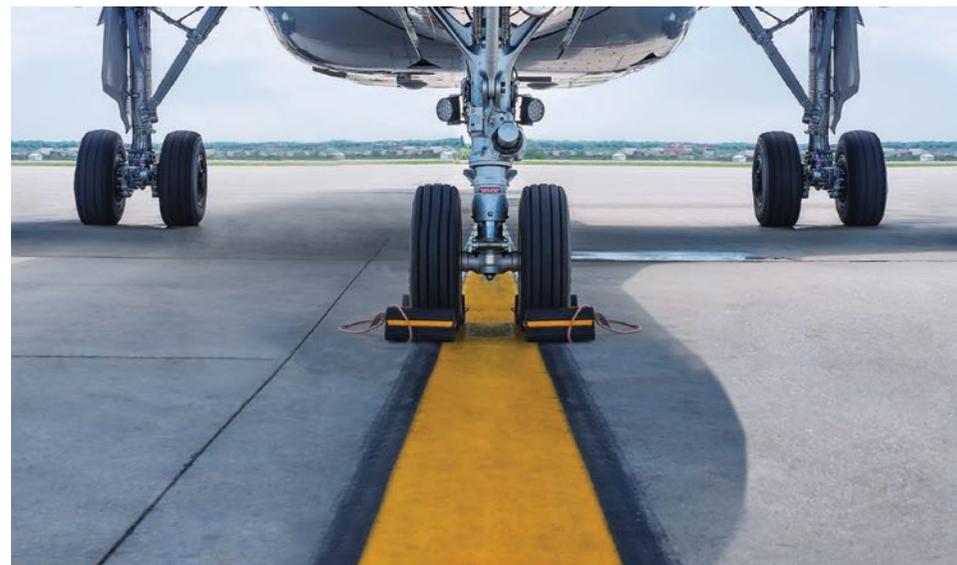
updated. The company ensured that information is available on courses of interest to employees according to the Employment Engagement Research 2019 (foreign languages, computer skills, oral and written communication), as well as on subjects contributing to promotion of well-being and stress mitigation. The Human Resources Department published information on free training available on the Internet and on the offer of foreign organisations (most of employees have good English skills and they are willing to put them in practice), as well as on training and webinars available in Latvia, emphasising national-level projects (“Improvement of professional competence of employed persons”, [macibaspieaugusajiem.lv](http://macibaspieaugusajiem.lv)) and topical subjects offered by education institutions and organisations (communication, stress management, management skills, individual efficiency). In 2020, special webinars for the Airport’s employees were organised and available in the intranet for some time (like, the webinar “How to remain positive during the period of uncertainty?” by psychotherapist

Marija Ābeltiņa). Actual information in Airport’s e-mail and on e-RIX can be accessed remotely (smartphone, tablet, home computer) using employee’s credentials.

## Support for education

Pursuant to the Personnel Management Manual PD 1399 R, employees have the right to apply for the reimbursement for accredited Bachelor, Master or Doctoral studies at accredited Latvian universities or professional training or qualification raising training.

If professional tuition or qualification raising measures can be regarded as such that are related to employee’s work but when they have no direct impact on the performance of the professional duties, the employer may reimburse for such training or qualification raising measures. A separate agreement shall be concluded between the employer and employee regarding such training and reimbursement of the related expenses. In 2020, one employee applied for reimbursement of tuition fees.



## Educational leave

Employees of Riga Airport may receive educational leave of up to ten working days a year to pass semester examinations or to develop their doctoral thesis, or up to 20 working days a year to take their final study examinations and State examinations.

To acquire the knowledge necessary for performing one’s job pursuant to the job specification and if condition-permit, the Airport grants the educational leave by retaining the

remuneration. In such cases, the employee, whilst continuing work must be successful at a State accredited education institution or a foreign education institution whose diplomas

In 2020, the right to study leave was used by three employees (paid leave for all). Overall, 48 calendar days were spent in paid study leaves.

## Management training

In 2020, all heads of Airport’s struc-

tural units underwent training in risk management.

E-training “Remote team management” in November was available for managers three months thereafter.

Preparation in 2020 allowed organising training in assessment and development negotiation for all managers (including operational managers who will participate in development negotiation according to the new concept of annual assessment and development negotiation) in January 2021 before starting assessments.

## Motivation and remuneration

Riga Airport is constantly studying options for solving motivation and remuneration issues pursuant to the best practice and modern challenges. In 2019, several working groups were organised by attracting representatives of various departments and the Trade Union to come up with long-term solutions for staff motivation and satisfaction. This resulted in several positive changes in the remuneration and motivation system (additional vacations, additional payment for night work from the first hour and more frequent additional payment for overtime work). Employees were informed about these changes through various channels, which were also included in the new version of Collective Agreement in 2020 together with other improvements (see more in section “Collective agreement” on page 102).

The crisis caused by the COVID-19 pandemic in 2020 has significantly cut the Airport’s revenue, and forecasts about recovery of the aviation sector are rather modest. The company had to adopt difficult decisions: to reduce the number of employees and to cut the remuneration and bonuses for the remaining employees. In order to be ready to resume active growth, it was important to keep the employees motivated despite the prolonged crisis, to ensure strategic human resource planning, and to devote time for learning.

## Remuneration system

Riga Airport is large and responsible

employer with more than 1,000 employees. As evidenced by the award received in 2020 for the excellent results in a study carried out by the personnel management consulting and research company Fontes, the remuneration system of Riga Airport has been recognised as the fairest in Latvia, as it includes social guarantees and other material support.

The remuneration at Riga Airport is composed of the base salary, variable part, bonuses and cash prizes, benefits, and any other work-related compensation. The variable part of the salary is a supplement to salary corresponding to an employee’s annual assessment results—the supplement in 2020 is based on the assessment performed in late 2019.

Even during the COVID-19 crisis, Riga Airport kept ensuring that employees retain their income as much as possible despite the critical drop in company’s income since the moment inter-national passenger transport was significantly restricted. Starting from 1 November 2020,

Airport put its employees on furlough. On average, 50 employees per month were on furlough in 2020.

Although payment of some bonuses and the variable part of remuneration was delayed due to the crisis in the first half of 2020, these delayed bonuses were compensated and payment of the variable part of remuneration was gradually resumed as the Airport’s operation resumed (see more in the Section “Bonuses” on page 121).

The variable part of remunerations and all other benefits and bonuses effective in 2020 are also paid in 2021, except for vacation pay.

The Remuneration Regulation of Riga Airport specifies the remuneration system and the procedure for receiving any other (work-related) compensations. The company’s Personnel Policy also includes the principles of remuneration policy and the employee motivation programme.

According to the principles of remuneration policy, all positions at the

Airport are divided into base salary levels by groups of positions. The salary is calculated by determining the relative value of a position and by evaluating the positions based on these criteria:

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

## Remuneration policy evaluation

According to the results of a study undertaken by the personnel management consulting and research company Fontes, the Airport has been recognised as the fairest payer in Latvia for two years—2018 and 2019. In the group of organisations with more than 500 employees the Airport ranked 2nd in 2020.<sup>34</sup>

Employers were evaluated in several

## These bonuses include:



### social guarantees;



### support in important life events

like marriage, childbirth, adoption;



### material support to an employee or their relatives

for example, to cover expenses for a child's medical treatment or expenses related to a death of a family member or a former employee;



### vacation pay

(from the 2nd year of employment)—once in a calendar year when an employee takes the annual paid leave which is not less than 14 calendar days;



### retirement benefit



### Knowledge Day benefit

for employees with children aged 5-18;



### compensation for medical optical corrective appliances;



### health insurance policy for employees

with a possibility to purchase one for employee's first-level relatives;



### other single financial assistance for other reasons

stages, and one of the criteria was competitiveness of the remuneration in the labour market (remuneration could not have been significantly below the market trends, and performers of similar jobs at the company could not have received very different pay). It means that the salaries at the Airport are both competitive in the labour market and fair within the company itself.

## Bonuses

In accordance with the Collective Agreement concluded between Riga Airport and the Latvian Airport Workers Trade Union, a rich and attractive range of bonuses is available to employees after the probationary period (except for seasonal workers), in addition to the requirements of the Labour Law.

In line with the budget possibilities, employees who have worked at the Airport for ten or more years are paid a single premium, to celebrate company's anniversary (every five years).

Unfortunately, when the emergency situation was declared in March and travel restrictions were imposed, the

<sup>34</sup> Source: <https://www.db.lv/zinas/petijums-noteikti-taisnigakie-atalgojuma-maksataji-latvija-498630>.

Airport's estimated income plummeted to a critically low level already in April. Moreover, forecasts about the recovery of aviation industry were rather pessimistic, therefore a decision had to be made on cutting the number of employees. See more in the Section "Number of employees, Collective Agreement, and personnel diversity".

## Flexible work hours and remote work

Just like other companies, balancing the work and private life is of key significance for Airport's employees. According to the Employee Engagement Research 2019, 65% of employees indicated that flexible working hours is important for them. Those Airport employees who work regular working hours already previously had the possibility to postpone the beginning and end of work by one hour. Such solution can be accepted if the employee has a justified reason and if it is approved by the direct and supervising manager.

Majority of employees (78%) have

aggregated working time (shifts), and they have the possibility to determine the work, leave, and holiday schedule by requesting their shifts to be on particular days or by changing them according to a set procedure.

In the light of the emergency situation caused by the global COVID-19 pandemic in 2020, many organisations in Latvia, including the public administration, looked for various solutions how to adapt to the current conditions. As a result, various flexible adaptations for organising the everyday work became a topical issue.

This was true also for the Airport, and with the Decision of the Executive Board of 16 March 2020 (minutes No. 12) and order "On the organisation of work and occupational safety measures" it was stated that work of employees with regular daily working time shall be performed remotely, if permitted by the official duties. The content of the work and the necessary resources shall be agreed with the manager.



In March heads of structural units were surveyed about the possibilities for remote work and flexible work hours to use their proposals in organising the company's work and preparing guidelines. Measures necessary for providing the possibility to perform work remotely were taken already in March during the emergency situation when several employees had to self-isolate or work remotely.

This included guidelines for remote work, including arrangement of safe working environment, communication and work organisation and self-efficiency, and information about free webinars "Remote work" and "Remote management" (in English) for employees and managers. Employees were informed in the intranet about free webinars to acquire IT technologies for on-line work and on organising working environment, occupational safety requirements and assessment of working environment risks.

In August, to summarise the experience gained in the first half year and

to prepare for a situation in which restrictions are intensified again, employees who work regular working hours were surveyed about the remote work and flexible work hours. Overall, 54.2% of employees from the target group participated in the survey. According to the results, 80% of the respondents had used the possibility to perform their work remotely since the declaration of the emergency situation. The main reason for those not using this opportunity was the fact that some duties cannot be performed remotely. Most often employees spent less than half of their work hours working remotely. Half of respondents did not face any difficulties in performing the work remotely. Employees appreciated several benefits provided by remote work, especially saving of the time spent travelling to and from work (90.2%), financial savings of transport, lunch expenses (82.6%), and easier balancing of personal and professional life (48.9%). A large portion of employees indicated that they do not need training to increase their efficiency when working remotely as the training ensured and guidel-

ines were sufficient and/or it is enough with their current knowledge and skills.

In relation to flexible work hours, half of the respondents indicated that they only worked within the set working time. And many employees think that minor deviations from the working hours set by the company or some flexibility in separate cases is an optimal solution. Survey results were presented to employees and competent structural units for making some improvements, as well as used in drafting internal regulatory enactments.

The order "On the organisation of work and occupational safety measures" issued in October instructed the heads of structural units to organise, if possible, remote work at least one day a week for employees with regular working time and specified the actions to be taken in case of confirmed COVID-19 infection.

In November, Airport's Executive Board approved the Procedure for

Remote and Flexible Work Organisation PD 1456 P, which establishes the procedure for and conditions of remote work and flexible work time at the Airport. In addition, an e-training for managers—Training Lab webinar "Remote team management"—was organised and available for individual studies for three months.

## Equal opportunities and preventing discrimination

### 406-1

Riga Airport does not have defined sex quotas. The company complies with gender equality norms: employees are hired and employed based on work requirements, the potential and ability to perform certain duties and tasks, and the required level of qualification.

Employees are selected following these recruitment principles: labour laws, principles regarding equality and prohibition of unequal treatment, confidentiality with regard to the

information provided by the candidates and to the selection procedure. At the end of job interview, the candidate signs a confirmation that no discriminatory questions during the recruitment process were asked.

Riga Airport's Personnel Policy defines: "When establishing and during legal labour relations, especially in the case of promotion, specifying conditions of work or job remuneration, professional training or qualification improvement, the company follows the prohibition of unequal treatment and discrimination by the employee's sex, race, colour,

age, disability, religious, political or other affiliation, national or social background, financial or family status, sexual preferences or other conditions."

Employees can report on discrimination by using the tool "Violations of the Code of Conduct" (read more in the Section "Ethics and anti-corruption policy" on page 24).

No cases of discrimination have been registered at Riga Airport in 2020.

In 2020, no reports regarding violations of the Code of Conduct were received.

There was also no whistleblowing in 2020.

### Labour turnover 401-1

In 2020, there were 1,009 employees at Riga Airport (the number of employees on 31 December 2020). The number of employees was slightly smaller than in the previous years: 1,308 in 2019 and 1,234 in 2018, and 1,137 in 2017. By first months of 2020, new positions were established and new employees were hired thanks to the growing passenger number and infrastructure development—the Airport was looking for new employ-

ees in passenger and aircraft service positions with the required technical competences.

Most of the new employees work at the Security Department, which is due to the staff capacity necessary for servicing the increasing number of passengers in the beginning of the year and the high security standards.

In 2020, six employees or 0.6% of the total personnel retired (left the work at the Airport). Previously, three, four, and seven employees retired in 2019, 2018, and 2017 respectively.

In 2020, compared to 2019, voluntary rotation (when employees leave the company voluntarily) reduced by ~50%. It should be noted that significant drop in voluntary rotation was ensured in 2019 (in comparison to 2018), when the voluntary rotation in the company decreased by ~30% and the rate of rotation significantly decreased in all departments and with regard to all positions with the highest rotation in the past. In fact, the rotation in 2019 was the lowest over the preceding five years. More-

### In 2020, Riga Airport



over, in comparison to 2019, the total rate of voluntary rotation at the Airport has decreased twice, but the overall rotation has doubled due to collective redundancies.

Some of the key activities aimed at decreasing rotation include complex and varied changes to the remuneration and motivation system, cooperation with departments, changes to the recruitment strategy and career development and growth. As a result of the economic crisis caused by the COVID-19 pandemic, the Airport's income severely plummeted. Since Riga Airport is a State capital company, its employees did not receive any furlough allowance established by the State. In the light of rather pessimistic forecasts for the recovery of aviation industry, the Airport's Executive Board decided in March to cut personnel costs by, inter alia, reducing the number of employees, which lasted two months, by June. See more in the Section "Number of employees, Collective Agreement, and personnel diversity" on page 102.

Collective redundancies affected all

Airport's departments. The number of employees to be dismissed at each particular structural unit was established based on the functions to be performed by the Airport while working on a limited scale plus the reserve necessary for successful resumption of company's operations once the crisis is over and for ensuring as favourable conditions for those employees who remain working at the Airport as possible. To show solidarity with colleagues, also the Executive Board reduced its remuneration.

Pursuant to the Labour Law, employees with higher qualification and better work results (pursuant to the results of the annual assessment performed in autumn 2019) were entitled to continue working. To ensure work for as much employees as possible and after careful evaluation of the short- and long-term forecasts for resuming passenger air traffic, some employees were offered retraining. Together with other austerity measures this resulted in much lower (by 231) number of the positions to be cut (planned: 325).

In the process of collective redundancies, the Airport timely and regularly consulted with employee representatives to agree on the procedure of collective redundancies and social guarantees for the employees to be dismissed, as well as on the possibilities of reducing the consequences of dismissal. All employees to be made redundant were offered consultations and practical assistance, provided by the Airport, in searching job, preparing CV, raising qualification, as well as psychological support. In addition, these employees received advice useful after the end of legal employment relations, including about qualification raising possibilities, unemployed person status, and receiving of allowances and benefits. In addition to the guarantees specified in laws and regulations, the health insurance policy was retained for all employees to enable them to take care of their health and save their personal means. If returning to work within one year, the total seniority of these employees was considered to be uninterrupted (which entails important bonuses specified in the Collective

Agreement, like additional vacation). In 2020, Riga Airport reinstated 33 employees who were released from work due to the collective redundancy in spring.

## Career events and internships

It is important for Riga Airport to attract new employees, thus various activities are organised throughout the year to introduce pupils and students with the work at the Airport. Career events in 2020 were severely affected by the situation caused by the COVID-19 pandemic: gathering was restricted since March and, for a certain period of time, hiring of new employees was not as topical as before. Contrary to many previous years, it was not possible to participate in the pupils' summer employment programme organized by the State Employment Agency. However, modern on-line technologies allowed to work on the company and society's sustainability by participating in career events in other formats and new directions.



The Personnel Department started 2020 by preparing for an active summer flight season and attracting new employees: in January and February department representatives participated in several career events at education institutions (Career Day at 45th Secondary School, presentation for applicants at Riga Aeronauti-

cal Institute, "Quick Date with a Businessman" at Turība University, youth event "Step Towards Success" in Ogre, RTU Career Day). Riga Airport also participates in the annual Job Shadowing organised by Junior Achievement Latvia to facilitate understanding of children and young

people about various professions. In 2020, employees of Riga Airport were shadowed by 40 pupils.

It was planned to organise the Airport's first Open Door Week event in spring 2020, but this event was postponed to a later time when the epidemiological situation improves.

Also many other career events organised by the Airport's cooperation partners were cancelled or postponed due to the emergency situation.

In February, Riga Airport launched cooperation with the foundation "Mission Possible" under the School Programme "Ready for Life" and by

preparing two lessons “Coordination of aircraft ground handling” and “Handling of hazardous substances”. In these lessons, information about the Airport’s core business processes is integrated into the physics curriculum for secondary schools. The face-to-face lessons scheduled for

for autumn 2020 were cancelled as it was not possible to run them due to the emergency situation; instead work on adapting the study materials for on-line classes continued.

In 2020, lecturers of the Transport and Telecommunication Institute continued and completed their training within the ESF project “Strengthening Transport and Telecommunication Institute Academic Staff in the Areas of Strategic Specialisation” (Agreement No. 8.2.2.0/18/A/011). During the contract term starting from 2019 five lecturers underwent a training at the Airport in the amount of 200 hours each. Each trainee had an individual training plan according to the field of expertise, professional interests and the specifics of the Airport and possibilities of structural

units. Due to COVID-19 and thanks to technological developments, majority of training in 2020 was performed remotely. The knowledge and case studies from the practical aviation and Airport’s operations were transferred to the academic environment by integrating them into the curriculum for specialists in aviation management.

In January within the assessment for

Most popular work placements in 2020:

- business / entrepreneurship / institution management (6);
- aviation (aviation management or organisation of airport work) (5);
- organisational safety (2).

the travelling prize “Saules laiva” in education, Riga Airport received an Appreciation from the Ministry of Education and Science for contribution to the promotion of informal adult education and quality study process in

Latvia and participated in the discuss-



sion organised by the Latvian Aviation Association regarding employment challenges faced by the aviation industry, information exchange and support instruments in the industry.

In March, representing employers the Airport's representatives participated in the accreditation meeting of the Aviation Management study programme, Transport and Telecommunication Institute.

In May, a representative of Riga Airport participated also in a discussion "Cooperation between companies and professional education institutions" organized by the Latvian Chamber of Commerce and Industry. The event was organised within the project ESTLAT-WBL of the Estonian-Latvian cross-border cooperation programme (No. Est-Lat63).

In October Riga Airport remotely participated in the Career Day at Transport and Telecommunication Institute.

In December, Riga Airport gave presentation "Passenger's route at

airport (the invisible part) and career opportunities at Riga Airport" in the on-line event organised by the Transport and Telecommunication Institute to celebrate the International Civil Aviation Day, which was also broadcast by Delfi.

In 2020, Riga Airport offered 23 work placements for students of various levels (secondary vocational education, 1st level higher education, Bachelor and Master's level, professional continuous training) mainly from Latvia, but also foreign education institutions.

Other work placements were in programmes "logistics specialist", "electrical systems", "safety engineering", "telematics and logistics", "project management", "management of tourism and hospitality companies", "customs and taxes administration", "training in testing", "marketing and sales management".



## INTERNAL COMMUNICATION AND ENGAGEMENT

### Minimum notice periods regarding operational changes

#### 402-1

Pursuant to the Cabinet Regulation No. 427 of 17 September 2002 "Procedure for the Election of Trusted Representatives and the Activities Thereof", the general assembly of employees elected seven trusted representatives in March 2020. Main trusted representative was elected in July.

Riga Airport regularly informs its employees and the Trade Union on business topicalities, development and the planned changes to the company's structure.

If collective redundancy is planned then, pursuant to the Labour Law, consultations with the Trade Union must be started not later than a month before submitting the notification to the State Employment Agency. Employees must be informed about changes to the company's structure, if such changes are related to job

cuts, not later than within five days after adopting the decision. In case of other important changes to company's operation, changes to work remuneration or in work conditions employees are informed not later than one month in advance. Pursuant to the executive order No. 18/100B of 31 August 2018, a permanent working group for consultations with the Trade Union was established.

In the process of collective redundancies taking place in spring 2020, the Airport timely and regularly consulted with employee representatives to agree on the procedure of collective redundancies and social guarantees for the employees to be dismissed, as well as on the possibilities of reducing the consequences of dismissal.

### Development negotiation

#### 404-3

Every year following the annual assessment, the evaluation results and the related development possibil-

ities are discussed with all employees whose probationary period has ended, including all managers.

The procedure for annual assessment is defined in the "Personnel Management Manual PD 1399 R" and it is carried out in line with a structured assessment form. Following the annual evaluation of employee's results, the head of the structural unit organises negotiation to discuss the employee's results: strengths and possible improvements and, if necessary, the topicalities related to plans for the next year, as development and communication with the manager is a continuous process.

In 2020 the annual assessment was not performed due to the restrictions imposed and emergency situation declared because of COVID-19, and was postponed to spring 2021.

Based on the proposals received within the employee engagement survey performed in late 2019, significant changes in the concept of annual assessment and development negotiation were elaborated in 2020 as

preparation for the employee assessment and development negotiation in 2021.

Before the development of the new concept, detailed study of stakeholder experiences and proposals was carried out. Since employees had expressed their opinions within the engagement survey in 2019, heads of all structural units and employee representatives participated in a special survey about the annual assessment in 2020. The respondents included 38 managers (directors, assistant directors, heads of divisions) and 2 employee representatives (opinion submitted by the Chair of the Latvian Airport Employees' Union and the main trusted representative). To obtain the opinions of all managers, there were several formats available for the survey. In total, 23 managers and both employee representatives filled in the electronic survey form, while 15 managers chose to answer questions in a face-to-face conversation or via telephone. The survey was not anonymous to ensure that opinion of all structural units is represented and

summarised and to ensure that the specifics of the particular structural units can be taken into account when analysing the suggestions. The survey was aimed at collecting opinions on the current procedure for assessment and development negotiations, its pros and cons, possible alternative solutions, and every separate element (assessment criteria, scale, self-evaluation, etc.).

Based on the proposals of the employee representatives, managers and experts, as well as the specifics and possibilities of the Airport and by taking into account the best practices in personnel management, a new assessment concept was elaborated which was presented to managers and employee representatives by the Personnel Department in November. The new system provided for a more flexible approach in several areas to ensure assessment at structural unit level complies with the specifics of each structural unit. A separate survey for managers in December revealed a need for additional criteria, more frequent assessment (more

than once a year) and engagement of additional assessors. Draft guidelines, standard forms, documents were prepared and managers were trained in organising development negotiations. The training was organised for two groups of managers in January 2021 (the recording of the training and additional materials (articles, videos) were available to all managers thereafter). The annual assessment and development negotiations are scheduled for the 1st half of 2021.

## Employee Engagement Research

In 2020, following the presentation of the association "Institute for Corporate Sustainability and Responsibility" on the results of employee engagement survey 2019 and after discussing the results, proposals, presentation and suggestions, the Sustainability Committee summarised the proposals to be implemented, in a meeting in January. In February, these proposals were analysed and an action plan was elaborated, but in

March the responsible employees were submitted detailed suggestions in relation to improvements in the working environment infrastructure, content and organisation of training, and design and material of working clothes.

While part of proposals could not be implemented due to the epidemiological situation and/or limited budget (for example, raising of remuneration, Job Shadowing, team-building events, improvements in working environment—premises, infrastructure, equipment, etc.) .), other were either realised (revised concept of annual assessment of work performance to focus on promotion of employee development) or implemented in another format (for example, virtual events for employees, on-line training webinars).

The employee survey was not performed in 2020, and it was decided to carry out the overall employee satisfaction survey in late 2021 (once in 2 years) since several areas can be neither assessed by objective consi-

erations nor improved given the peculiar situation of 2020. Instead, extended survey was organised to study the topical issues that can be improved to raise the company's performance, for example, remote work and flexible work hours (see the Section "Flexible work hours and remote work"), survey of managers and employee representatives regarding the annual assessment (see the Section "Development negotiation"), health insurance (see the Section "Health insurance" on page 112).

## In-house campaign to promote positive attitudes

Riga Airport is aware that during the situation of a lasting crisis it is of utmost importance to gain positive emotions and cheer up employees and other aviation workers in as many ways as possible.

Summary of the employment engagement survey results for 2019 and action plan drafted by the Sustainability Committee for imple-

menting employee proposals showed that one of the areas of interest for employees was promotion of positive attitudes among colleagues, including organisation of various in-house activities. As a result, the Sustainability Committee decided to realise several campaigns and various team-building events for employees in 2020.

Activities for promoting positive attitudes were organised mainly in the 4th quarter of 2020, for example in October the Activity Centre organised a campaign “Paldies nedēļa lidostā” (Thank You Week at Airport). Being aware of the importance of experiencing positive emotions and cheering up employees and to maintain and promote positive attitudes in as many ways as possible, specific events were planned in light of the unstable situation (remote organisation of events were chosen) to:

- realise the proposals put forward in the employee engagement survey thus appreciating the importance of relationships between colleagues and cooperation between

structural units;

- provide more positive emotions to improve mental health, resistance and power and to invite to pay attention to the positive aspects of relations and events;
- promote positive communication between employees;
- give a reason and opportunity for employees to communicate about events that stir positive emotions.

To make the inspiring mood last longer and to start autumn on good footing with friendly and respectful relations between the colleagues, positive attitude and pleasant communication, several events within the campaign “Paldies nedēļa lidostā” (Thank You Week at Airport) were organised to say ‘thank you’ to colleagues and to praise their work. Employees were encouraged to participate in three key activities: competition “Colleague of the Year”, video challenge “Praise your colleagues”, and mini-lecture on positive thinking and communication.

By improving the procedure of the in-house vote “Praise your colleague”, another tradition was started—the competition “Colleague of the Year”. Within the competition, Airport’s employees nominated their colleagues and pointed out their best characteristics and their accomplishments, shared this information, inspired each other and voted to award best of the best in December.

Employees were also invited to notice and evaluate the work of not only their structural unit but also that of others by making a short appreciation video for those colleagues from other structural units whom they would like to thank for support or cooperation.

The mini-lecture “How to remain positive during the period of uncertainty?” by psychotherapist and cognitive behavioural therapist Marija Ābeltiņa was organised on-line and all employees could watch the recorded lecture within a month thereafter. The video was uploaded on the Airport’s intranet (available on-line). The goal of this mini-lecture was to help to understand and acquire

practical tools how to live day by day better, despite worries and uncertainty about the future, and how to cope with modern challenges.

Within the “Thank You Week” employees were reminded that we ourselves are the key element of company’s microclimate. The attitude and communication skills of each employee affect not only relationships with colleagues and the work performance, but also individual well-being, motivation and joy of living. The principles of mutual relationships are included in the Airport’s Code of Conduct. Training about the Code of Conduct has been provided to all the employees, and is a part of the initial training for all new employees.

In the light of the pandemic reality which includes changing epidemiological safety requirements in accordance with the spread of COVID-19 in Latvia, the annual Christmas event for Airport’s employees was organised in a new format—as an on-line concert during which the Colleagues of the Year were introduced and awarded. The virtual show “Skreļceļa ugunīs”

(In the Runway Lights) was available on-line and as a recording thereafter.

## Internal communication tools

Several communication channels have been set up to ensure direct daily communication with employees. To communicate company's news to the employees promptly, once a week the electronic newsgroup "e-RIX informs" is e-mailed to all employees. "e-RIX informs" is a summary of all the important events of the week, weekly performance indicators, results, and vacancies. In 2020, "e-RIX informs" includes also the topical information in relation to COVID-19 status, restrictive measures and national and Airport's recommendations.

In addition, as many activities were transferred to a remote format in 2020, possibilities offered by the intranet e-RIX, which was introduced in 2019 by replacing the previous, outdated intranet, were used more and more often. It provides not only the up-to-date information but also a

catalogue with employee contact details, documents necessary for work, application forms, information on remuneration, health insurance, bonuses, etc. In 2020, the e-RIX's section "Qualification raising" was expanded by including information on free on-line training and regularly updating this section and by creating a new section "COVID-19", which was devoted to the most up-to-date information in this field.

Actual information in Airport's e-mail and on e-RIX can be accessed remotely (smartphone, tablet, home computer) using employee's credentials.

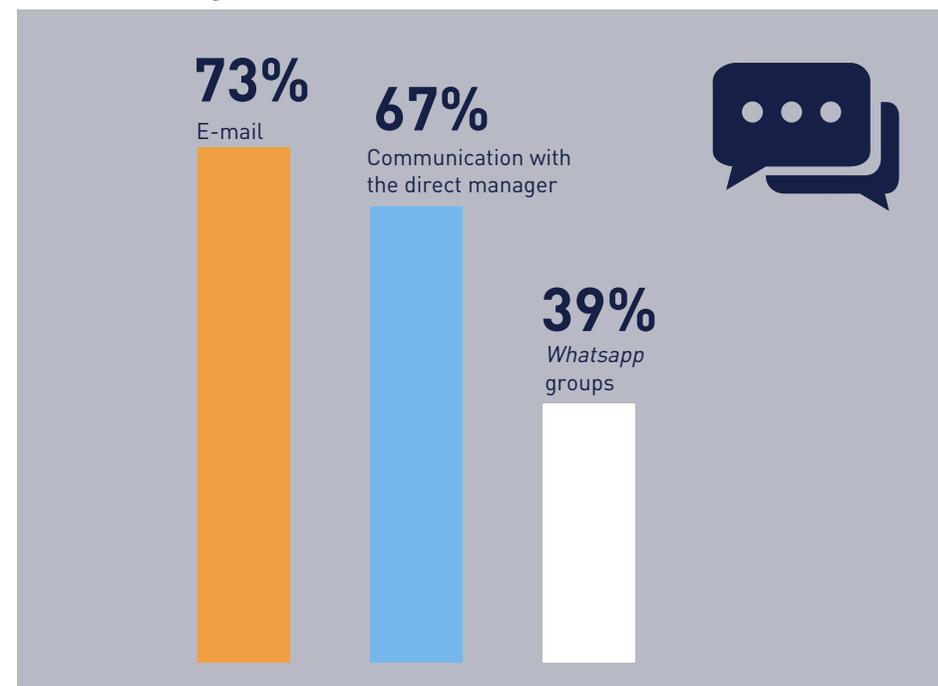
Other internal communication channels include e-mail, telephone, WhatsApp groups, meetings, personnel surveys, and direct communication with the manager.

Since 2020 there is a new channel for internal communication—Executive Board meetings with employees on Zoom platform. In 2020, there were four such meetings, and more than 200 people participated in each of

them. During the on-line meetings the company's management presents the topical information, operational data and results of the economic activity, and informs about the planned works. In addition, each has a possibility to ask questions to the company's management representatives.

Regular (for example, weekly) on-line meetings are more often organised also within structural units. In these meetings, the employees of the particular structural unit discuss the accomplishments, planned and other activities, and provide and receive support to maintain positive team spirit.

## Key internal communication tools





# **ENVIRONMENT AND ENERGY MANAGEMENT**

# ENVIRONMENT AND ENERGY MANAGEMENT

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## Management approach

Riga Airport is aware that only by successfully combining the efficiency of economic activities with the implementation of environmental goals, the preconditions for the sustainable operation of the company and the development of the company's business are created. Reducing environmental impact and controlling key energy consumers is part of a company's business planning and day-to-day operations. For more efficient management of the environment and energy resources, Riga Airport has implemented and certified an environmental management system in accordance with the requirements of the ISO 14001 standard and an energy management system in accordance with the requirements of the ISO 50001 standard. Regular environmental monitoring and control of energy consumers provide basic information that allows monitoring whether environmental and energy management objectives are being met.

## Environmental and energy management policy

Riga Airport's environmental philosophy, attitude towards the environment and the principles of environmental management are defined in the Environmental and Energy Management Policy. The environmental policy was last reviewed and updated on 15 February 2021. The key principles of the Environmental and Energy Management Policy:

- To comply with the environmental protection and energy management requirements provided for in the applicable laws and regulations, and perform assessment of Airport operations in order to ensure compliance with the specified requirements.
- To systematically carry out environmental and resources monitoring and ensure that the quality of the environment does not deteriorate and, where possible, improve the quality of the environment in accordance with the company's financial and technical capabilities.
- To establish strict control measures and monitor compliance with the key environmental aspects of the Airport, and make them known to Airport staff and third parties working in the Airport area.
- To create and raise environmental awareness of the Airport staff, ensuring rational use of natural resources.
- To collaborate with airlines and Airport partners to jointly find solutions to the key environmental issues that are beyond the direct control of the Airport, such as aircraft noise.
- To reduce Airport's energy consumption, improve energy efficiency of its buildings, infrastructure and equipment.
- To improve the sustainability of the Airport by increasing the use of renewable energy resources for core business.
- To periodically analyse Airport

performance in the field of environmental protection and energy efficiency and identify the necessary capabilities.

- To provide interested parties with fully-fledged information on the Airport's Environmental and Energy Policy and significant environmental protection measures.

The most significant environmental impacts of the Airport are energy consumption, environmental noise and waste generation.

## Environment and energy management goals

Both short-term and medium-term goals have been developed for environmental and energy management systems at Riga Airport. The environment and energy management programme, which is prepared and approved for the calendar year, set short-term objectives for the year. In 2020, the following short-term environmental and energy management goals were defined:

- not to increase the total electricity consumption of the Airport above 0.0024 MWh per 1 serviced traffic unit;
- not to increase the heat consumption of the Airport above 0.36 MWh per 1 m<sup>2</sup> of heated area;
- to reduce the amount of unsorted municipal waste below 70% of the total amount of municipal waste;
- to reduce the noise index values at noise monitoring stations in 2020;
- to raise the awareness of Airport staff and stakeholders about environmental issues;
- to ensure the accounting of the consumption of natural resources of the Airport, implementation and control of reduction measures;
- to prevent and control emissions of pollutants into the environment;
- to control the pollution caused by the tenants of the territory and the providers of ground handling services;
- to monitor GHG emissions and reduce measures;
- to identify the impact of Airport operations on biodiversity in the areas surrounding the Airport.

Environmental and energy management policies are binding not only on Riga Airport staff but also on tenants and service providers working at the Airport.

Tenants and service providers working at the Airport are regularly subject to environmental inspections in accordance with the approved schedule, during which compliance with environmental regulations is checked; it is also checked whether employees of the company are acquainted with Riga Airport Environmental and Energy Management Policy document and protection issues.

The targets to be achieved are set for the calendar year as a whole and maybe seasonally affected by weather and other relevant factors. The indicators and the achievement of the targets are assessed at the beginning of the next calendar year, which are important for the approval of a new Environment and Energy Management Programme.

## Contributing to climate change mitigation

During the 18th Annual Congress of ACI Europe in 2009, European airports committed themselves to reducing CO<sub>2</sub> emissions in order to achieve their ultimate goal of becoming carbon-neutral airports. To achieve this goal, the Airport Carbon Accreditation (ACA) programme was established. At present, more than 34034 airports around the world are accredited in the programme. They are purposefully working to decarbonise their operations (including Riga Airport).

Riga Airport takes care of the reduction of greenhouse gases in the company's controlled emission sources and has been participating in the ACA programme since 2015; in 2021, the Airport confirmed its readiness to purposefully continue to reduce carbon dioxide emissions by certifying to the second level of the ACA programme.

<sup>34</sup>Source: <https://www.airportcarbonaccreditation.org/participants.html>.

## PERFORMANCE INDICATORS

### The precautionary principle 102-11

One of the basic principles of environmental protection, on which the environmental management system at the Airport is based, is the precautionary principle. An environmental risk assessment procedure is in place at the Airport to address the consequences before they occur. For construction projects and new activities planned at the Airport, an environmental risk assessment is carried out before construction has started or the plan has been implemented. Such procedures allow

either to prevent risks to the environment at the design stage or to reduce the environmental impact at the project stage. In 2020, four environmental risk assessments were performed.

Environmental risks at Riga Airport were assessed for the following process and sub-process – infrastructure maintenance/construction project management (projects: *construction of a gas station, reconstruction of the MTI building, reconstruction of the P5 car park, reconstruction of the public rainwater drainage system and reconstruction of Muzeja and Pilotu streets*).



### Water extraction and consumption 303-1, 303-5

One of the basic principles of environmental protection, on which the environmental management system at the Airport is also based, is the precautionary principle. An environmental risk assessment procedure is in place at the Airport to address the consequences before they occur. Environmental projects are planned for the construction projects and new activities planned at the Airport. The company informs the controlling authorities regarding the amount of the obtained drinking water and the results of the quality and quantity

monitoring performed once a year in accordance with the procedures specified in laws and regulations.

Water consumption limits and achievable quality indicators are specified in laws and regulations and the polluting activity permit. Protocols are prepared for the measurements and they allow to evaluate the recovery rate of groundwater supply in the extraction wells, as well as the performance of the wells. Water abstraction from each well is regulated so that it does not pose potential geophysical hazards, such as the formation of depression funnels.

The availability of water resources at

Water extraction, m <sup>3</sup>		%
Underground wells	80 967	99,86
Other sources (polycarbonate bottles) <sup>36</sup>	115	0,14
Total	81 082	100

Water consumption, m <sup>3</sup>		%
Airport	28 040	34,63
Tenants and ground handling service providers	52 927	65,37
Total	80 967	100

<sup>36</sup>Source: <https://www.airportcarbonaccreditation.org/participants.html>.

the Airport, as well as the implemented technical and organizational control mechanisms ensure water extraction in the short and long term. The water obtained is not only consumed for the needs of the Airport, but also supplied to Airport tenants and ground handling service providers in accordance with mutually concluded utility contracts. The largest water consumption is generated in the terminal (incl. for sanitary needs), administration buildings and equipment washing hangar.

Very small quantities of drinking water in 18.9 l polycarbonate bottles are supplied to the company by an external service provider.

Water storage has no significant effect on water consumption – it is stored in small amounts in the water tower to ensure the continuity of water supply.

Data on water consumption at Riga Airport are obtained from verified water meters. Airport tenants' consumption is mainly obtained from

verified water meters, a small part of tenants' water consumption is calculated according to the approved methodology. The methodology for calculating water consumption is applied to those tenants for whom it is not technically possible to install water meters (there is no connection point to the water supply), for example, for individual shops in the terminal.

Riga Airport does not obtain water from areas with water shortages.

## Wastewater management 303-2, 306-1

In 2020, 151.6 thousand m<sup>3</sup> of rainwater were discharged into the environment, which entered the drainage ditch from the discharge points, from where it flowed further into the Neriņa River. In turn, 80 748 thousand m<sup>3</sup> of domestic wastewater was transferred to LLC "Rīgas ūdens".

## Wastewater quality and treatment methods

Quality control of rainwater and

domestic wastewater takes place on the basis of an approved water monitoring plan in an accredited laboratory. Rainwater and domestic wastewater quality indicators and their limit values are specified in the State regulatory framework, for example, achievable domestic wastewater quality indicators are specified in Riga City Council binding regulations No. 17 "Riga City centralized water supply and sewerage system operation, use and protection regulations" (*Rīgas pilsētas centralizētās ūdensapgādes un kanalizācijas sistēmas ekspluatācijas, lietošanas un aizsardzības saistošie noteikumi*), quality indicators and limit values in rainwater are specified in Cabinet Regulation No. 34 "Regulations regarding the Emission of Pollutants into Water" (*Noteikumi par piesārņojošo vielu emisiju ūdenī*). Once a year, a report on the results of rainwater quality is submitted to the Lielrīga Regional Environmental Board of the State Environmental Service. A biological wastewater treatment plant with a capacity of 25 m<sup>3</sup>/dnn has been built in the territory of the Airport for car wash wastewater treatment. The rest of the domes-

tic wastewater is handed over to SIA "Rīgas ūdens" for treatment in accordance with a mutually concluded agreement. In order to ensure adequate quality indicators of domestic wastewater, their initial treatment is provided by grease traps. In accordance with the procedures and procedures established by the Airport, regular environmental inspections in the Airport structural units and at tenants and service providers check the performed cleaning and maintenance schedules, the actual condition of grease traps and qualitative indicators (data from test reports). Requirements for the installation of appropriate treatment plants are set by the Airport and State control authorities, taking into account the specifics of the planned activity and the requirements of laws and regulations. To ensure the quality of rainwater and domestic wastewater, equipment is regularly inspected and equipment is cleaned and maintained at least once every six months (also quarterly if necessary). Meters are not accounted for with discharged domestic wastewater.

Rainwater is discharged into the en-

vironment without treatment, except in areas where oil spills are possible. In these areas, rainwater is collected and discharged to oil product separators, which treat rainwater from oil products before discharging it into the environment. A total of 14 oil product separators are located in the airport territory.

Wastewater from anti-icing treatment areas is stored in tanks and handed over for treatment to SIA "Lautus" as hazardous waste.

According to the polluting activity permit issued by the Lielrīga Regional Environmental Board of the State Environmental Service, this wastewater is classified as "Aqueous liquid waste containing hazardous substances" (waste class 161001). The final recipient of wastewater is the waste management company SIA "EKO OSTA". The export of hazardous waste is approved by acts and bills of lading of hazardous waste, which indicate the type, date, amount and information on the consignor, carrier and consignee of the hazardous waste.

## Waste management 306-2

Once a year, Riga Airport for the previous calendar year submits the state statistical report "No. 3-Waste" in the Unified Environmental Information System of the Latvian Environment, Geology and Meteorology Centre, indicating the types, hazards, quantities and operators of the waste generated at the airport to whom the waste is transferred. Short-term storage of household, hazardous and environmentally harmful waste until it is handed over to a licensed waste manager

manager takes place in the waste hangar of Riga Airport, except for certain types of waste, which are handed over to the waste management company from the waste generation site. Waste transferred from sources includes various items disposed of and other types of waste generated at the terminal and in the area, such as bio-waste and scrap metal. There are no permanent long-term waste storage facilities at the Airport. All types of waste are listed in accordance with the requirements of laws and regulations. The company transfers the generated household, hazardous and environ-

mentally harmful waste to licensed waste management companies with which a fixed-term contract has been concluded. The largest share consists of unsorted municipal waste, which the Airport transfers to SIA "Eco Baltia vide" on the basis of a contract. On the basis of another agreement, SIA "Eco Baltia vide" transfers paper and cardboard packaging, plastic packaging, glass packaging and waste paper. On the basis of another agreement, SIA "Eco Baltia vide" transfers bulky and biodegradable waste. Waste is also transferred to companies SIA "TM CAPITAL" (lead batteries, scrap metal). Information

	2019		2020 <sup>37</sup>	
	Municipal waste removal	Municipal waste, t	Hazardous waste, t	Municipal waste, t
Recycling	1231	1639	657	1 509
Composting	118	-	20	-
Landfill	3522	-	1 546	-
Storage	-	33	-	157
Other management methods (recovery, incineration, underground disposal, etc.)	-	-	-	-
<b>Total</b>	<b>4871</b>	<b>1672</b>	<b>2 223</b>	<b>1 666</b>

<sup>37</sup>not included in the auditor's limited assurance engagement (verification)



on waste management methods is obtained from bills of lading, as well as by contacting representatives of waste management companies. The method used for municipal waste depends on whether it is sorted. Paper, glass, cardboard, etc. are recycled. c. types of municipal waste. Hazardous waste is stored and processed at the addresses of hazardous waste recipients. Riga

Airport does not collect information on the further use of hazardous waste after its storage. According to the available data on the amount of municipal and hazardous waste generated, it can be concluded that there is a very significant reduction in municipal waste streams, which is mainly due to a significant decrease in the number of passengers and limited cafés and shops at the terminal.

Volume of aircraft and aerodrome de-icing/anti-icing material

In 2020, 324 cubic metres of type I and 25 cubic metres of type II de-icing/anti-icing material were used. In 2020, 103 660 litres of liquid anti-icing agent (KFOR) and 119.57 tonnes of granular anti-icing agent (NAFO) were used for surface treatment of aerodrome surfaces.

Percentage of aircraft and aerodrome de-icing/anti-icing material sent for recycling or used without recycling in

During the anti-icing season 2019/2020, 79% of all anti-icing processes took place in remote anti-icing areas, where anti-icing liquids are collected. Wastewater containing aerodrome anti-icing agents is not treated and is not separately listed.

The amount of hazardous waste generated has also decreased significantly, but this group of waste is mainly generated by various technical processes and is not directly related to the decrease in the number of transported passengers and the number of flights. The Airport does not collect information from waste managers as to how much of the initially transferred hazardous waste with the purpose of storage, in the subsequent stages of waste management goes to recycling.

## Use of aircraft and aerodrome de-icing /anti-icing material

**RIX 3  
A06**

To ensure safe flights, anti-icing agents are used to treat aircraft and aerodrome surfaces. As the de-icing of aircraft takes place in the territory of the aerodrome, Riga Airport must ensure the collection and recycling of chemicals and mixtures used during the de-icing process. In 2020, 1 375 tonnes of wastewater containing

anti-icing agents were collected and handed over to the waste management company from anti-icing treatment sites.

## Impact on biodiversity 304-2

The nearest specially protected area to Riga Airport is Beberbeķi Nature Park, which is included in the list of Natura 2000 territories; however, the Airport has no direct impact on this specially protected nature area. In order to monitor the potential impact of aircraft emissions on the forest ecosystem, forest monitoring was started in 2018, including in the Beberbeķi Nature Park. Within the framework of monitoring, a methodology was developed, as well as a forest monitoring program was prepared and approved by the Nature Protection Board. The results of the 2020 monitoring do not show significant changes in the forest ecosystem that could be related to the impact of aircraft engine emissions.

In order to assess the impact of Riga Airport on biodiversity, a three-year

bird monitoring programme was launched in 2017, within which geese and cranes were counted in the spring and autumn period, as well as birds and swallows were counted. Within the framework of this monitoring, the Babīte Lake gull colonies were also monitored.

In 2020, the survey took place three times in Lake Babīte. During the second and third surveys, the territories located in the western, south-western part of Lake Babīte opposite the Bēnūži corner and opposite the Gāte estuary in Lake Babīte were visited, where the signs observed in the spring indicated the formation of colonies. Unfortunately, surveys of these sites during the nesting season revealed that no colonies of great gulls were found in either place, although the birds observed in April and their behaviour clearly indicated potential nesting. One of the most real causes could be changes in water levels or disturbances of unknown origin during nesting and/or laying. Therefore, in 2020, due to objective reasons, it was not possible to mark (ring) large gulls with coloured rings.

In total, during the monitoring period from 2018 to 2020, 103 black-headed gulls were ringed with coloured rings in Lake Babīte. During the monitoring, at least 29 reports were received on observations of 13 different bird species from several European countries. The total percentage of finds is 28.16%. Analysing the known finds of the great gulls of Lake Babīte, it can be concluded that they are dispersions – one find is known in Latvia, while the other 28 – in a very large region, mostly in Europe. None of the tagged birds were observed in the Airport area.

## Noise RIX3 103

Riga Airport is aware of the impact of noise on the surrounding population and the company's role in managing aircraft noise by assessing aircraft, participating in and promoting the optimization of flight procedures, as well as encouraging stakeholders to take joint action to reduce noise impact on residents.

The Law on Pollution regulates the management of environmental noise at the national level, namely the requirement for the transport infrastructure manager to ensure the development of strategic noise maps and action plans for noise reduction. Cabinet Regulation No. of 7 January 2014 16 "Procedure for Noise Assessment and Management" in accordance with the Law "On Pollution" determines both noise limit values and requirements for strategic noise mapping and development of an action plan for noise reduction, i.e., regulates environmental noise management. In compliance with the requirements of laws and regulations, on December 10, 2018, the Airport approved a new SJSC "Riga International Airport" Action Plan for Noise Reduction and its summary. It was developed by the Airport in cooperation with municipalities, State institutions, airlines and SJSC "Latvijas gaisa satiksme", by attracting representatives of the Civil Aviation Agency and the Ministry of Transport.

The Airport collects both aircraft

noise measurements at four stationary stations and aircraft radar data. Aircraft noise monitoring was launched in 2008. Every five years, Riga Airport develops a strategic noise map and an [Action Plan for Noise Reduction](#). The Strategic Noise Map developed in 2017, which is based on 2016 data; the Action Plan approved in December 2018, are currently up to date. On the basis of the Action Plan, the aircraft flight procedures and the resulting aircraft flight paths have been changed. Informative measures have been introduced in the current Action Plan, for example, data on the 2019 [aircraft noise category index and information on the defined frequency of overflights are available on the Airport's website](#). Riga Airport analyses the use of taxiways and the performance of E-type flight procedures at night, as well as the arrival profile of aircraft. As a result, changes have been made to the Airport's aeronautical information publication (AIP) and information on [airlines' arrival performance](#) has been published on the airport's website.

## Noise index in noise monitoring stations

The noise index at noise monitoring stations is calculated in accordance with the instructions approved at Riga Airport. The calculation of the index takes into account the measured aircraft noise level. It is normalized to the number of passengers carried in the base year, the volume of cargo handled on cargo flights and the number of other flights. The base year TMS2B<sup>38</sup> is 2016, but TMS1 and TMS4 are 2012. The index methodology significantly increases the impact of evening and night flights. One evening flight corresponds to approximately three-day flights, while one night flight corresponds to 10 day flights.

Station	Noise index, dBA		
	2018	2019	2020
TMS1	51,2	50,0	50,4
TMS2B	56,2	55,4	54,8
TMS4	56,6	55,0	54,6

The year 2020 has brought many

significant changes in the number of aircraft flights, the structure of aircraft types, the filling, the distribution of flights by parts of the day. Some of the changes are short-lived, such as reduced passenger aircraft occupancy, lower flight times in the evenings or at night, but airBaltic, the largest carrier, is expected to make the transition to Airbus A220-300 aircraft permanent. The following factors had a reducing effect on the noise index at monitoring stations: aircraft types, the filling, the distribution of flights by parts of the day. Some of the changes are short-lived, such as reduced passenger aircraft occupancy, lower flight times in the evenings or at night, but airBaltic, the largest carrier, is expected to make the transition to Airbus A220-300 aircraft permanent. The following factors had a reducing effect on the noise index at monitoring stations:

- reduction of evening and night flights;
- changes in the structure of passenger aircraft to quieter aircraft;

<sup>38</sup>TMS - noise monitoring station, 1, 2, 3, 4 - station number, B - designation of mobile noise monitoring station. The inversion of noise monitoring stations is publicly available in the "Environmental Noise Monitoring" section of the airport website.



- increase in the share of business aviation flights.

The following factors had a significant increasing effect on the noise index:

- changes in the structure of cargo aircraft to louder aircraft due to the widespread use of *Antonov 26* in cargo transportation;
- reduction in occupancy of passenger aircraft.

### Volume index of aircraft noise categories

The volume index of aircraft noise categories is calculated in accordance 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. The base year of the index is 2017, when the value of the index corresponds to the number of flights. According to Clause 8 of the Action Plan for Reducing Noise of

State Joint Stock Company Riga International Airport, "Introduction of an Additional Aircraft Noise Indicator", the Airport must calculate and publish information on the previous year's noise index value once a year (by the end of March).

Year	Noise index
2018	84 414
2019	83 821
2020 <sup>39</sup>	26 725

In 2020, the aircraft noise index is significantly lower than in 2019, which was mainly due to a significant decrease in the number of flights, as well as a decrease in the share of evening and night flights. The certified noise levels of aircraft have slightly increased in 2020, mainly due to the increase in the number of flights of 26 Antonov aircraft used by Eleron, corresponding to more than five Airbus A220-300 flights, which is many times more capacious aircraft. airBaltic discontinued the use of Boeing 737-300 and Bombardier Dash

<sup>39</sup>Projected noise index

Q400 aircraft in 2020, and did not use Boeing 737-500 aircraft at all, resulting in airBaltic aircraft remaining slightly quieter on average (5%) in 2020, but also larger (12%).

## Noise complaints

In 2020, one complaint was received from a resident of Babīte about disturbing aircraft noise caused by training flights. Upon evaluating the submitted information, it was established that on this date training flights took place, the trajectory of which was close to the resident's place of residence, however, the limit values were not exceeded.

## Proportion of CDA

The share of Riga Airport CDA (Continuous Descent Approach) is calculated according to the methodology approved in the Noise Reduction Action Plan. In 2020, 84% (85% in 2019) of arriving flights took place in accordance with the CDA criteria of Riga Airport. The criterion 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 (approximately 3 000 m).

In 2020, airBaltic, Ryanair, Wizz Air, Finnair, Norwegian Air Shuttle and Atran (cargo carrier) performed well, with more than 90% of aircraft arriving at steady altitudes. Cargo carriers, such as Eleron, and business aircraft, on the other hand, are significantly weaker. The share of CDA, on the other hand, was increased by the higher share of flights when arrivals are not affected by other arriving aircraft (40% in 2020 compared to 22% in 2019). In such situations, airlines generally perform better.

Aircraft arriving in CDA-designated areas are quieter, use less fuel and emit less greenhouse gases.

To improve the CDA performance of EU airlines, Eurocontrol has developed a European Continuous Climb and Descent Operations Action Plan on 6 November 2020. (<https://www.eurocontrol.int/publication/european-cco-cdo-action-plan>).



## Compliance with environmental laws and regulations

### 307-1

On March 10, 2020, the Lielrīga Regional Environmental Board of the State Environmental Service performed an integrated inspection at the Airport. Violations of laws and regulations regulating the environment and the category B polluting activity permit were not detected during the inspection, respectively, penalties have not been applied by the institutions controlling the environmental protection requirements.

## Energy consumption

### 302-1

To ensure the operation of Riga Airport, the company uses several energy resources – heat, electricity and fuel.

Electricity provides electricity for terminal and technical service buildings, as well as the operation of cooling systems. Electricity is consumed for outdoor lighting of the aerodrome and public areas, as well as for the operation of various equipment and vehicles. Riga Airport does not use all the

purchased electricity for its own needs, but sells part to the tenants of the territory and the providers of ground handling services.

Heat energy for the Airport is electroenerģiju lidosta "Rīga" supplied by SIA "Industry Service Partner", which produces heat energy using wood chips and natural gas. The Airport sells part of the purchased heat to tenants.

Diesel and petrol and electricity are used to operate vehicles and equipment at Riga Airport. Fuel is refuelled both at the refuelling point of Riga Airport and purchased at gas stations

outside the Airport. The amount of electricity used to charge the luggage trucks is not allocated separately, but is included in the total electricity consumption.

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

While in previous years energy consumption was directly dependent on weather conditions, in 2020 the impact of Covid-19 dominated. At a time when passenger traffic was virtually suspended, the Airport introduced ambitious austerity measures (switching off heating, switching off lights, etc.), which resulted in significant reductions in consumption compared to 2019. As it is not possible to implement such ambitious austerity measures under normal airport operations, the 2020 figures are not comparable to the 2019 figures and will not be used as a reference point for the 2021 data.

## Energy efficiency

### 302-3

In order to determine the efficiency of the energy management system and the fulfilment of the set goals, Riga Airport performs regular control of performance indicators. Once a quarter, the Energy Management Working Group reviews quarterly consumption figures and analyses the causes of consumption deviations in excess of 15%. To determine the efficiency

Energy resource	Unit of measurement	2019	2020
Energy consumption of Riga Airport			
Electricity	MWh	13209,450	12 308,876
Heat energy	MWh	9136,813	6 866,369
Diesel	MWh	8018,76	2 544,86
Petrol	MWh	353,56	205,99
<b>Total:</b>	<b>MWh</b>	<b>30718,58</b>	<b>21 926,095</b>
Amount of energy resources transferred to tenants			
Electricity	MWh	15919,168	13 777,87
Heat energy	MWh	2444,927	1 981,632
<b>Total:</b>	<b>MWh</b>	<b>18364,095</b>	<b>15 759,502</b>

of electricity use, the electricity consumption in MWh is assessed in relation to the number of traffic units served, while to determine the energy efficiency of heat, the heat consumption in relation to the heated area in m<sup>2</sup> is assessed.

The Airport cannot estimate what part of the electricity is produced from renewable energy sources, because all the electricity is purchased and the supplier does not provide such information, but when making calculations within the Airport Carbon Accreditation programme, the Airport assumes that this part corresponds to the Latvian residual mix.

The Airport does not collect data on the amount of heat produced from renewable energy sources, but on the amount of emissions from each type of fuel and the percentage of emissions. In 2020, the percentage of emissions by type of fuel chips was 82.48%, while for natural gas 17.52%

Indicator	2018	2019	2020
Electricity, MWh/SV3 <sup>40</sup>	0,0023	0,0021	0,0055
Heat, MWh/1 m <sup>2</sup>	0,350	0,269	0,238

In 2020, the environment and energy management programme set the goal of reducing the Airport's total electricity consumption to less than 0.0024 MWh per serviced traffic unit, which is the only one not met, as the number of serviced traffic units decreased significantly due to Covid-19.

The Airport has been using a special programme "Energy Management Data Monitoring Tool" for several years to assess the heat energy consumption of buildings and regulate heat. In 2020, electricity meters were installed at the Airport and connected to the analytical tool and data on fuel consumption were entered. The programme allows to estimate the volumes of consumption and record deviations from the norm, if the necessary technical and organizational measures are taken in time.

Information measures are being taken for Airport staff on energy efficiency and energy efficiency measures.

## Reducing energy consumption 302-4

In accordance with Cabinet Regulation No. 668 "Regulations on the Standard of Energy Efficiency Monitoring and the Applicable Energy Management System", an annual report on the implemented energy efficiency improvement measures has been prepared and submitted to the State Construction Control Bureau by 1 November each year. At the time of writing, the calculation of savings for 2020 has not yet been made, as national emission factors are published in the third quarter of the year.

	2018	2019
Achieved energy savings, MWh	327,549	25,716

The expected savings (Ex-ante) method has been used to calculate energy savings.

Due to the decline in air transport services, not all planned energy efficiency improvement measures were implemented; however, several large infrastructure objects (platform

5, heliport, platform 2 extension) were completed and put into operation, which will inevitably increase the total electricity consumption in 2021.

## Greenhouse gas emissions and their intensity 305-1, 305-2, 305-4

To assess Riga Airport's greenhouse gas (GHG) emissions, Riga Airport uses the ACA programme guidelines, as well as the ACERT 5.1 version of the tool it provides. The ACA guidelines provide for the calculation of emissions by applying both location-specific emission factors and trade-based emission factors. The Airport's GHG emissions protocol includes both direct and indirect emissions from the Airport. Emissions arising from the Airport's own consumption of energy resources and under the direct control of the Airport are considered to be direct emissions of the Airport. Indirect emissions are those emissions that result from the services provided by the Airport, but the Airport itself is not a consumer consumer and has no direct control over emissions. CO<sub>2</sub> emissions are related to the relative value of the

<sup>40</sup>One unit of traffic is equivalent to one passenger or 1 tonne of air cargo handled.

number of passengers served. The airport has developed a Carbon Management Plan for 2020 – 2023, which sets out the procedures for managing and controlling carbon dioxide emissions. The Airport does not collect data on emissions for individual technical units or individual activities, but calculates the total CO<sub>2</sub> emissions from energy consumption.

CO<sub>2</sub>, methane and N<sub>2</sub>O emissions are considered for direct greenhouse gas emissions at the airport, and CO<sub>2</sub> for

indirect emissions. CO<sub>2</sub> emissions have been considered in the production of thermal energy, but information on the gases used in the calculation of the emission factors of the electricity consumed by the company is not available.

The Airport uses absolute emissions, and for direct emissions, the emission factors built into the ACERT tool. The emission factor specified in laws and regulations shall be taken as the

electricity emission factor, but the heat energy emission factor shall be calculated from the information provided by the heat energy supplier.

Data on GHG emissions from the previous year are calculated by 1 November of each year, therefore the report does not include data for 2020, as they have not been calculated at the time of writing.

For the assessment of emission

reductions, the base year was determined and approved in 2020 by developing a Carbon Reduction Plan for 2020–2023. 2018 has been chosen as the base year, against which the reduction of carbon dioxide emissions will be measured. In 2018, the fixed emissions in absolute units are 3 522 t CO<sub>2</sub>, while in relative units - 0.499 kgCO<sub>2</sub>/1 000pax.

	2016	2017	2018	2019	2020
<b>Emissions from own direct consumption</b>					
CO <sub>2</sub> emissions	1 500 t	1 353 t	1 472 t	1 403 t	718 t
Biogenic CO <sub>2</sub> emissions in metric tonnes of CO <sub>2</sub> equivalent	6	3	30 <sup>41</sup>	25 <sup>42, 43</sup>	23 <sup>41, 42</sup>
<b>Emissions from purchased energy production</b>					
Emission factor attributable to the site	2 398 (2 006)t	2 487 (2047) t	2 050 t	2 058 t	1 540t
Trade - based emission factors	6 322 (5 156)t	6 795 (5485) t	5 510 t	5 356 t	–

<sup>41</sup> Emission factor 2.50 kg CO<sub>2</sub> eq/l based on biodiesel emission factor from [https://www.google.lv/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjewdDjtvDuAhW-BxAIHZJQACIQFjAAegQIAxAC&url=https%3A%2F%2Fwww.epa.gov%2Fsites%2Fproduction%2Ffiles%2F2020-04%2Fdocuments%2Fghg-emission-factors-hub.pdf&usg=AOvVaw16jAEaQhayhQwesl\\_JVXro/](https://www.google.lv/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjewdDjtvDuAhW-BxAIHZJQACIQFjAAegQIAxAC&url=https%3A%2F%2Fwww.epa.gov%2Fsites%2Fproduction%2Ffiles%2F2020-04%2Fdocuments%2Fghg-emission-factors-hub.pdf&usg=AOvVaw16jAEaQhayhQwesl_JVXro/) 9.45 kg/gallon (3.785 l) or 2.50 kg/l

<sup>42</sup> Emission factor 2.50 kg CO<sub>2</sub> eq/l based on biodiesel emission factor from [https://www.google.lv/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjewdDjtvDuAhW-BxAIHZJQACIQFjAAegQIAxAC&url=https%3A%2F%2Fwww.epa.gov%2Fsites%2Fproduction%2Ffiles%2F2020-04%2Fdocuments%2Fghg-emission-factors-hub.pdf&usg=AOvVaw16jAEaQhayhQwesl\\_JVXro/](https://www.google.lv/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjewdDjtvDuAhW-BxAIHZJQACIQFjAAegQIAxAC&url=https%3A%2F%2Fwww.epa.gov%2Fsites%2Fproduction%2Ffiles%2F2020-04%2Fdocuments%2Fghg-emission-factors-hub.pdf&usg=AOvVaw16jAEaQhayhQwesl_JVXro/) 9.45 kg/gallon (3.785 l) or 2.50 kg/l

<sup>43</sup> Emission factor 1.52 kg CO<sub>2</sub> eq/l based on ethanol emission factor from [https://www.google.lv/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjewdDjtvDuAhW-BxAIHZJQACIQFjAAegQIAxAC&url=https%3A%2F%2Fwww.epa.gov%2Fsites%2Fproduction%2Ffiles%2F2020-04%2Fdocuments%2Fghg-emission-factors-hub.pdf&usg=AOvVaw16jAEaQhayhQwesl\\_JVXro/](https://www.google.lv/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjewdDjtvDuAhW-BxAIHZJQACIQFjAAegQIAxAC&url=https%3A%2F%2Fwww.epa.gov%2Fsites%2Fproduction%2Ffiles%2F2020-04%2Fdocuments%2Fghg-emission-factors-hub.pdf&usg=AOvVaw16jAEaQhayhQwesl_JVXro/) 5.75 kg/gallon (3.785 l) or 1.52 kg/l



## Reduction of GHG emissions

305-5

Data on savings for 2020 are calculated until 1 November 2021; therefore, the report includes data on emission reductions in 2019. In 2019, a project was implemented in the luggage loading room, where the lighting was changed to LED, which has reduced the airport's direct emissions. The base year for the Airport is 2018 and the Carbon Management Plan sets an emission reduction target of 1% compared to the base year. The *Acert 5.1* emission calculation tool is used to calculate emissions.

**Amount of GHG emissions reduced as a result of project implementation\***

Emission factor attributable to the site  
Trade - based emission factors

	2018	2019
Emission factor attributable to the site	<b>36 t</b>	<b>1,1 t</b>
Trade - based emission factors	<b>106 t</b>	<b>3 t</b>

## Environmental initiatives

### Creation of an environmental information wall

In the summer of 2019, Riga Airport performed waste monitoring at the terminal before the security control in order to find out the composition of the discarded waste before the security control and security control, as well as the proportion of PET waste to be recycled.

Based on the monitoring results, the airport decided to improve the security check-in area so that it would become visually appealing and provide passengers with information on proper preparation for security checks and waste sorting, as well as information on measures taken at Riga Airport to ensure a sustainable environment.

In 2020, a model of the information wall was developed, and in the beginning of 2021, the information wall will be installed in the terminal.

## Environmental competition for employees

The Airport pays great attention to educating employees on environmental and energy management issues, as an educated employee is one of the keys to the success of environmental and energy management systems.

In 2020, an environmental campaign took place on the social network Facebook, in which the company's employees participated in a geocaching competition to get acquainted with environmental and energy management facilities in the Airport area.



# **ACTIVE CIVIC ENGAGEMENT**

← Membership in organizations / Support for society / Volunteering in support of the local community

## ACTIVE CIVIC ENGAGEMENT

### Membership in organizations 102-13

Riga Airport is a member of national and international aviation, business and employers' organizations, in which it supports and participates in the representation of the company's interests as far as the promotion and development of sustainable operations in the aviation sector is concerned.

Riga International Airport is a member of the following economic development and employers' organisations:

- **ACI EUROPE** – *Airports Council International EUROPE*;
- **IATA GHC (IGHC)** – *International Air Transport Association, Ground Handling Council*;
- **LAA** – Latvian Aviation Association;
- **LDDK** – Employers' Confederation of Latvia;
- **TRK** – Latvian Chamber of Commerce and Industry;

- **DAIF Latvija** – Federation of Security and Defence Industries of Latvia;
- **LPVA** – Latvian Association for Personnel Management;
- **Mārupes uzņēmēji** – Local Association "Mārupe Entrepreneurs".

Representatives of Riga International Airport also take part in organisations defending entrepreneurs' interests thus contributing to the development of not only the Airport but aviation as a whole.

In 2020, there were several Airport's representatives in the ACI Facilitation and Customer Services Committee. This Committee is a place for airports to exchange experience in passenger service and other issues and to draw best practices and suggestions for the aviation sector in general. The Committee develops and regularly reviews passenger service guidelines, which is a summary of the best practices by Europe's airports and offer suggestions on the infrastructure, procedures, service, and attitudes.

In 2020, the working group participated



Airports Council International EUROPE



International Air Transport Association, Ground Handling Council



Latvian Aviation Association



Federation of Security and Defence Industries of Latvia



Employers' Confederation of Latvia



Latvian Association for Personnel Management



Latvian Chamber of Commerce and Industry



Local Association "Mārupe Entrepreneurs".

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in the development of a safe travel protocol for European airports and in the study and development of common, digitized test/vaccination certificates.

The Airport is also an active participant of the Airports Communication Group and ACI Digital Communications Forum, both of which are experience exchange platforms aimed at arriving at the best solutions for improving the public relations. In 2020, due to the Covid-19 pandemic, no group meetings took place and were postponed.

On the local level, Riga International Airport is a Board Member of the Latvian Aviation Association and a local entrepreneurs' association "Mārupe Entrepreneurs"; through these organisations, the Airport contributes to improving not only the aviation but also the business environment and relations with the local municipality.

In 2020, Riga Airport, in cooperation with other Latvian aviation companies and the Ministry of Transport, actively participated in the working group of the aviation industry initiative. Last year, the working group prepared and

continues to prepare proposals for the government's recovery of the aviation industry, such as the development of safe air travel principles for resumption of flights, so that the government makes scientifically sound and balanced decisions on air transport when deciding on restrictions on Covid-19.

Read more about civic involvement of Riga Airport in industry issues on p 46 in the section "Positive effects and contribution to the economy and society".

## Support for society 103

In 2019, Riga Airport conducted a survey of residents of Mārupe and Babīte to find out their assessment of the activities and location of Riga Airport. The most frequently mentioned inconveniences that the residents of Babīte Municipality have to face are too much noise at different hours of the day and the fact that the planes fly too low. On the other hand, the majority of Mārupe residents, for whom the proximity of the Riga Airport causes inconvenience, mentioned too much noise at

different hours of the day as the most important factor.

In order to determine the priorities and tactical level of corporate social responsibility (CSR) of Riga Airport, as well as to ensure balanced and long-term development of the organization, in 2016 the CSR guidelines of Riga Airport were developed. 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 (areas of support):

- well-being of the local community;
- environmental protection
- human resources development; development of entrepreneurship
- and tourism in Latvia.

Civil society support projects are voluntary activity undertaken and financed by Riga International Airport in a transparent manner. To apply for support, the applicant must fill in the form on the Airport's website and send it to [pr@riga-airport.com](mailto:pr@riga-airport.com). Applications received that meet the

priority areas and criteria of support defined in the airport company's investment policy are evaluated semi-annually by the Sustainability Commission.

Information about the financial support offered by the Airport is published on the Airport's website under the section "[Donations and Gifts Allocated by the Airport](#)".

The Airport supports organisations and institutions whose activity or projects match the priority support areas defined in the Airport's Social Investment Policy, but we do not support any religious organisations or people and organisations related to political processes.

Paragraph 10 of the Law on the Prevention of Waste of Financial Resources and Property of a Public Person provides that state capital-companies may donate financial resources or property if the company has operated with a profit in the previous reporting year. Taking into account the financial consequences of the Covid-19 pandemic on the economic activities of Riga Airport

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and the need for State support, which the company applied for in 2020, further donation according to the law until Riga Airport starts to operate profitably and the aviation industry recovers from the crisis is not possible.

## Volunteering in support of the local community

### RIX 5

Being aware of the dimensions of our responsibility and the impact Airport has on the quality of life of the locals, Riga International Airport has defined the well-being of the local community as one of its priorities.

Memorandum of Cooperation with Babīte Municipality was signed in 2018, but in 2019—with Mārupe Municipality.

In co-operation with Babīte and Mārupe municipalities, directions for co-operation were set for 2020, focusing support on the following target groups: children and young people (including from large and low-income

families), senior citizens and persons with disabilities, jobseekers and socially disadvantaged people; however, due to the Covid-19 pandemic in 2020, projects remained unrealized.

First of all, as the support of Riga Airport takes the form of donating volunteer work, then, taking into account the conditions of epidemiological safety, such a form of support was no longer feasible.

Secondly, the municipalities of Babīte and Mārupe reduced to a minimum the public events that Riga Airport supported as much as possible with the souvenirs purchased in 2019.

## Cooperation with educational institutions

Riga Airport cooperates with Latvian and foreign educational institutions not only to provide internships for teachers and to participate in career-events of educational institutions (read more about this in the section “Career events and internship opportunities” on page 126), but also provides its investment in adapting the content of

education to the requirements of the modern labour market and the application of school subjects in the real environment in accordance with the guidelines of the School 2030 programme.

In February 2020, Riga Airport started cooperation with the Mission Possible Foundation for participation in the programme “Dzīvei gatavs”, signing an agreement and a memorandum of understanding and preparing two lesson topics – “Coordination of Ground Handling of Aircraft” and “Transportation of Dangerous Goods”. During the lessons, topics relevant to the Airport’s core business were integrated with the physics curriculum for secondary schools. The planned face-to-face lessons were cancelled in the autumn of 2020 because it was not possible to do so during the emergency, and work continued on adapting the teaching materials to the on-line lessons.

## Donation of found property to charity

If the items found at the Airport’s

passenger terminal are not claimed within a month, they are handed over for charity. Since 2018, an agreement has been concluded with the foundation “Ideju partneru fonds” on the transfer of unattended property, which maintains the charity shops “Otrā elpa”.

Part of the property is placed in shops for sale by the organization, and the proceeds are donated to social charity projects, while part of the property is donated by the Ideas Partner Fund to partner organizations, which distribute it to socially vulnerable groups as needed.

Also other charity organisations can apply to receiving the items found at the Airport. Pursuant to the Riga International Airport regulations, such organisations must hold the status of a public benefit organisation.

## Donation and giving presents

The principles of donation and charity are a part of the CSR and public investment policy of Riga Airport.

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charity that can be manifested as free help in organising various public activities pursuant to the valid laws and regulations of the Republic of Latvia and which is covered by a donation (gift) contract.

Once in a half year, the Sustainability Commission evaluates all applications that match the defined support areas, according to the valid laws and regulations of the Republic of Latvia and considering the available financial means. The Airport will inform the recipients of the supported projects. Making donations (gifts) and charity projects is:

- part of the corporate social responsibility and Social Investment Policy;
- charity that can be manifested as free help in organising various public activities pursuant to the valid laws and regulations of the Republic of Latvia and which is covered by a donation (gift) contract.

## Charity stands

In the registration area of the passenger terminal, and in sectors B and C that are located in the passenger area behind the security check, one can find the donation machines placed and maintained by Riga International Airport. Any charity organisation whose activity matches the Airport's corporate social responsibility areas can request placing its donation box in the machine. Organisations in the donation machines are rotated twice a year.

In 2020, more than 15 organizations had the right to place a donation box in the donation stands of Riga Airport. The total amount donated in 2020 is EUR 3265.78.

An overview of the use of funds obtained at donation stands is available on the [website](#) of Riga Airport.

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## GRI INDICATOR TABLE

### Information of General Standards

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## Information of General Standards

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## Information of the Specific Standards

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Noise pollution, waste, soil effects and biodiversity	304 Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	140	
Energy efficiency and climate impact	305 Emissions 2016	305-1 Direct greenhouse gas emissions	145	
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## Information of the Specific Standards

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## Information of the Specific Standards

Aspect	Name of the GRI standard	GRI indicator	Page	External certification
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	401 Employment in 2016	401-1 Recruitment and staff turnover	124	
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Safety and health of workers	103 Management approach 2016	103 Management approach	106	
		403-1 Occupational safety and health management system	106	
	403 Occupational health and safety 2018	403-2 Hazard identification, risk assessment and accident investigation	107	
		403-4 Employee participation, consultation and communication on health and safety at work	108	
		403-5 Occupational safety and health training for employees	110	
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## Information of the Specific Standards

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Workforce availability and staff diversity	405 Diversity and equal opportunities 2016	405-1 Diversity of management institutions and employees	102	
Fair treatment of employees, their motivation and involvement	406 Non-discrimination 2016	406-1 Number of discrimination cases and corrective actions	123	
Respect for human rights in our actions and expectations of tenants	103 Management approach 2016	103 Management approach	99	
	412 Human rights assessment 2016	412-1 Company activities subject to human rights issues	99	
Responsibility and sustainability in the supply chain/tenders and among tenants	414 Supplier social impact assessment 2016	414-2 Negative social impacts in the supply chain and measures taken	28	
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## Information of the Specific Standards

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Open and ethical management, compliance	419 Socio - economic compliance 2016	419-1 Non-compliance with social and economic regulations	54	
Passenger and customer safety	Supplements to the airport operators' sector (G4)	A09 Collisions with birds	91	
Safety and health of workers		LA6 Accidents at work by type and occupational diseases by type	109, 110	

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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 the contract with VAS "Starptautiskā lidosta "Rīga"" (hereinafter referred to as Riga International Airport) dated 15 April 2021, 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 2020 (hereafter – Sustainability report) prepared in accordance with core principles of the global standards for sustainability reporting issued by non-profit organisation Global Reporting Initiative (GRI) (hereinafter referred to as 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 2020 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 Control 1 and accordingly maintain a comprehensive system of quality control including documented 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) (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.

KPMG Baltics AS, a Latvian joint stock company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

### 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 2020, 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"" for the year 2020 has not been prepared, in all material respects, in accordance with the GRI Standards.

### KPMG Baltics AS

Licence No. 55  
Rainers Vilāns

Partner pp. **KPMG Baltics AS**  
Certified Auditor  
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Rīga, Latvia

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails