



ROME FCO THE STARRED AIRPORT



PEOPLE, ENVIRONMENT AND DEVELOPMENT FOR A CHANGING LAND

# ADR'S SUSTAINABLE PROCUREMENT STRATEGY

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## 1. Introduction

**Quality, Sustainability and Innovation** constitute the central drivers of the development strategy of Aeroporti di Roma (hereinafter "ADR"), fully integrated into the Group's business.

The ADR **Sustainability Plan** constitutes the structured set of objectives and programs organised around three priority areas of intervention: *People, Environment and Development*.

Furthermore, ADR pursues the objective of progressive and continuous improvement of its corporate performance, according to the commitments established in its **Integrated Group Policy** for quality, the environment, energy, health and safety at work, prevention and control of infections, operational continuity and Building Information Modelling (BIM).

In this context, ADR actively promotes sustainable procurement, integrating social, environmental and governance ("ESG") issues within its strategic vision and value chain, in line with the Guiding Principles of the "*Regulations for awarding of public contracts in special sectors of amounts lower than the European threshold (Article 50, paragraph 5, Legislative Decree 36/2023)*".

## 2. Scope

This Strategy applies to company management, to the staff of the Procurement & Logistics Structure, to all corporate bodies, to suppliers and, more generally, to all stakeholders, linked to purchases made, with whom ADR comes into contact during of his activity.

## 3. Managing risks associated with sustainable procurement

Procurement-related sustainability risk management aims to ensure that suppliers are able to meet sustainability requirements by assessing and managing potential risks (or opportunities) associated with the supply chain.

ADR assesses the risks and opportunities concerning purchasing activities as part of the "Analysis of the context and risk assessment", of the "Risk & Control Matrix" appended to the MG "Procurement and Contracts" and through any dedicated ESG risk assessment activities.

The key steps for managing risks are, specifically, the following:

- **Risk identification**: potential risks (or opportunities) connected to procurement activities that could have impacts on the organization are identified (e.g., reputational, legal, as well as financial and operational risks).
- **Risk assessment**: risks (and opportunities) are assessed to determine their severity (or the extent of the benefits) and the probability of occurrence.

- Risk mitigation: measures are developed and implemented to mitigate the identified risks (or to exploit the advantages associated with the identified opportunities). These measures may include adopting policies and procedures to ensure responsible suppliers, diversifying supply sources, implementing training and awareness programs, and integrating sustainability criteria into supplier selection processes.
- Monitoring and review: the effectiveness of the mitigation measures adopted is constantly monitored and any necessary corrections or improvements are made. Monitoring and review: the effectiveness of the mitigation measures adopted is constantly monitored and any necessary corrections or improvements are made.

#### 4. Principles and objectives of sustainable procurement

ADR integrates sustainability into the commitments and principles established in its procurement policy set out in the "Procurement and Contracts" Management Guideline, which all staff involved in the procurement process are required to comply with and undertake to act with professionalism, correctness and integrity in any business and commercial relationship.

For these reasons, ADR has identified a series of key principles of its procurement strategy:

- combining the needs of internal demand with **sustainability** requirements;
- encouraging all interested parties, internal and external to the organisation, to be **transparent**;
- supporting and promoting **ethical behaviour**, respect for **human rights** and the **rule of law** and relationships based on the principles of **integrity, trust** and **honesty**;
- guaranteeing **full and fair opportunities**, avoiding coercion and prejudice in all decision-making processes and in compliance with the criteria of **non-discrimination** and **proportionality**;
- guaranteeing **full compliance** with the contractual provisions for all parties involved;
- proposing **innovative solutions** to address its sustainability goals along the entire procurement chain;
- guaranteeing full **compliance** with the current **legislation**;
- guiding **better procurement choices** throughout the supply chain and implementing **responsible** procurement policies;
- encouraging **free competition** and compliance with the **transparency** and **publicity** criteria;
- striving for **continuous improvement**.

Based on the aforementioned principles, ADR identifies the objectives of the Sustainable Procurement Strategy which aim to:

- promote and consolidate an internal supply management system oriented towards **sustainability**, including **ESG criteria** in the supplier **qualification** and **assessment** phase;
- promote and disseminate **good management practices** along the supply chain;
- improve the **relationship** with the supplier, encouraging **virtuous conduct** and communicating the company priorities in this regard;
- **manage** supply chain sustainability **risks**;
- adopt, where possible, a **cost** approach based on the entire life cycle of the product or service;
- promote the development of the **local community** and encourage the presence of **start-ups** and **innovative SMEs** in the supplier register.

The most detailed and timely objectives are contained within the ADR **Sustainability Plan** and within the improvement plans of the Integrated Management System.

The objectives are monitored and shared with the stakeholders involved.

## 5. Sustainability requirements in the procurement process

Sustainability requirements in the purchasing process

Procurement activities in ADR are regulated by a specific regulatory instrument (the “Procurement and Contracts” Management Guideline) which defines the operating methods for managing the procurement process.

Integrating **sustainability** into **corporate supply chains** is an important part of ADR's corporate governance and implementing business strategies responsibly. The above regulatory tool requires suppliers to be aware of and share the principles and values set out in the purchasing policy.

ADR has started a process of consolidating the **monitoring** of **sustainability management** by its **suppliers**. An activity aimed at encouraging its suppliers to understand and respect issues of environmental, social and governance sustainability, thus encouraging not only a responsible attitude towards ADR, but also a strong commitment to respect the same issues within the organisation and business of the supplier itself.

ADR, through the commitment of all the internal functions involved, promotes the **integration**, in the different phases of the purchasing process (qualification, selection, management, evaluation of suppliers), of **environmental**, **social** and **governance** aspects, considered **priorities** for its corporate strategy, also respecting human rights, thus laying the foundations for responsible and long-term success. The priority is defined on the basis of the guidelines of the company's top management and the results of the materiality analysis.

ADR requests that its qualified suppliers **operate** in **line** with **its principles**, under the various aspects of sustainability, from respect for human rights to the protection of the environment, the health and safety of staff and working conditions.

ADR considers **suppliers** as **strategic allies** for its business, allowing it to offer its customers an excellent service in terms of quality, innovation and performance.

ADR seeks to **promote** sustainable procurement through initiatives aimed at **raising awareness**, where possible, **throughout the supply chain**.

Some of the concrete levers through which ADR implements the sustainable purchasing strategy are as follows:

- **supplier information** and **training** activities through the preparation of **workshops** dedicated to **sustainability** issues (such as, for example, updates on ADR's sustainability plan, vertical focuses on workplace health and safety issues, etc.);
- **integration** of the **ESG assessment** as a cornerstone of the supplier qualification rating;
- inclusion in all **tenders** with assessment of the **technical proposal** of specific **rewarding elements** linked to **ESG** themes defined on the basis of the materiality analysis;
- request for acceptance by suppliers, when signing the contract, of the ADR Policies relating to the main ESG topics (Code of Ethics, Environmental Policy, Anti-Corruption, DE&I, etc.).

## 6. Disclosure of the strategy

The procurement strategy is available as documented information and is communicated within the organisation and to all suppliers of the ADR Group.

Within the organisation, the dissemination of the procurement strategy is implemented by the Management through the actions of the company management and, specifically, during:

- training interventions on corporate aspects and management processes of sustainable purchasing;
- communication interventions on sustainable procurement;
- audit activities on the level of application of the procurement strategy.

## 7. Review of the Strategy

This Strategy is reviewed if necessary during the Review of the Quality Management System by the Management or in relation to the following events and elements:

- results of internal and external Audits;
- any changes dictated by changing circumstances;
- any sector regulatory updates.

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## 8. Liability

ADR has entrusted liability for the procurement strategy to the VP of Procurement & Logistics in order to pursue the objectives contained in this document. The VP of Procurement & Logistics, within his area of his/her responsibility:

- guarantees oversight of the implementation of the procedures envisaged for procurement;
- provides guidance and advice to staff on sustainable procurement issues;
- ensures that the procurement procedures comply with the ISO 20400 standard;
- monitors the progress of sustainable procurement and defines, in consultation with the VP External Relations & Sustainability, any corrective actions.

## 9. References

- Code of Ethics.
- Integrated Policy of the ADR Group's Management Systems. - Anti-Corruption Policy.
- Diversity, Equality and Inclusion Policy.
- "Procurement and Contracts" Management Guideline (MG\_ADR\_PR\_01).
- Regulation for the awarding of public contracts in special sectors of amounts lower than the European threshold (Article 50, paragraph 5, Legislative Decree 36/2023)
- Legislative Decree 36/2023 "Public contracts code implementing Article 1 of the Law of 21 June 2022, containing delegation to the Government regarding public contracts".
- UNI ISO 20400:2017 – Sustainable procurement – Guideline.