

2017

**Consolidated disclosure
of non-financial information
pursuant to Italian Legislative
Decree 254/2016**

Sustainability Report



FIERA MILANO

This document contains a faithful translation into English of the original report in Italian Dichiarazione consolidata di carattere non finanziario ai sensi del D.Lgs. 254/2016 - Report di Sostenibilità 2017.
However, for information about Fiera Milano Group reference should be made exclusively to the original report in Italian.
The Italian version of the Dichiarazione consolidata di carattere non finanziario ai sensi del D.Lgs. 254/2016 - Report di Sostenibilità 2017 shall prevail upon the English version.

2017

**Consolidated disclosure
of non-financial information
pursuant to Italian Legislative
Decree 254/2016**

Sustainability Report



FIERA MILANO

Contents

6

Message to Stakeholders

8

Mission

10

Fiera Milano Group

Who we are
Guiding Values

14

Preparation of the Report

Materiality Analysis
Fiera Milano Group Stakeholders
Stakeholder engagement
Notes on indicators

21

Group activities and their impact on the local area

Exhibitions, congresses and services
Relationship with the local area
Fiera Milano's social activities

28

Governance and business ethics

32

The supply chain

Countermeasures against illegal employment and under-age labour
Countermeasures against active and passive corruption

36

Client satisfaction

Indices of satisfaction of directly-organised exhibitions
Overall Show Score
The Call Center
Healthy Venue certification

43

Contribution to the development of the local economy (Instrument for SMEs)

45

Fieraccessibile

48

Our personnel

Diversity and equal opportunities
Caring for employees
Training and personnel development
Breakdown of personnel: the numbers

58

Security

Health and safety at exhibitions

63

Environmental management

Energy
Emissions
Water resources
Waste
Sustainable mobility
Noise management

76

Main risk factors relating to sustainability

Responsible utilisation of resources
Responsible management of emissions
Responsible waste management
Accessibility and sustainable mobility

Customer satisfaction
Security
Professional development of employees
Responsible management of the supply chain (human rights and countermeasures against illegal labour)
Business ethics and countermeasures against active and passive corruption

84

GRI Standard Content Index

88

Independent auditors' report

Message to Stakeholders

Dear Stakeholder,

Our Company has experienced a year of profound changes. 2017 was a crucial year of radical renewal of the Group's governance and management style. At the end of September, the provisions of the Administration Order expired, this was a provisional preventive measure primarily intended to preserve the value of the Company, allowing us the opportunity to enhance our control and protection processes. The Group therefore reinforced itself by setting up new Security and Compliance departments and strengthening the Internal Audit and Procurement Divisions. In addition existing procedures were reviewed and new procedures were issued with the aim of improving corporate processes, particularly those regarding the methods of supply and control.

Our wish to set a new industry standard in the exhibition sector, is underpinned by our belief that the indices of satisfaction and enthusiasm of our exhibitors and visitors must be the principal drivers behind the development of our services. Following a careful analysis of the trends of client satisfaction we consider our priority to be the quality of service provided in each phase of our activity. In particular, with regard to directly-organised exhibitions, a business model has been adopted which safeguards relations with the various Stakeholders through dedicated teams offering services specific to each different phase of an exhibition. Each client has been supported and accompanied through each event by customer care assistance which provides prompt and appropriate responses to requirements. The level of quality of the service offered is measured through a structured Customer Satisfaction Survey. Fiera Milano is therefore increasingly attentive to details; details which make a difference not just to the quality of service provided but also in the attention dedicated to exhibition spaces. With this in mind, we are pleased to note the work carried out by the subsidiary Fiera Milano Congressi, which in 2017 collaborated with the World Obesity Foundation to obtain Healthy Venue certification for the MiCo – Milano Congressi from 2018.

We have mentioned the quality both of services offered and of exhibition areas which, in addition to operating functionally, also function "responsibly". The importance of our employees, however, can never be underestimated; human resources are indispensable to Fiera Milano Group existence. The inspiring values driving the inception and management of each new project involving personnel are transparency, fairness and trust. During 2017, the Group began a process of reviewing and planning a range of HR Procedures based on its inspiring principles, to be implemented in 2018. Particular attention has been devoted to recruitment and performance and leadership evaluation in order to source, identify and retain talent.

For Fiera Milano, sustainability not only signifies quality, locations and personnel, but also, crucially, the environment. Fiera Milano operates on guidelines aimed at improving its energy-related performance. The Group is committed to the sustainable management of resources and environmental parameters. The gradual improvement in recent years was achieved through a combination of projects aimed at reducing energy and water consumption and at improving environmental well-being in the exhibition sites. These projects were jointly carried out by Fiera Milano Group and by Fondazione Fiera Milano, the proprietor of the exhibition sites.

Fiera Milano is not simply a business and this document must be the instrument that also allows us to discuss the activities that we conduct "beyond" the exhibition sites. Social involvement is fundamental to Fiera Milano and it therefore supports charitable projects with the aim of contributing to the progress and well-being of the community of Milan and of society in general. Fiera Milano was again unhesitatingly involved in the community in 2017 and, with this in mind we should note a couple of projects in support of those most in need. On 15 September 2017, the opening day of the HOMI exhibition, the Company initiated its "Salame Milano" campaign, which involved a donation to the Banco Alimentare della Lombardia (the Food Bank in Lombardy)

of one Euro for each salame sandwich sold in the refreshment areas throughout the period of the trade fair. Thanks to Fiera Milano's passionate and profound sensitivity to its social commitment to the region, between September and December 2017 the Banco Alimentare della Lombardia (Food Bank of Lombardy) received a donation of Euro16,000 which allowed it to distribute more than 224,000 meals to nutritionally deprived children and adolescents in Milan. This initiative will continue until May 2018. The campaign, «*QuBi, Quanto Basta - La ricetta contro la povertà infantile*» (*QuBi, the right amount - the solution to infant poverty*) which began in November, is an initiative promoted by the Fondazione Cariplo with the support of the Fondazione Vismara, Intesa Sanpaolo, Fondazione Fiera Milano and the collaboration of the Milan municipal authorities and third sector organisations. Fondazione Fiera Milano's participation in this initiative also involved the co-operation of its subsidiary Fiera Milano, which chose to offer a concrete contribution in support of those who find themselves in difficulty. In particular, the Company undertook to promote the project and publicise the campaign to visitors and exhibitors attending the **fieramilano** and **fieramilanocity** exhibition sites during the events held there.

Fiera Milano has, therefore, been relaunched with the aim of becoming an increasingly sustainable company. It has many objectives to attain. Without doubt, the recent adoption of an environmental policy that can be integrated within the Group's business model constitutes a point of departure to achieving greater awareness of an integrated process of sustainability and industrial planning which, in the coming months of 2018, will lead to the preparation of a Sustainability Plan in support of the Group's strategy.

Happy reading

The Chairperson

Lorenzo Caprio

The Chief Executive Officer

Fabrizio Curci



Mission



Fiera Milano Group offers a means for companies to grow and become more international



It contributes to economic growth



It promotes socio-economic improvement in the region in which it is based

To be among the leading international exhibition companies

To offer entities an effective business platform to raise their profile, make meaningful contacts and increase their business opportunities



To facilitate the interaction of different corporate cultures, the exchange of knowledge and experiences and to encourage innovation

To have a strong presence in new growth areas worldwide and promote the export of "Made in Italy"



Fiera Milano Group

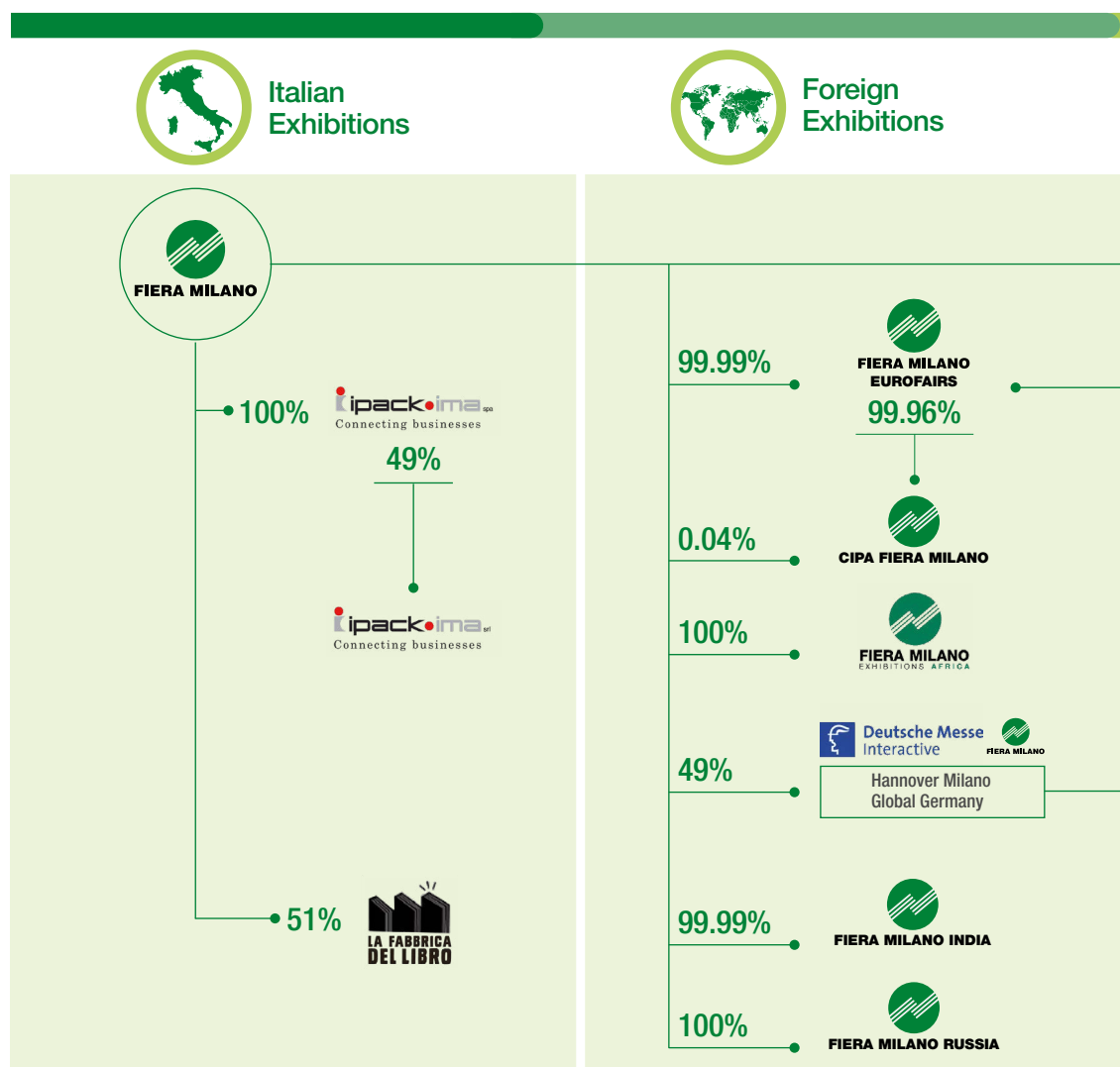
Who we are

Fiera Milano Group (“Fiera Milano SpA and its subsidiaries” or the “Group”), is the leader in Italy and one of the leading companies worldwide in the exhibition sector. It is active in all the characteristic areas and value chain of the exhibition sector: it plans and manages exhibitions, makes available equipped exhibition space, provides value added services and organises and manages exhibitions and congresses.

In Italy, the Group, through Fiera Milano SpA (“Fiera Milano” or the “Parent Company”) manages the two exhibition sites of **fieramilano** at Rho (Milan), the leading exhibition site in Italy with exhibition space of 345,000 gross square metres and 60,000 of exterior space, and **fieramilanocity** in Milan, a city-centre site of 43,000 square metres of gross exhibition space. Fiera Milano Congressi SpA (“Fiera Milano Congressi”) manages MiCo – Milano Congressi one of the largest congress centres in Europe, and also the Stella Polare congress centre, located in the Centro Servizi of the Rho exhibition site, the Stresa Convention Centre, and MoMec - Montecitorio Meeting Centre in Rome.

Outside Italy, the Group operates directly or through joint ventures mainly in China, India and Brazil.

Fiera Milano is the only listed Italian exhibition company.



The Company is owned by Ente Autonomo Fiera Internazionale di Milano (“Fondazione Fiera Milano”) which holds 63.82% of the share capital of Fiera Milano. Fondazione Fiera Milano is a private law foundation set up in 2000 to encourage, promote and develop exhibitions while leading the Milanese exhibition and congress system to become increasingly modern and pertinent, as well as more competitive at an international level. It is a not-for-profit private law foundation that operates in the general interest and supports, promotes and expands the organisation of exhibitions and events both in Italy and abroad. It owns all the exhibition and congress assets used by the Fiera Milano Group: the **fieramilano** and **fieramilanocity** exhibition sites and the MiCo – Milano Congressi which occupies the pavilions that were formerly the old exhibition centre in the city-centre of Milan.

Fondazione Fiera Milano makes available to the Fiera Milano Group and all the companies within the exhibition system its Research facilities, its Academy and its historical archive.

One of the strategic objectives of Fondazione Fiera Milano is to strengthen the role of the Fiera Milano Group, through a series of investments aimed at enhancing the company’s competitiveness at both the international and national levels as well as the sustainability of the exhibition and congress infrastructure. As a long-term investor, Fondazione Fiera Milano, in parallel with its support for the exhibition activity, intends to enhance value in the community through its initiatives in specific areas such as: social involvement, accessibility and mobility, renewable energy, technology and ICT, innovation and R&D, art, culture, sport and tourism.



Stand-fitting Services



Media



Congresses



Tens of thousands of exhibiting companies. About 4 million visitors. An offering of professional exhibitions, unique in scope and quality. That is Fiera Milano.

Fiera Milano, in addition to providing an exceptional exhibition centre, is also qualified to offer its facilities to companies as an unparalleled platform for business and internationalisation thanks also to the high quality of services that it can provide.



Exhibitions

Fiera Milano is large scale B2B trade fairs, unmissable international appointments for key economic sectors. 83 exhibitions took place during 2017 (of which 29 took place abroad) some of which were directly organised events. 36,385 exhibiting companies participated (of which 8,600 were at exhibitions held abroad). These exhibitions represent ideal, affordable tools of communication for companies to reach target customers and markets which would otherwise require extremely expensive commercial activity. Fiera Milano is active in several industrial sectors; fashion, publishing, interior design, real estate, mechanical engineering, tourism, professional hospitality, food, industrial plant and energy, construction, art and sailing are just some of the sectors represented.



Stand-fitting services

Fiera Milano also signifies specialised services for exhibition and congress activities. Through its subsidiary Nolostand SpA ("Nolostand") the company can offer technical services for trade fairs, personalised or standard fittings. Expressed in figures this means: the capacity to set up 10,000 square metres per day and 200,000 cubic metres of stand-fitting materials in stock, which facilitate the offer of advantageous, premium quality solutions, in Italy and abroad. The Group also offers technical lighting plant, gantries, panelling, platforms, carpeting and fixtures and fittings. It also assures exhibitors of dedicated and continuous assistance which extends, if requested, to activities that the exhibitor may wish to conduct outside the Milan exhibition sites.



Congresses

Congresses and convention activities are of primary importance to Fiera Milano. These events take place in a state-of-the-art complex which is one of Europe's leading venues: the MiCo – Milano Congressi. The complex can accommodate up to 18,000 delegates. Fiera Milano manages conventions, congresses, conferences and events and, through MiCodmc, can also guarantee hospitality related services for participants. In addition, Fiera Milano can also utilise the meeting rooms of the Stella Polare Congress Centre, located in the Centro Servizi of the Rho exhibition site, as well as the MoMec – Montecitorio Meeting Centre, an executive business suite in the heart of Rome and, lastly, the Stresa Congress Centre, which is a well-known location situated on Lake Maggiore.



Media

Fiera Milano also stands for flexible and multi-channel corporate communications, both online and offline. The Group's Fiera Milano Media SpA ("Fiera Milano Media") subsidiary offers companies communication services which integrate traditional specialised publishing and advertising channels with the web and the related platform of conventions, conferences and training workshops.

Guiding Values



Preparation of the Report

Fiera Milano Group's Sustainability Report 2017, Consolidated Disclosure of Non-Financial Information pursuant to Legislative Decree No. 254 of 30 December 2016, ("D.Lgs. 254/2016") complements and augments the information contained in the Annual Report and gives a detailed report of the performance and leading sector indicators with regard to corporate sustainability and responsibility.

As required by D.Lgs. 254/2016, Fiera Milano Group has identified the material topics necessary to ensure a full comprehension of its business activities, its trends and results and the environmental impact of these activities.

The process of defining the relevant topics for the Fiera Milano Group involved the following stages.

- Identification of a list of potentially significant topics relating to the Group composed of the topics indicated by D.Lgs. 254/2016, and those arising from the benchmark and scenario analyses of competitors. The points of view of the various stakeholders have been taken into consideration in defining materiality consistent with the principle of stakeholder inclusiveness indicated in the GRI standard.
- Identification of the material aspects pertaining to Fiera Milano Group through interviews with top management including the Chief Executive Officer together with the Chief Executives of the Italian subsidiaries Nolostand, Fiera Milano Congressi and Fiera Milano Media, analysing the company's characteristics, the type of business in which it is engaged and its strategies and, lastly, by attributing points to each relevant topic.
- Validation of the material topics by the Chief Executive Officer.

In order to determine the relevance of sustainability topics for Stakeholders, the previous benchmarking analysis of the leading Italian and foreign trade fair operators was updated to determine the main sustainability topics addressed by these competitors and, therefore, by the sector in general. The sustainability scenario was also analysed in collaboration with the Research Office of Fondazione Fiera Milano, taking into account the topics addressed by the trade fair operators during meetings organised by the leading international trade fair associations in 2017.

The reporting parameters of the present Report incorporate all of the companies fully consolidated by the Fiera Milano Group. Some fully consolidated subsidiary companies were excluded from the present Report with regard to one or more categories of D.Lgs. 254/2016, and the related reasons are reported below.

Company	Revenues as percentage of Group	Criteria utilised to exempt the Company from the report				
		Environmental category	Social category	Anti-corruption category	Personnel management category	Human rights category
Ipack-Ima SpA	0%	The company is not operationally active	The company is not operationally active	The company is not operationally active	The company has no employees	The company is not operationally active
Fiera Milano Exhibitions Africa Pty Ltd	0.4%	Size of the company; business purely organisational (no exhibition venues managed)	Size of the company; business purely organisational (no exhibition venues managed)	Size of the company	Restructuring of the business commenced December 2017: at 31 January 2018 the company had one permanent employee and 3 fixed term employees	Size of the company
Eurofairs International Ltda	0%	The company is not operationally active	The company is not operationally active	The company is not operationally active	The company has no employees	The company is not operationally active
CIPA Fiera Milano Publicações e Eventos Ltda	1.5%	Size of the company; business purely organisational (no exhibition venues managed)	Size of the company; business purely organisational (no exhibition venues managed)	<i>No exclusion. These topics will be reported in the present document</i>		Size of the company; business purely organisational (no exhibition venues managed) and consequently limited outsourcing of services

With reference to the topics explicitly indicated in D.Lgs. 254/2016, it should be noted that the atmospheric emissions generated by Fiera Milano's activities do not include particular pollutants, as there are no industrial activities at the exhibition sites and the only emissions are those generated by natural gas fuelled winter heating boilers and by vehicles owned by the group or used indirectly. This topic is therefore subjected to a purely qualitative assessment of risk. In addition, the topic regarding protocols agreed by international and supranational organisations regarding social/personnel issues was not considered relevant to the business model.

With the exception of topics relating to the environment (for which please refer to the section on Environmental management) and countermeasures against active and passive corruption (as addressed by several elements of the Code of Ethics contained herein), the Group did not consider it necessary to adopt specific policies regarding topics cited by the Decree, also given the satisfactory functioning of practices that have been consolidated over a prolonged period and the high degree of centralised control.

The Sustainability Report 2017, Consolidated disclosure of non-financial information pursuant to D.Lgs. 254/2016 of Fiera Milano Group has been prepared in accordance with the GRI Sustainability Reporting Standards published in 2016 by the GRI-Global Reporting Initiative, under the "Core" option.

The information contained in this document relates to activities carried out by Fiera Milano Group between January and December 2017 unless otherwise indicated. Where possible, a comparison of the quantitative information is shown for the period under review with data for the two years 2015-2016.

The present Sustainability Report 2017, Consolidated disclosure of non-financial information pursuant to D.Lgs. 254/2016 of Fiera Milano Group was approved by the Board of Directors of Fiera Milano SpA on 12 March 2018 and published on the website www.fieramilano.it.

Materiality Analysis

The following table illustrates the material aspects identified in accordance with D.Lgs. 254/2016, the related GRI indicators and the correlation between aspects and topics of the GRI Sustainability Reporting Standards, indicating for each of these the reporting parameters, whether internal or external to the organisation.

D.Lgs. 254/2016	Material aspect	GRI Indicator	Internal Parameter	External Parameter
 Environment	Responsible utilisation of resources	302-1 Energy consumption within the organization	X ***	
		302-4 Reduction of energy consumption	X	
		303-1 Water withdrawal by source	X ***	
	Responsible management of emissions	305-1 Direct (Scope 1) GHG emissions	X***	
		305-2 Energy indirect (Scope 2) GHG emissions	X	
	Responsible waste management	306-2 Waste by type and disposal method	X***	
Accessibility and sustainable mobility *	302-1 Energy consumption within the organization	X***		
 Social	Customer Satisfaction	102-43 Approach to Stakeholder engagement	X	
	Economic performance	201-1 Direct economic value generated and distributed	X	
	Contribution to the development of the local economy (Instrument for SMEs)	203-2 Significant indirect impact	X	
 Personnel	Security	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	X	
	Professional development of employees	102-7 Scale of the organization	X	
		102-8 Information on employees and other workers	X	
		102-41 Collective bargaining agreements	X	
		401-1 New employee hires and employee turnover	X	
	Employee training	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	X	
		404-1 Average hours of training per year per employee	X	
	Diversity	404-2 Programs for upgrading employee skills and transition assistance programs	X	
405-1 Diversity of governance bodies and employees		X		
 Human Rights	Responsible management of the supply chain**(human rights and countermeasures against illegal labour)	102-9 Supply chain	X	
		102-10 Significant changes to the organization and its supply chain	X	
		409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	X	
 Countermeasures against active and passive corruption	Countermeasures against active and passive corruption	205-2 Communication and training about anti-corruption policies and procedures	X	
	Business ethics	102-16 Values, principles, standards, and norms of behavior	X	
		419-1 Non-compliance with laws and regulations in the social and economic area	X	

* Also relating to social category.

** Also relating to the category countermeasures against active and passive corruption.

*** Reporting does not include offices in Rome and Stresa as these are not considered significant within the dimensions of the Group. With particular reference to energy consumption 302-1, central-heating gas consumption in the Rome and Stresa offices is not included.



MOVETRO
STORAGE SYSTEM SOFTWARE

TICAM
THE NEW SUPER MARKET

THINK
FORWARD

INTERMAC / MOVETRO

INTERMAC

Fiera Milano Group Stakeholders



Stakeholder engagement

The aim of the Fiera Milano Group in Italy is value creation for all its Stakeholders and to this end it uses different instruments depending on requirements and circumstances.

Stakeholder	Communication channels, contact and engagement	Action taken
Local administrative entities	Direct contact, Committees, Technical forums, corporate website, newsletter, social network	<p>Protocol of agreement with Milan Municipality/Lombardy Regional Authorities</p> <p>Calls for tenders</p> <p>Implementation of projects and events in the region in conjunction with directly organised exhibitions</p> <p>Integrated mobility solutions</p> <p>Protection of the local area and security</p> <p>Plans and procedures to manage and control the flows of clients and suppliers</p>
Organisers	Customer satisfaction surveys following each event	Improvement and development of services
Exhibitors	<p>Direct contact, e-service platform, My Matching, Call centre, corporate website, newsletter, social network</p> <p>Customer satisfaction surveys following each directly organised event</p>	<p>Improvement and development of directly organised events and expansion of the range of services offered</p> <p>Communication campaigns relating both to events taking place and to off-site activities</p> <p>Conference and convention activities during trade shows</p> <p>Projects for the development of new product areas for directly organised exhibitions</p> <p>Development of new sales and export channels (e.g. e-commerce)</p>
Visitors	Internet site, app, My Matching, Call centre	<p>Improvement and development of exhibitions and services</p> <p>Fieraccessibile (accessibility)</p> <p>Implementation of security measures</p>
Personnel	<p>Intranet, mailing, analyses of the atmosphere in the workplace, surveys on specific topics</p> <p>Inter-departmental and inter-managerial committees</p> <p>Contact with and involvement of employees in the development of new services</p>	<p>Training events relating to procedures, ad hoc meetings, Legislative Decree 231/2001 training program, e-learning platform</p> <p>Corporate welfare</p> <p>Health and safety related activities</p>
Suppliers and commercial partners	Register of suppliers, regular contact, call centre, round table discussions	<p>Improved reputational assurance regarding the pool of suppliers, supplier quality</p> <p>Health and safety related activities</p> <p>Visibility and business development (new partnerships)</p>
Shareholders	Roadshows, one-to-one meetings and events held at the Company's headquarters, corporate website, post-results conference calls	Prompt dissemination of exhaustive information relating to the Group in accordance with the relevant regulations in force
Fondazione Fiera Milano	Regular meetings	<p>Development and optimisation of the exhibition sites</p> <p>Improvements to and analysis of the impact of the exhibition activities on the local area</p> <p>Research on the internationalisation of exhibitions and export possibilities of "Made in Italy" goods and services</p>
Regional economic entities	Collaboration on a daily basis, organisation of committees and round-tables	Improved accessibility to the exhibition sites through agreements with the main regional economic entities regarding security, reception and accessibility

To develop its network and meet best practice in the exhibition sector, Fiera Milano Group takes part in seminars and workshops organised by UFI, the Global Association of the Exhibition Industry.

In 2017, the Parent Company was registered with, amongst others:



Fiera Milano Media is also registered with:



ANES



Fiera Milano Congressi is a member of:



Nolostand is a member of:



Notes on indicators

With regard to the chapter on environmental management, the environmental consumption data are attributable to the exhibition sites and the administrative offices at the **fieramilano** and **fieramilanocity** sites, Rome and Stresa with some exceptions. Generation of waste, water consumption and consumption of gas for heating are not reported for the Rome and Stresa locations as these are not considered significant within the dimensions of the Group.

With reference to fuels, the figures for diesel, petrol and natural gas refer to vehicles used by Group employees. With specific reference to the section on mobility, the figures for visitor vehicles are estimated on the basis of data provided by corporate partners involved in public transport and parking site operators. The figures for automobiles and vehicles used by exhibitors and stand-fitters are estimated on the basis of passes issued at the Cargo entry/exit points and/or directly issued by the Organisation Secretariat, in addition to data on rotation by some of these vehicles during a single day.

The national standard parameter tables produced by the Environment Ministry for the relevant years were used as conversion factors for the calculation of natural gas energy consumption. DEFRA - Department of Environment factors for the relevant years were used in calculating the conversion of data relating to consumption of diesel, petrol and natural gas by motor vehicles.

The emission factors in the national standard parameter tables produced by the Environment Ministry for the relevant years were used to calculate emissions of CO₂ equivalent deriving from consumption of natural gas for heating and district heating, gas for vehicles, petrol and diesel. However, the latest version of the coefficient of conversion provided by Terna was used for the calculation of emissions of CO₂ equivalent deriving from the consumption of electrical energy.

The absentee rate was calculated taking into account absences for injury and illness.

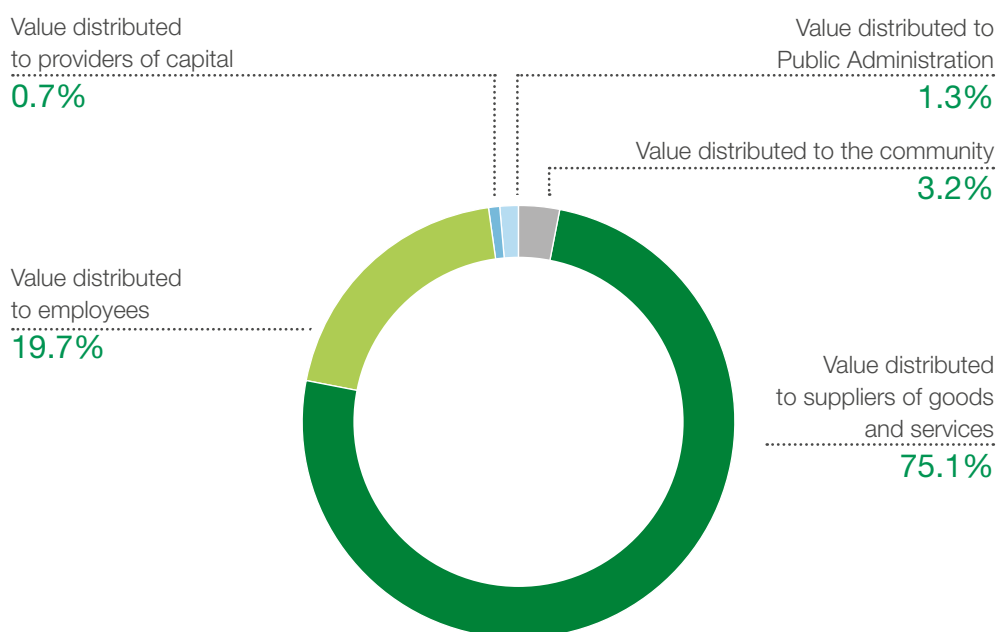
The injury frequency index is the relationship between the total number of injuries and the total number of hours worked, multiplied by 1,000,000. The gravity index is the relationship between the total number of working days lost to injury and the total number of hours worked, multiplied by 1,000. The number of working days lost represents the calendar days lost because of injury beginning from the date of the injury.

Group activities and their impact on the local area

Table 1 – Economic value created and distributed* (euro thousands)

	2017	2016	2015
Economic value generated	279,502	234,210	343,406
Economic value distributed	258,481	223,635	305,259
Value distributed to suppliers of goods and services	191,498	167,950	224,375
Value distributed to employees	48,860	44,101	61,023
Value distributed to providers of capital	1,203	1,561	4,331
Value distributed to Public Administration	4,601	2,919	6,964
Value distributed to the community	12,319	7,104	8,566
Economic value retained	19,537	6,228	36,940

(*) In line with the Consolidated Financial Statements of Fiera Milano Group at 31 December 2017, these values refer to the entire Fiera Milano Group. It is appropriate, when considering this data, to recognise that the Group's activities are highly seasonal due to the presence of biennial and multi-annual events, which distorts the comparison of results of different periods. The data for 2016 and 2015 have been recalculated in line with those of 2017 as a result of a more appropriate reclassification of the data contained in the Consolidated Financial Statements.



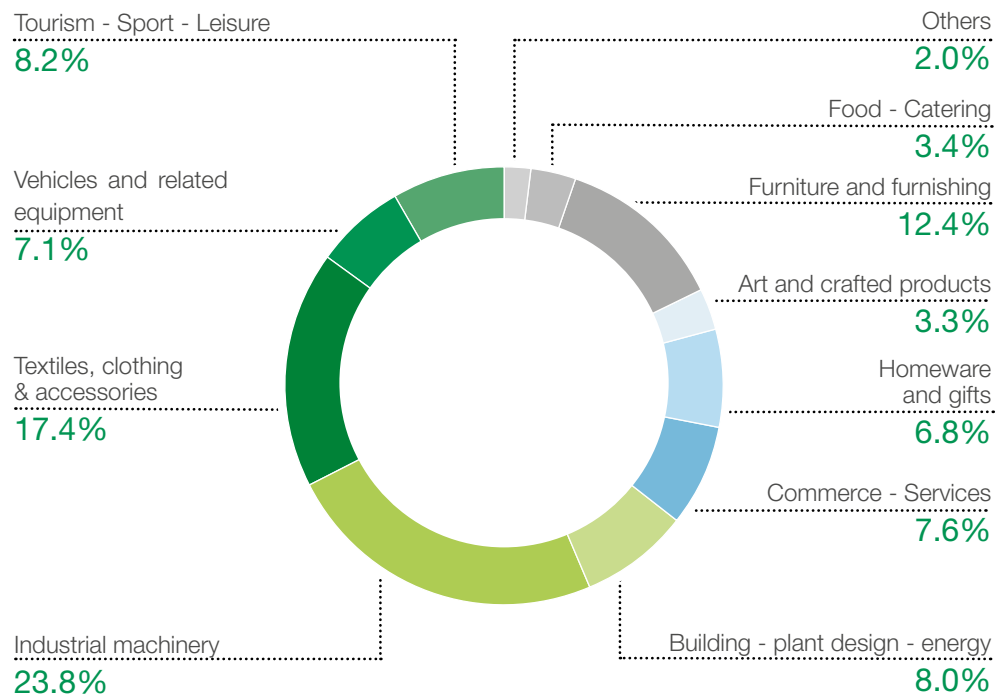
Exhibitions, congresses and services

Average for three year period 2015-2017:

54 exhibitions each year

80% of which were B2B

The exhibitions covered the entire range of the main product sectors in the domestic market – those that symbolise “Made in Italy”



(Data calculated on the basis of net square metres of exhibition space occupied in Italy)

Focus on Italy 2017

Exhibitions

54 (46 in 2016)

Net square metres of exhibition space

1,517,205
(1,285,600 in 2016)

Congresses with related exhibition space

36 (39 in 2016)

Exhibitors

27,785
(23,800 in 2016)

of which directly organised by the Group

Exhibitions

16
(8 in 2016)

Net square metres of exhibition space

482,780
(175,655 in 2016)

Exhibitors

8,055
(3,605 in 2016)

Table 2 – Exhibitions in Italy

	2017	2016	2015
Number of visitors *	3,919,711	3,608,286	4,113,243
Number of exhibitors	24,865	20,975	29,880
Net Sq. Metres of exhibition space	1,465,160	1,234,830	1,773,800

* Prepared by Fondazione Fiera Milano's Research and Development department based on ISFCERT, CFI online data and exhibition press releases.

Table 3 – Provenance of exhibitors

	2017	2016	2015
Italy	67%	68%	67%
Abroad	33%	32%	33%

The exhibitions in Italy include both those directly organised by the Fiera Milano Group and those organised by third-parties.

All of the exhibition business indicators registered a positive trend in 2017, reflecting the broader economic recovery. The exhibition calendar was favourable due to the presence of important directly-organised biennial exhibitions including Tuttofood, dedicated to companies operating in the food & beverage sector, and Host, the world leader in the professional hospitality sector. The latter event produced another record edition in terms of square metres of exhibition space, exhibitors and visitors. The trend of third-party organised exhibitions was also positive, a notable example of which was the record edition of the EICMA motor-cycle show.

Several exhibitions were held for the first time at the Fiera Milano exhibition sites: these included Tempo di libri (the Italian publishing and book fair) organised with the Italian publishers' association (Associazione Italiana Editori), and TheOneMilano, the new international salon dedicated to women's top-end prêt à porter and accessories, which combines the know-how and experience of MIPAP, the prêt-à-porter exhibition organised by Fiera Milano and MIFUR, the international fur and leather apparel and accessories show organised by the exhibition organiser of the same name. The **fieramilano** site also hosted for the first time the international biennial exhibition, Lamiera, dedicated to metal forming machine tools and innovative technologies related to the industry.

It should be noted that the exhibition calendar for 2015 was particularly favourable due to the presence in that year of important directly-organised biennial exhibitions as well as multi-annual and travelling exhibitions.

Table 4 – Exhibitions organised in Brazil

	2017	2016	2015
Number of visitors	135,039	166,043	150,261
Number of exhibitors	670	795	940
Net Sq. Metres of exhibition space	21,445	41,130	29,860

The exhibition space relating to exhibitions organised in Brazil in 2017 shows a reduction compared to the previous year due to a less favourable event calendar owing to the absence of the two important biennial exhibitions Fisp e Fesqua.

Table 5 – Congress activity

Location	2017		2016		2015	
	no. events	participants	no. events	participants	no. events	participants
MiCo – Milano Congressi	102	315,312	102	261,509	90	159,954
Stella Polare – Rho	9	15,890	18	40,550	40	39,350
Stresa Convention Centre	12	7,150	11	3,800	14	4,500
MoMec	42	1,160	31	870	18	414
Total	165	339,512	162	306,729	162	454,218

NB: During 2015, Fiera Milano Congressi organised 400 events at the Centro Congressi and the Auditorium for Expo 2015 which registered the attendance of 250,000 participants.

During 2017 Fiera Milano Congressi managed a number of important congresses, including ERS – Congresso Europeo di Pneumologia (the annual congress of the European Respiratory Society) which was attended by more than 22,000 delegates from around the world. The event, which is unanimously considered to represent the sector point of reference in terms of complexity, was a success with regard to attendance and in terms of the organisation, logistics and collaboration between the Stakeholders, the public and regional economic entities. The functional efficiency of MiCo – Milano Congressi was particularly appreciated by the organising committee.

Other notable events hosted in 2017 included:

- GISE – Congresso della Società Italiana di Cardiologia Interventistica (The national congress of the Italian Society of Interventional Cardiology);
- EUROPEAN AIDS CONFERENCE;
- GSC 2017 – Global Spine Congress.

Several corporate conventions were held, primarily involving participants from the financial, insurance and banking sectors.

Table 6 – Summary of Fiera Milano Media output

	2017	2016	2015
Number of periodicals	10	10	13
Number of copies	580,000	680,000	700,000
Number of publishing portals	10	10	12
Number of training events	114	110	121
Number annual conventions*	24	12	19
Number of participants	5,800	6,220	6,846

* Including joint exhibitions and conferences

Relationship with the local area

Fiera Milano Group daily plays an active role in transferring information about specific topics that could contribute to behavioural changes, continuous development and improvements in infrastructure and the implementation of useful new technologies for the local region. The business of Fiera Milano, by vocation, not only promotes business between companies but also cultural exchanges; in addition to fostering contact between exhibitors and buyers, during exhibitions it arranges cultural and social encounters that make it a landmark institution in Lombardy.

During 2017 a number of specific agreements were signed, or were in the process of being finalised, with several local entities (the Municipality of Milan, the Regional Authority for Lombardy, the Ministry of Cultural Heritage and Activities and Tourism, ICE) with the objective of establishing mutually beneficial institutional collaborative initiatives. In particular:

- Fiera Milano and the Municipality of Milan (Department of Security) have signed a memorandum of intent for the exhibition SICUREZZA – the international security and fire exhibition. The agreement was finalised with the aim of supporting the development of the local region and the entrepreneurial and socio-economic fabric of the region of Lombardy through the promotion of initiatives, events and exhibitions relevant to specialists and organisations working in the Third Sector involved in urban safety;
- Fiera Milano and the Regional Authority for Lombardy, together with other institutions, have signed a “Tourism Act”, an operational initiative to optimise the value of the congress and tourism system of the Lombardy Regional Authority;
- Fiera Milano and MIBACT (the Ministry of Cultural Heritage and Activities and Tourism) are working together to define an agreement aimed at utilising advanced audio-visual technology to leverage the value of the Italian museum system within the Group’s exhibition.

During 2017 Fiera Milano Group supported several special marketing projects related to directly organised exhibitions, which provided additional promotion for exhibitions by undertaking specific initiatives in the metropolitan area such as the exposition for HOMI at the Palazzo Reale in the centre of Milan and other initiatives which took place across the city creating a real and genuine off-site marketing circuit as in the case of Art Week or Food Week in conjunction, respectively, with MIART and TUTTOFOOD.

Several initiatives and events were proposed in conjunction with HOMI to encourage the involvement of the general public and increase public awareness of events that were originally conceived for a B2B market. In particular, during the Milano Fall Design Week, an event was organised at the Palazzo Doxa to showcase the projects inspired by the exhibition-related “Design Competition”, and the exhibition “Scatenata” which took place at the Palazzo Stelline focussing on the importance of the decorative chain necklace in the development of Italian jewellery.

In addition, HOMI in conjunction with the Politecnico di Milano, during 2017, developed the “Hybrid Lounge” project to present the potential development paths of products of the future, together with projects dedicated to the study of new materials for domestic architecture. The Academy of Fondazione Fiera Milano also hosted a series of seminars conducted by HOMI architects to discuss the development of eco-sustainable, low environmental-impact exhibition projects.

The Miart Talks and the Milano Art Week, organised to coincide with MIART, promoted Milan’s reputation as a cultural capital of Europe, as attested by the “Cultural and Creative Cities Monitor”, which ranked Milan in fourth position.

During the Week&Food, which took place at the same time as TUTTOFOOD, training events were organised to highlight environmental sustainability and how to reduce food waste, as well as providing information on correct nutrition and healthy eating.

TUTTOFOOD promoted the Vertical Food Convention in conjunction with Netcomm on innovative solutions for on-line sales and inventory management of highly perishable products such as fruit and vegetables. TUTTOGOOD, an initiative launched by TUTTOFOOD, gave almost 3,000 exhibitors the opportunity to donate food left over at the end of the exhibition to those most in need. All of this was made possible by the collaboration with Banco Alimentare (the Food Bank) and the Pane Quotidiano Association.

More than 500 events were organised during the HOST exhibition, including seminars, workshops, competitions, samplings, show-cooking events, tastings and highly innovative and creative performances involving the most noted chefs, coffee experts, master chocolatiers and master pâtissiers. Style and innovation were the keynotes of the events dedicated to the avant-garde designs and creativity of the products displayed in the tableware and furnishings areas.

The SICUREZZA exhibition organised 86 events including conventions and workshops with the aim of:

- publicising sector trends, spreading awareness and sharing experiences with the participants in relation to various matters including the introduction of the data protection law which becomes effective on 25 May 2018;
- generating ideas and information for designers and engineers involved in the development of “intelligent” buildings;
- providing indicators and rules on saving energy.

SMART BUILDING EXPO organised 51 events on the theme, amongst others, of BIM (Building Information Modelling) building automation and smart building/optimising energy efficiency.

81 events were organised during TRANSPOTEC focussing on the themes of transport and road safety, the future of road transport and the haulage profession, sustainability and efficiency, connectivity and telematics.

During the SÌ SPOSAITALIA COLLEZIONI the Trionfo D’amore (The Triumph of Love) installation was presented at the Castello Sforzesco as part of the Milano XL initiative during Milan fashion week. Fiera Milano Group took part in this same initiative and, in conjunction with Fondazione Altgamma and the Ministry of Economic Development, participated in a visibility project with installations in via Montenapoleone (Milan’s main fashion thoroughfare).

In 2017 as part of a collaboration with ANCI Lombardia (the Lombardy branch of the national confederation of local authorities) Fiera Milano was awarded the accolade of “Azienda Amica dei Comuni” (Corporate Friend of the Local Authorities).

In 2018 Fiera Milano Group, as part of the preparations for its celebrations of 100 years of corporate history (1920-2020) will organise a photographic exhibition focussing on Fiera Milano and its relationship with the city of Milan with the support of a major Milanese media sponsor.

Fiera Milano's social activities

Fiera Milano has always believed that it has a fundamental commitment to make a positive contribution to social issues. For many years the company has supported charitable initiatives with the aim of making a significant contribution through these extremely important channels to the community of Milan and society in general.

In 2017, Fiera Milano participated in an initiative in support of deprived children and to contribute to the campaign against food waste. In particular, on 15 September 2017, the first day of the HOMI exhibition, the Company introduced the "Salame Milano" initiative which arranged for the payment to the Banco Alimentare della Lombardia (Lombardy Food Bank) of one Euro for every salame sandwich sold in the refreshment areas throughout the exhibition. In effect, the purchase of a sandwich, "Il Panino del Banco", contributed automatically to a virtuous cycle of donation: one euro is the cost incurred by the Banco Alimentare della Lombardia for the recovery and distribution of fourteen meals each of 500 grams of food, to distribute to nutritionally deprived children in Milan. This initiative applied to both exhibition sites. Thanks to the sensitivity of Fiera Milano to its social obligations to the local region, between September and December 2017 the Banco Alimentare della Lombardia received a donation of Euro 16,005 allowing it to distribute 224,070 meals to nutritionally deprived children and adolescents in Milan. This initiative will continue throughout the 2017/18 exhibition season.

In October, during the Host exhibition, Fiera Milano supported the "Caffè sospeso" initiative, a new way of describing the tradition of coffee and the characteristic pleasure of sharing a coffee, which has played a leading role in the story of Italian hospitality. The caffè sospeso (coffee suspended or deferred coffee) is a philanthropic and sympathetic custom which was once a living social tradition in Naples. The tradition began with the patrons of Neapolitan coffee shops leaving the price of an espresso coffee at the bar for the benefit of some future, random customer, often someone down on his luck. When a customer ordered a "caffè sospeso" they effectively paid the price of two coffees while receiving only one. In this way, a person in need could enter a bar and ask if a "caffè sospeso" was available: if so, he or she would be given a coffee as though it had been offered directly by the original customer. Fiera Milano, through the professional Host exhibition, identified 70 coffee shops in Milan in which people in need were able to enjoy more than 7,000 free coffees offered by the Company.

Lastly, November saw the start of the project «QuBi, Quanto Basta - The solution to infant poverty», an initiative promoted by Fondazione Cariplo with the support of Fondazione Vismara, Intesa Sanpaolo, Fondazione Fiera Milano, with the collaboration of the Municipality of Milan and Third Sector organisations. This is a Euro 25 million, multi-year programme conceived to involve all aspects of the city of Milan: businesses, institutions and individual members of the public were invited to sign a pact to provide concrete support to families in difficulty and to help them find ways to escape poverty. The scheme's financial backers have made a total of Euro 20 million available, with Fondazione Cariplo contributing Euro 12 million, Fondazione Vismara Euro 5 million and Intesa Sanpaolo Euro 3 million. Fondazione Fiera Milano has contributed Euro 300,000. Fondazione Fiera Milano's participation is also due to the collaboration of its subsidiary, Fiera Milano, which decided to make a practical contribution to the culture of support for people who find themselves in difficulty. Fiera Milano has undertaken to promote the project and publicise the campaign to visitors and exhibitors attending the **fieramilano** and **fieramilanocity** exhibition sites during the events to be held there in 2018. Through this communication campaign Fiera Milano is bringing this matter to the attention of the people of Milan involved in the numerous "off-site" activities organised throughout the local region to add stimulus to the professional exhibitions.

Governance and business ethics

The corporate governance of Fiera Milano SpA, which exercises direction and control over its direct and indirect subsidiaries, is based on a traditional administration and control model characterised by the existence of a Board of Directors and a Board of Statutory Auditors.

The Company has adopted a corporate governance system that complies with prevailing law and regulations and with the Self-regulatory Code of Listed Companies of Borsa Italiana S.p.A.

The mandate conferred on the standing Board of Directors was approved by the Shareholders' Meeting of 21 April 2017 following dissolution of the previous Board, appointed by the 2015 Shareholders' Meeting, as a consequence of the resignation of a majority of the directors on 13 January 2017, effective from the date of the Shareholders' Meeting called to approve the Financial Statements for the year ended 2016. The standing Board of Directors will expire at the date of the Shareholders' Meeting convened to approve the Financial Statements for the year to 31 December 2019. The Shareholders' Meeting of 21 April 2017 determined that the number of Board Directors be eight, and reserved the right to increase the number of Directors at any subsequent meeting. Following the aforementioned Shareholders' resolution, the Board of Directors temporarily granted a mandate for the ordinary management of the Company to the Director, Marina Natale. The Shareholders' Meeting of 25 July 2017 increased the number of Board Directors to nine members and, consequently, the Board of Directors appointed a new Director, Fabrizio Curci, whose mandate became effective on 1 September 2017 and will expire at the same time as the mandate granted to the other Directors. At the end of the Shareholders' Meeting the Board of Directors met to appoint Fabrizio Curci as Chief Executive Officer and General Manager of Fiera Milano with a mandate commencing on 1 September 2017.

The number of independent Directors on the Board of Directors exceeds the minimum required under prevailing law and/or regulations.

The Company's policy on diversity regarding the composition of the administrative, management and control bodies during the year reflects the specific provisions incorporated in the Company's Articles of Association. In particular, the composition of the Board of Directors must guarantee the gender balance required by law. In addition, the composition must also reflect an appropriate degree of diversification in terms of ability, experience, age, gender and international experience.

Furthermore, on 10 July 2017, the Board of Directors adopted the "Regulations of the Board of Directors of Fiera Milano SpA", which were prepared in accordance with the prevailing laws and the Self-regulatory Code of Listed Companies, which defines – amongst other things – further requirements which Directors must possess in addition to those required by law.

To that end, certain specific fields of competence have been identified as essential for the members of the Board of Directors, including:

- knowledge of the exhibition sector and methods of managing the risks associated with the running of the business;
- experience of entrepreneurial management and/or corporate organisation gained through long-standing experience of administration, management or control in businesses or groups of similar dimensions;

- expertise in reading and interpreting Financial Statements gained through long-standing experience of administration and control in business or in professional practice or teaching at university level;
- proficiency in corporate governance (audit, legal and corporate affairs, etc.) gained through long-standing experience in auditing or management control within large-scale companies or professional practice or teaching at university level;
- international experience and knowledge of foreign markets gained through long-standing entrepreneurial or professional activity acquired in internationally oriented businesses or groups.

The Board of Directors has a central role in the Company organisation and is responsible for its activities and its strategic and operating guidelines, as well as for verifying that the necessary controls exist to monitor Company and Group performance. The Board of Directors is invested with the widest powers for the ordinary and extraordinary management of the Company; specifically, it may take any action deemed appropriate or useful to achieve the Company objectives, except for those which, pursuant to law, are reserved for the Shareholders' Meeting.

The Board of Directors of Fiera Milano SpA – with reference to information required by article 10, paragraph 1 of Legislative Decree 254/2016 regarding the diversity of the administrative, management and control bodies – is composed of 9 people, of which 4 are female and 5 are male as illustrated in the following table. For further detail, please refer to paragraph 4.2 of the 2017 Report on Corporate Governance and ownership structure. The Company is compliant with regulations regarding gender balance in its administrative and control bodies.

Table 7 – Composition of the Board of Directors of Fiera Milano SpA

Gender	Age range	2017	2016
Male	30 - 50 years	2	0
	Over 50 years	3	6
Total Male		5	6
Female	30 - 50 years	0	1
	Over 50 years	4	2
Total Female		4	3
TOTAL		9	9

Internal committees have been set up within the Board of Directors which have roles and responsibilities that meet the standards of the Self-regulatory Code and corporate governance best practice.

An Appointments and Remuneration Committee was set up following the appointment of the new Board of Directors in 2017. This Committee has widened its range of responsibilities and also provides other advisory, proactive and investigative activities for the Board of Directors regarding remuneration and corporate appointments.

The Control and Risk Committee has an advisory role, makes proposals and carries out preliminary research to aid the Board of Directors in its decisions and evaluations regarding the internal control and risk management systems, as well as the approval of periodic financial statements. During 2017 the Committee broadened the scope of its research responsibilities to include, amongst other things, matters regarding the sustainability of the company's activities and the dynamics of its interactions with all Stakeholders.

The Board of Statutory Auditors of Fiera Milano SpA was appointed by the Shareholders' Meeting of 29 April 2015.

The Board of Statutory Auditors monitors: compliance with the law and the Company's Articles of Association; with the principles of correct administration; the adequacy of the Company's organisational structure regarding roles and responsibilities; the internal control system and the administrative/accounting system, as well as the reliability of the latter in accurately representing management information; that there exist the means of concrete implementation of the rules of corporate governance provided by the codes of conduct prepared by the companies responsible for the organisation and management of regulated markets; and the adequacy of the regulations prepared by the Company and applicable to its subsidiaries. The Board of Statutory Auditors also oversees the legal auditing of the annual financial statements and the consolidated financial statements and the effectiveness of the internal control, internal auditing and risk management systems, as well as the procedures for financial reporting. The Board of Statutory Auditors also monitors the adherence to requirements regarding the statement of non-financial information defined by Legislative Decree 254/2016 and reports on this matter as part of its annual report to the Shareholders' Meeting.

As required by the Self-regulatory Code, the internal control and risk management system of the Company and the Group consists of all the rules, procedures and organisational structures to identify, quantify, manage and monitor the main risks. It ensures that the conduct of the Company and the Group is consistent with the corporate objectives established by the Board of Directors of the Parent Company and supports the adoption of informed decisions. It also contributes to guaranteeing (i) the protection of shareholder equity, (ii) efficient and effective corporate procedures, (iii) reliability of financial reporting, and (iv) compliance with applicable laws and rules, the Company's Articles of Association, and internal procedures.

Fiera Milano SpA utilises an integrated risk management model based on internationally recognised Enterprise Risk Management (ERM) standards.

Given that the risk mapping and quantification procedures require the direct involvement of Group management, Fiera Milano Group's ERM process supports, on the one hand, the evaluation, definition and planning of the Group's corporate objectives and strategies, and, on the other, the correct pursuit of these objectives through the integration of the following activities in the corporate planning and management process:

- Systematic and proactive identification of the risks to which the Group is exposed;
- Pre-emptive evaluation of potential negative impact on desired performance and the probability of materialisation of the risks identified;
- Definition and implementation of risk response measures that are consistent with the propensity to business risk, taking into account the maturity of the existing Risk Management system;
- Monitoring the effectiveness of the *risk response* and evolution of exposure over time.

The results of the aforementioned ERM process are regularly reported to the Control and Risk Committee, the Board of Statutory Auditors and the Board of Directors, and are utilised by the Internal Control department as information for the preparation of specific risk-based audit plans.

Given the importance of ERM to the Group, the Company decided to:

- Establish in 2017 the position of Risk Manager, who has the responsibility to guarantee the planning, design and implementation of a global process of corporate risk management;
- Regulate the process of systematic identification, evaluation, management and reporting of Fiera Milano Group's corporate risk as part of a specific procedure approved by the Board of Directors in February 2018. This procedure also allows it to respond to the requirements of corporate governance regarding aspects of Risk Management applicable to listed companies.

On 28 September 2017 the Milan Court – Prevention Court Independent Section revoked the Judicial Administration Order, following revocation of the Judicial Administration Order relating to the subsidiary Nolostand on 20 June 2017. The Judicial Administration Order relating to the Company's stand-fitting division was issued on 11 October 2016 with further stipulations made on 27 January 2017. Please refer to the Directors' Report on Operations in the 2017 Annual Report for further information.

The new system of operating rules and codes of conduct governing the activities of the Company and the further control mechanisms adopted by the Company to counteract different types of crimes were incorporated in 2017 into the Organisation, management and control models pursuant to Legislative Decree 231/2001 of the companies within the Fiera Milano Group.

In July 2017 the Group Internal Audit department was also strengthened and the Compliance department was set up to monitor and support the compliance of group corporate activities with internal organisational rulings (manuals, policies, procedures, codes of conduct) and with external regulations.

Fiera Milano Group received no significant penalties for regulatory non-compliance in 2017 in the social and economic area.

As part of its corporate governance system, the Group, has developed and updated certified management systems that conform to the main international standards for specific companies:

- ISO 9001:2008 – Quality Management Systems for Fiera Milano S.p.A and its subsidiaries Nolostand and Fiera Milano Media – International Business Division
- ISO 14001:2004 – Environmental Management System for Nolostand
- OHSAS 18001:2007 – Occupational Health & Safety Management System for Nolostand
- ISO 20121:2013 – Event Sustainability Management System for Nolostand

For further details about Fiera Milano's Corporate Governance please refer to the following documents which are available in the Investor Relations section of the website www.fieramilano.it:

- Report on Corporate Governance and Ownership Structure;
- Report on Remuneration;
- Fiera Milano Group Code of Business Ethics;
- Articles of Association.

The supply chain

Fiera Milano Group's supply chain is composed of specialised suppliers of goods and services, including, but not limited to, the following product and service categories:

- FACILITY MANAGEMENT, relating to technical goods, reception desks, security, canteen, cleaning etc;
- STAND FITTING, relating to exhibition stands or parts of stands and completing the range of services offered by the subsidiary Nolostand;
- HANGING STRUCTURES, structures to support the fixtures and fittings of exhibition stands;
- COMMUNICATION SERVICES AND PRODUCTS, for the promotion and support of exhibitions;
- WASTE MANAGEMENT SERVICES;
- ICT SERVICES;
- CATERING SERVICES.

During 2017 the management of the Procurement Division of the Parent Company was reorganised and reinforced on the basis of a qualitative and quantitative assessment carried out by an independent consultant, which led to an increase in the number of buyers as part of the progressive implementation of a centralised procurement service which is also available to Italian subsidiaries.

The Procurement Division's mission is to manage the purchasing activities of the Group through an integrated programmatic approach, collaborating proactively with departments which request its services, in order to optimise expenditure, ensure adherence to assigned targets with regard to speed of execution and applicable procedures.

At the same time, the progressive formalisation of procurement related procedures, aims to ensure, amongst other things:

- improved management of the pool of suppliers, also through the introduction of limits relating to the percentage of the revenues of the supplier as a proportion of total revenues generated by the Group and more extensive market research;
- collaboration with suppliers who meet specific reputational criteria, as confirmed following the implementation of Integrity Due Diligence by the Security Division, which might also include the analysis of specific documentation, such as, for example, legal records and certificates of pending proceedings as well as dedicated analyses;
- more effective checking of suppliers' personnel, through checks and analyses relating to prevailing regulations, and of all personnel with on-site access, also by the adoption and utilisation of entry-passes strictly linked to the digital register of suppliers.

The Company is preparing a new Register in which suppliers, contractors or authorised sub-contractors may be certified, leading to continuous monitoring of the market in order to confirm and renew responsibilities, operational capabilities and competitiveness. The initial stages of engagement involve conducting a reputational evaluation for suppliers who must pass pre-established provider thresholds set by Group companies. The Security Division will conduct Integrity Due Diligence on suppliers and will support and interface with the Procurement Division in the approval of suppliers. In addition, the Supplier Evaluation Commission may periodically be called upon to examine particular or pre-determined matters that may require specific in-depth analysis.

Before being admitted to the Register, all suppliers will be requested to agree to the principles of conduct contained in the Model Legislative Decree 231/2001 and the Code of Ethics aimed at ensuring the correctness and legitimacy of the supplier relationship.

In addition, in order to be approved, suppliers must enrol in the register and upload the documents required for the technical/economic evaluation, which are differentiated according to threshold of order/procurement levels provided to the Group. The outcome of the process will be qualification or non-qualification of the supplier and will determine whether the supplier may be approved to work with the Group.

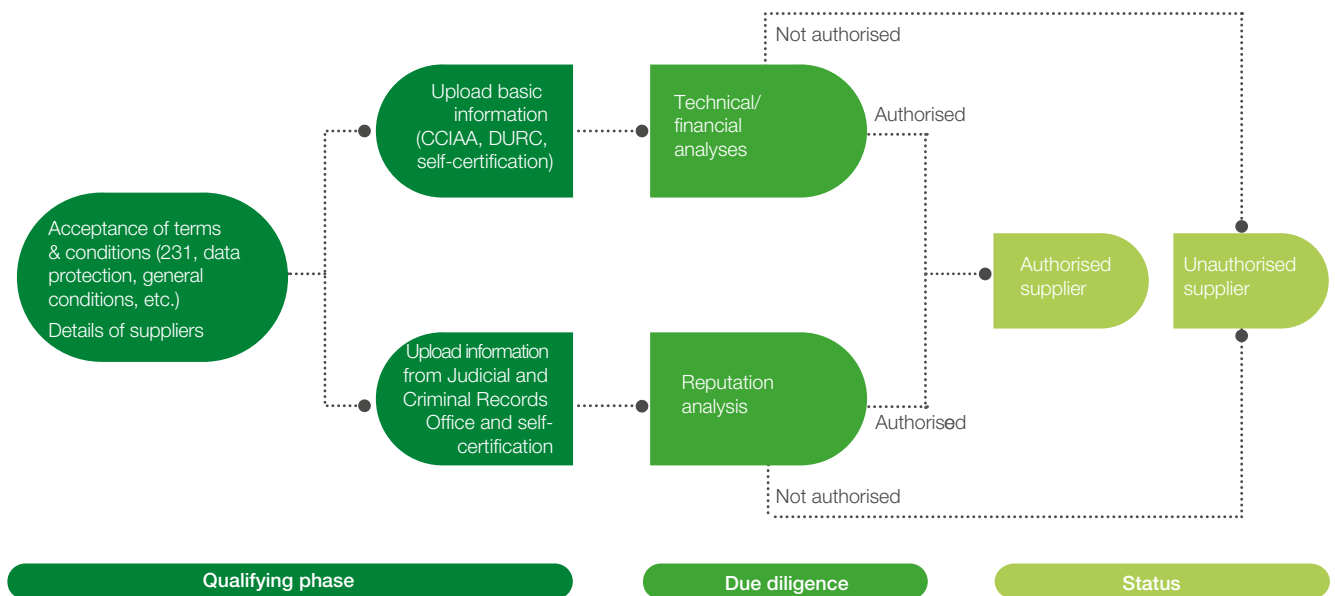
At 31 December 2017 the Supplier's Register consisted of 1,350 approved companies.

The majority of suppliers, 81% of the total, operate within 300km of the Group's headquarters. Non-Italian suppliers represent 2% of the total and mainly provide ICT and consultancy services.

The supply process for foreign subsidiaries is not currently coordinated by the Group's Procurement Division because of the limited scale of operations. The supply of goods and services to these companies is subject to a process of budget monitoring and control.

The current supply procedures for goods and services for Italian subsidiaries also provides for the purchase of a range of high consumption products (e.g. printing paper, batteries), based on typical green procurement criteria, aimed at: i) environmental protection and public health ii) conservation of natural resources iii) minimisation of waste disposal and iv) reduced toxicity.

Constant monitoring from start to finish of any supply contract



Countermeasures against illegal employment and under-age labour

The categories of suppliers who provide goods and services to Fiera Milano Group may include companies operating in industries which are exposed to related levels of risk with regard to the personnel they employ. Consequently, Fiera Milano Group's internal vetting procedures (e.g. reputational evaluation procedures) take particular care in assessing the types of supplier which rely on a significant number of manual workers (e.g. cleaning, stand fitting, security, catering) and Group procedures in these categories impose more stringent conditions both on the supplier selection process (e.g. reputational evaluations every 6 months) and on-site controls, to ensure that there is no clandestine employment or working practices in the supply chain. In the event that irregularities are discovered and confirmed the workforce of the suppliers who infringe the rules is expelled from the site.

It should be noted that the Code of Ethics includes fundamental policies to counteract illegal and under-age employment. The Models 231, in force, include a special section regarding employment violations involving foreign citizens who are not in possession of the correct residency permits and another section regarding violations involving illicit job placement and exploitation of labour. These policies are intended to detect and prevent the aforementioned types of violations.

Lastly, in 2007 Fiera Milano signed a Memorandum of Intent regarding employment security and legality with the CGIL, CISL and UIL trade unions in the Milan region, with trade associations, the category associations, and with the company trade union organisation (RSU - Rappresentanza Sindacale Unitaria). The Memorandum of Intent included a series of clauses in the contracts and agreements stipulated by Fiera Milano as a contractor, created a permanent monitoring unit and opened an "Employment Help-desk" inside the **fieramilano** exhibition site manned by the three trade unions.

Countermeasures against active and passive corruption

Fiera Milano, partly following the Judicial Administration Order which ended in September and which has been already been described, is progressively implementing a structured system of procedures to counteract active and passive corruption.

At the Group level, the Code of Ethics provides the foundations for these countermeasures and they are regulated in the sections on business conduct, client relationships and relationships with suppliers. The Code of Ethics prohibits corrupt practices, illegal patronage, collusion, soliciting, directly or indirectly, personal or professional advantages either for oneself or others. Any form of corruption is prohibited without exception, in all activities and in all countries. This principle is applicable to all transactions between Group Companies and all other persons, independently of whether the transactions occur between Group Companies and private parties or between Group Companies and public officials or persons appointed to carry out public services.

The Models 231 adopted by the companies also include two special sections relating to anti-corruption measures, one section relating to violations committed in relationships with public administration and the second section relating to corruption between private parties, which describe the potential types of offence and the related protocols to monitor these highly sensitive issues. These protocols of control are then adapted to specific corporate procedures in which they assume particular significance as regards all aspects of procurement regulation.

Every client and every supplier, and more generally all third parties are notified about Models 231 and the Group's Code of Ethics, which must be accepted and signed; in addition specific clauses are incorporated into every contract requiring the counterparty to adhere to the principles contained in Legislative Decree 231/2001 and the Code of Ethics.

Since Legislative Decree 231/2001 is not applicable to foreign subsidiaries, a set of “Anti-corruption and other compliance programme guidelines to be applied by foreign subsidiaries” were issued at the end of 2013 and the launch of these guidelines was reinforced by on-site training and distribution of the Code of Ethics.

In addition the Procedures for the management of reporting of disclosures, including those made anonymously – Whistleblowing - originally implemented in 2016, updated in September 2017 and adopted by the Italian companies of the Group, formalised rules regarding the receipt, analysis and treatment of disclosures including those made anonymously or in confidence by third-parties or by Company or Group employees. In line with the aforementioned procedure a dedicated internal committee was set up (Disclosure Committee) which is authorised to conduct investigations in the event that improper or illegal practices and/or conduct is reported. In carrying out its duties, this committee will work in conjunction with the Supervisory Body in the event of disclosures of offences pursuant to Legislative Decree 231/2001.

All new employees receive an information pack allowing them to inspect the Company’s relevant organisational documents, including procedures, the Code of Ethics and Model 231 for the relevant company.

Amendments to existing procedures, newly issued procedures and all eventual organisational changes are communicated to personnel through Workplace Directives and updates on the intranet with the new documentation. In view of the recent significant organisational changes and amendments, all of the Italian companies of the Group enrolled in a training course in December 2017 to explicitly instruct employees about the actions and legal measures applicable as part of the Group’s new business and organisational model. The course was attended by 475 employees while an e-learning training course on the subject of Model 231 was attended by 549 employees, equal to 83% of the total. The Model 231 training course was conducted by 4 members from the Boards of Directors of Group subsidiaries. It should be noted that during the first semester of 2018 a 4 hour in-house course on the subject of Model 231 will be provided for all managers and middle-managers of the Italian companies of the Group. A further training session is to be held for the Board of Directors of Fiera Milano SpA.

These issues are supervised by the Internal Audit and Security and Compliance departments.

The management of the Internal Audit Division carries out checks at the Group level, as required by the annual Audit plan approved by the Board of Directors and also conducts any extraordinary intervention specifically requested by the Chief Executive Officer, the Board of Directors, the Board of Statutory Auditors, the Control and Risk Committee or the Supervisory Body with regard to internal rules and procedures. These activities are carried out in order to monitor the internal control system of the entire corporate organisational structure, subject to the demands expressed by the management of Fiera Milano or on the basis of evidence arising during the activity.

In particular, the Security Division assists the other departments in evaluating potential conflicts of interest regarding suppliers/partners of the Italian companies of the Group.

The Compliance Division monitors the risk of non-compliance with external and internal regulations in order to ensure that the corporate activities of the Italian subsidiaries are conducted in accordance with the prevailing internal and external regulatory framework.

With regard to countermeasures against passive corruption, the preventive procedures also include a mechanism similar to job rotation that was introduced for employees in the company’s departments who have contact with suppliers in the medium-high risk category which impose different rotation periods depending on the seniority of the personnel involved and for operational staff, in which rotation periods are higher for positions which are more managerial than operational in nature.

Some staff and business areas have been subject to audit since July 2017 regarding the supply process and checks on the deployment of the new corporate procedures. In addition, the Internal Audit Division conducted checks for all the companies in the Group subject to direction and coordination by Fiera Milano SpA. These also underwent scope audit and full audit procedures.

Client satisfaction

Fiera Milano has adopted a business model that places client satisfaction at the core of its strategy.

In order to implement a business model with economic sustainability as an objective for all component parts it is necessary periodically to monitor the satisfaction of clients, exhibitors and visitors, to get to know their characteristics, requirements and expectations so that, if necessary, remedial measures may be implemented to optimise the clients' level of satisfaction.

Quality of service is a priority for Fiera Milano for all phases of activity.

In particular, in the management of directly-organised exhibitions, in order to maintain a high standard of quality, a business model has been adopted that cultivates relationships with the various Stakeholders through dedicated teams which offer specific services for the various stages of an exhibition.

EXHIBITORS

- Commercial Team, dedicated to clients throughout all stages of the relationship from the provision of information through negotiations to the assignment of a space and the reception at the event
- Customer Care Team, dedicated to providing administrative and logistical assistance
- Press Team for communications support and assistance in promoting the exhibitor's activities
- Online platform dedicated to the effective and efficient provision of information and services
- My Matching platform to facilitate the meeting of supply and demand and foster good quality contacts

HOSTED BUYER

- Team for the development of hospitality packages to provide a complete service to ensure a productive and fully satisfactory visit
- My Matching platform to facilitate the meeting of supply and demand and enable the identification and selection of contacts who may be profiled on the basis of specific requirements

VISITORS

- Marketing Team responsible for a variety of communications channels
- Customer Care Team to provide assistance before and during the event

PRESS

- Press Office Team which interfaces with different media to promote exhibitors and ensure the correct flow of information and promotional material to optimise the exhibitor's experience at the event

ORGANISERS

- Dedicated Account Team specialised in supporting the organiser throughout all stages of the relationship from the provision of information through negotiations to drawing up contracts, etc.
- Technical Delivery Team dedicated to logistics and providing organisational support in the exhibition
- Customer Care Team to provide assistance to the clients of third-party organisers during the event

Each client is supported and accompanied at the event thanks to the precise planning of activities, to dedicated promotional tools and means of communication, to attentive customer care and to speed in providing the appropriate response.

In the closing months of 2017, Fiera Milano Congressi prepared and tested a process to measure customer satisfaction and supplier quality; it is expected that this process will come fully on stream in 2018.

Indices of satisfaction of directly organised exhibitions

Knowledge of the main metrics of exhibitor and visitor satisfaction are fundamental to a better understanding of the factors underlying clients' decisions to choose a particular exhibition.

The capacity and readiness of all organisers to intercept and understand changes in the market are fundamental in building a stable and long-lasting competitive advantage and satisfying to the best extent the requirements of their clients.

The quality of the service offered by the various Divisions involved in Fiera Milano's directly organised exhibitions is measured by a structured Customer Satisfaction Survey. The majority of exhibitions (HOST, TUTTOFOOD, HOMI, miart, Sì Sposaitalia Collezioni, BIT) have appointed a third party to manage, gather and process data for the evaluation of exhibitions.

However, no surveys have been conducted on the exhibitions TEMPO DI LIBRI and VERSILIA YACHTING RENDEZ-VOUS as these took place for the first time in 2017.

The satisfaction expressed for SICUREZZA and TRANSPOTEC is demonstrated by the positive comments made by both exhibitors and visitors and by the significant increase in the number of visitors. SICUREZZA registered an increase in visitors and fire and passive safety companies partly due to a change in the dates of the exhibition. The forthcoming edition of Smart Building Expo will be better integrated with SICUREZZA including in terms of the layout as the stands of exhibitors of advanced home and building automation will be located next to stands from the SICUREZZA event which are exhibiting complementary products or services.

Specific initiatives are under consideration to reinforce the participation of logistics companies at the TRANSPOTEC exhibition. Consequently, from 2019, TRANSPOTEC will take place in conjunction with the OilnonOil exhibition (for service station operators distributing different types of fuel nationally) with the collaboration of VeronaFiere. This co-location of exhibitions will permit the presentation of a more complete project to logistics companies.

Since SICUREZZA and TRANSPOTEC are biennial exhibitions, paths to closer collaboration are being explored in 2018 for future events (e.g. the SICUREZZA&OLTRE event and the international Logistics Forum).

Fiera Milano analyses the leading indicators of satisfaction from exhibitors and visitors, obtained from the extrapolation of relevant data by a specialist company qualified in preparing customer satisfaction reports for exhibition companies.

The international metric utilised to represent a synthetic index of the quality level of the majority of exhibitions in a portfolio is the Overall Show Score. This index is intended to denote the synthesis of 4 key performance indicators (KPI) which are used to analyse exhibitions in Fiera Milano's portfolio. These KPIs are:

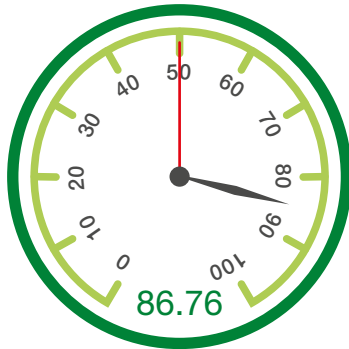
- Overall satisfaction;
- word of mouth (pass-it-on) rate;
- importance of the event;
- the probability of returning.

The resulting weighted average of the percentiles of the indicators represents the Overall Show Score, i.e. as an aggregate index expressed as a percentage: an index of 50 therefore corresponds to a B2B exhibition with feedback corresponding to the 50th percentile at a global level (the global average).

The benchmark of the B2B exhibitions on which these KPIs are calculated is composed of 850 events selected from various product or service sectors.

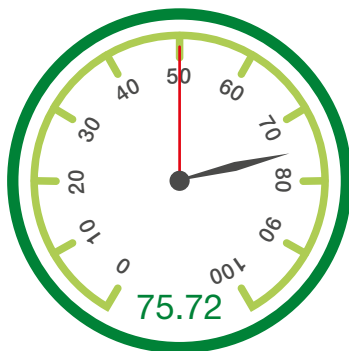
Overall Show Score

HOST



HOST is placed at the 87th percentile relative to the benchmark. 39% of the participants at the 2017 exhibition were international entities and the total number of visitors rose by 24.3% compared with the previous edition. The exhibition consolidated its leadership position and experienced further growth, achieving the highest qualitative levels in the exhibition industry. Preparations for the 2019 exhibition will focus on the precise planning and quality of services offered to exhibitors.

TUTTOFOOD



TUTTOFOOD is placed at the 76th percentile relative to the benchmark, and the exhibition achieves a good level of overall quality with a value that places it in a high position on an international comparison. The 2017 exhibition achieved excellent results both quantitatively (number of participating companies, number of visitors and exhibition space utilised) and qualitatively (increased satisfaction levels of all Stakeholders involved) due also to the improvement and broadening of the range of offer at the exhibition, which incorporated all sectors of the food and beverage sectors.

Since TUTTOFOOD is a biennial event, 2018 will be a year of preparations for the 2019 edition which will maintain the high levels of attention dedicated to the exhibition:

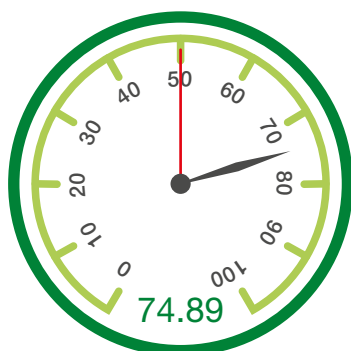
- Events organised in collaboration with institutional partners (including the Municipality of Milan and the Lombardy Regional Authority to develop the MILANO FOOD CITY initiative);
- Events organised in collaboration with trade sector associations (Vertical Food Lab with Netcomm);
- Training courses for companies organised with industrial associations and other entities (Unionalimentari, Confartigianato, etc.);
- Vertically integrated events in support of specific sectors in collaboration with various partners (BlueSeaLand etc.).

HOMI I SEMESTER



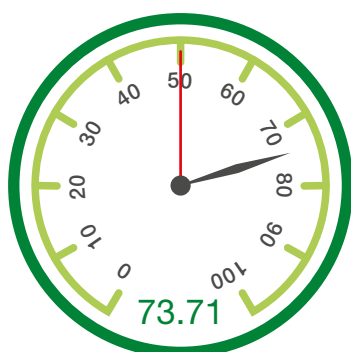
HOMI is placed at the 33rd percentile relative to the benchmark, which represents an improved performance compared with the same edition of the previous year. More than 72% of the participants at the event expressed overall satisfaction, which is an increase of about 13% compared with the same indicator for 2016. In view of this survey, additional solutions to provide greater support to exhibitors are being researched to apply to future editions of Homi, with the aim of offering more effective ways of doing business.

MIART



MIART is placed at the 75th percentile relative to the benchmark. Miart achieved a good level of overall quality and appreciation expressed by visitors. The exhibition registered an increase in terms of visitor satisfaction, with an improvement in the index from 6.6 in 2016 to 7.3 in 2017 due to the participation of gallery owners, collectors, curators and members of the public from around the world, establishing MIART as one of the key contemporary art exhibitions in Italy and in Europe. New partnerships have been signed for the 2018 exhibition in order to increase the potential number of Italian and foreign collectors attending, consistent with the levels of quality demanded by gallery owners. The exhibition will incorporate free services for the general public.

SÌ SPOSAITALIA COLLEZIONI



SPOSAITALIA is placed at the 74th percentile relative to the benchmark. The result reflects a good level of overall quality of the exhibition with a value that gives it a high ranking on an international comparison and confirming the exhibition's position as a point of reference for national and international buyers (who represent 33% of total visitors). The exhibition intends to explore new emerging markets in 2018 with products in the medium/high range.

BIT



BIT is ranked at the 24th percentile relative to the benchmark. The result confirms the trend of improvement that began with the 2017 edition which introduced a new exhibition, logistics and organisational formula as an effective response to market trends. The return to **fieramilanocity** enhanced the appeal of the event in Milan, providing excellent logistics for both exhibitors and visitors. The rich schedule of events hosted by MiCo – Milano Congressi also received a high level of appreciation. More than 7,500 people participated in 120 meetings, to which must be added the tens of events directly organised by the operators.

My Matching numbers 2017^(*)

11,000 Active users on My Matching	4.6 Out of 5 average valuation of meetings
63,000 Meetings requested	2,5ml Pages viewed
24,400 Meetings confirmed	12min. Average time spent on the portal

* data refers to the exhibitions in which the service was available (TUTTOFOOD, HOMI II semester and HOST).

The Call Center

The Fiera Milano Call Center is available to exhibitors, visitors and stand-fitters and provides them with telephone and e-mail support and assistance including:

- Eservice shop for individual exhibitions;
- Ticket office systems for all exhibitions;
- My Matching services;
- CRM (Customer Relationship Management) for directly organised exhibitions;
- Customer Service;
- Smart Catalogue service;
- Exhibitors' digital catalogue;
- Easyservice services.

The team consists of between 2 to 8 multilingual operators (English, French, German, Spanish) who are continuously updated about all services.

The Call Center is open all hours from Monday to Friday during exhibition days.

The following quantitative and qualitative KPIs have been identified to monitor the level of service provided:

Indicator	Inspection activity	Monitoring tools	Monitoring period
Efficiency	Check on monthly percentage of lost calls (MAX 10%)	Report downloaded via a data tracking system	1° day of the month
	Check on e-mail responses within 24 hours of receipt	Check on mailboxes	Daily
Quality of service	Checks on the level of training of operators	Written questionnaires	Prior to opening of the Eservice shop for each individual exhibition
Operating procedure	Checks on observance and correct application of operating procedures	Inspection of tracing records, email responses and content control	Based on random sampling
Emergency procedures	Checks to ensure existence of a formal staff substitution plan in the event of unforeseen absence to ensure service continuity	Real time information and visual checks	Real time
Attendance and punctuality	Checks on attendance punctuality, and observance of working hours by personnel	Daily log-in reports by each operator	Based on random sampling
Scale of operations and language cover	Checks on the adequacy of the organisational structure regarding the satisfaction of pre-defined efficiency levels of the staff and structure depending on the complexity of the exhibition	Staff plan and visual checks	By the end of each month

Table 8 – Number of inbound calls

	2017	2016	2015
Replies	63,402	42,802	79,125
Rejected	4,487	1,932	14,013
% Lost	6%	4%	14%

Table 9 – Number of calls managed

	2017	2016	2015
Email E-Service	6,607	7,345	9,145
Email ticket service	4,813	3,342	6,808

The trend of calls varies with the exhibition calendar: in 2017 the presence of TUTTOFOOD and HOST, which generated calls received of 10,117 and 8,556 respectively had a notable impact on the volume of activity. Despite the high volume of activity, service levels were excellent and remained within the qualitative and quantitative parameters defined and identified above.

It should be noted that the peak recorded in 2015 is attributable to a particularly busy exhibition calendar and the presence of Expo 2015 in Milan on a purpose built site adjacent to **fieramilano**.

It should also be noted that the introduction in 2017 of the My Matching support service via “live chat” boosted customer satisfaction levels amongst clients.

Healthy Venue certification

In late 2016, the company started the process to obtain Healthy Venue accreditation for the MiCo – Milano Congressi following a feasibility study and a careful examination of the criteria defined by the World Obesity Federation to qualify for this important certification.

Once it was established that the required activities and structural changes could be made at MiCo – Milano Congressi and at the offices of Fiera Milano Congressi, negotiations began with the World Obesity Federation which stated its intention to grant accreditation to the congress centre by June 2018.

Areas for action include:

- *Catering*: to offer and publicise healthy eating menus, arranging buffet meals, standing lunches, replacing desserts with fruit, reduction in fat and salt levels etc;
- Vending machines offering a range of healthy-eating options;
- Promotion and communication to organisers: to make all information relating to the project available to event organisers and to encourage them to provide healthy eating options at the meetings they organise in the Centro Congressi (communication through the web and venue rental quotation);
- Promotion and communication to delegates/participants: to communicate awareness of the Healthy Venue project and health-beneficial activities available to them at MiCo – Milano Congressi events;
- Relax/Fitness Area: creating a fitness/relax area that may be used by participants and the staff of Fiera Milano Congressi;
- Signs and banners advertising Healthy living inside the MiCo – Milano Congressi facilities, to promote the initiative through constant but subtle messages, with the aim of focussing attention on the problems arising from a sedentary lifestyle and an unhealthy diet.

The areas for action are targeted at two groups: the staff of Fiera Milano Congressi and delegates/participants at the events.

Contribution to the development of the local economy (Instrument for SMEs)

Supporting the business of companies, in Italy and abroad, is one of the principal characteristics of Fiera Milano Group's mission and one which nourishes its business.

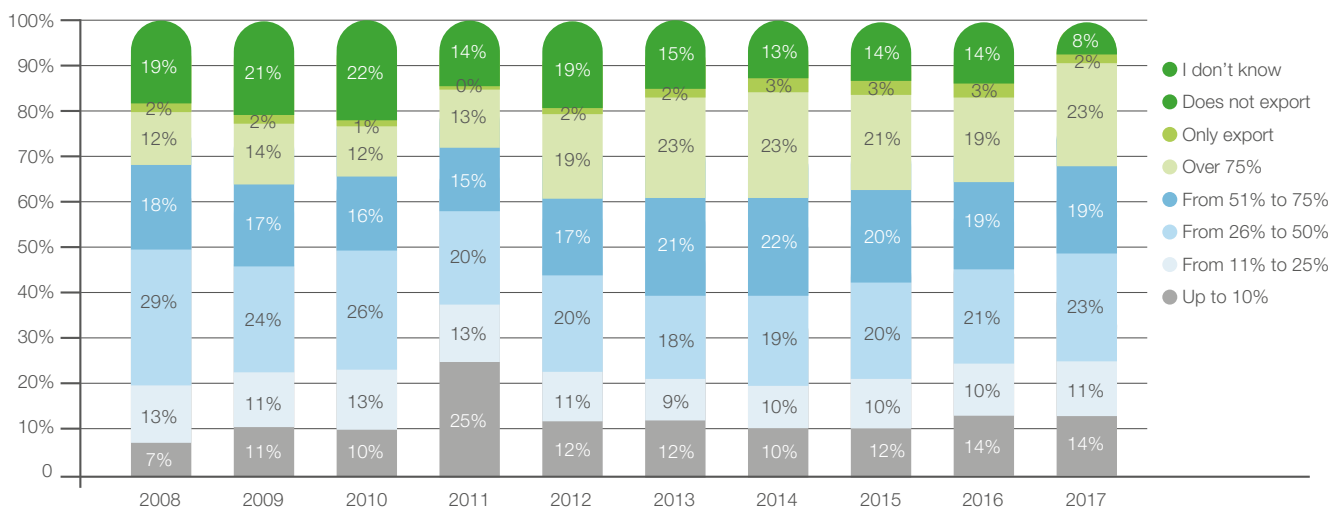
Over the past few years the Group has initiated a series of practical projects to develop services for its clients, by, on the one hand, improving the attractiveness of the exhibition sites to provide visitors with a better experience, and, on the other hand, strengthening the communication and commercial relations with event organisers and exhibitors to respond more effectively to their requirements and ensure a unique and positive experience to complement a high quality and well-diversified product offering.

Since 2002, the Research and Development Service of Fondazione Fiera Milano has carried out an annual survey on the structure, the strategy and the sentiment of Italian companies exhibiting in the Fiera Milano sites. This now amounts to a database of 4,000 interviews each year with exhibitors at the leading trade fairs hosted by Fiera Milano and covering the sectors that are most representative of the Italian industrial landscape: interior design, mechanical engineering, fashion and food.

In general the Italian exhibitors that participate in events at Fiera Milano are highly innovative; 87% of the exhibitors interviewed in 2017 stated that they launch new products on the market every year. The research also reveals that about 60% of the Italian exhibitors interviewed state that their companies had introduced new products following participation in an event at Fiera Milano's exhibition sites. These companies have not only acquired new contracts through contact with Fiera Milano but have also found inspiration, improvement possibilities and new solutions. The capacity to spread corporate culture and innovation is another value given by exhibitors as a reason for their participation at exhibitions.

The research also shows how active the Italian exhibitors are in export markets, both in terms of revenues and in terms of the numbers of countries in or from which they generate revenues.

Graph 1 – Export share of revenues of Italian exhibitors (2008-2017)

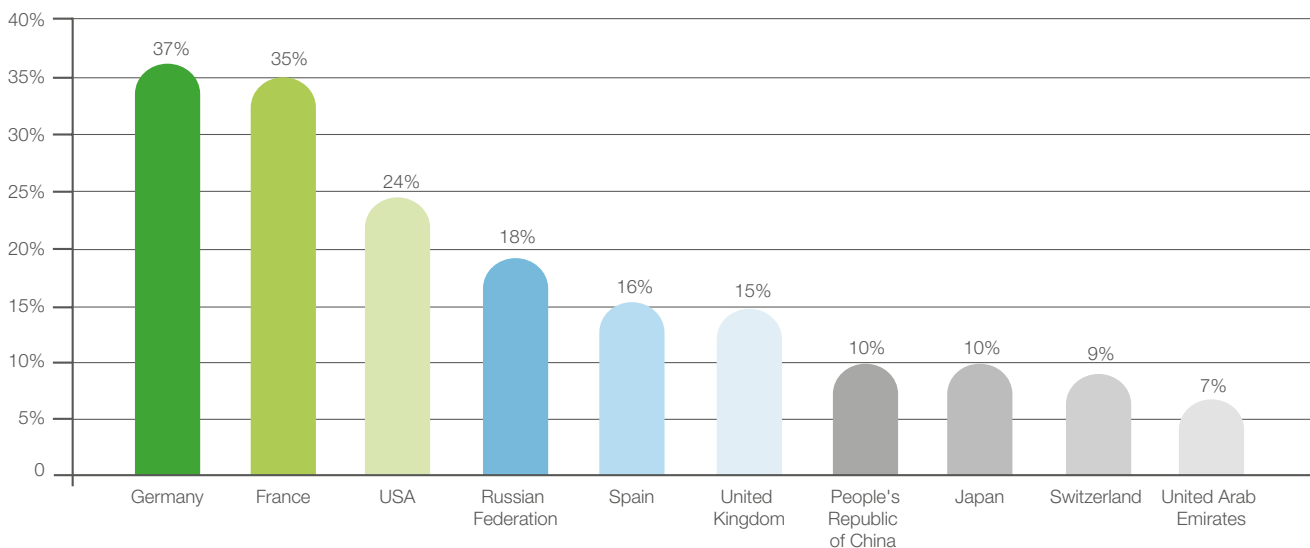


Source: Research and Development Service, Fondazione Fiera Milano

The proportion of companies that generate more than 50% of their revenues from exports is constantly growing, reaching 44% in 2017 (41% in 2016) compared with 30% ten years ago. At the national level, the proportion of manufacturing companies that export to foreign markets is about 22% on average, while the proportion of exporters amongst companies exhibiting with Fiera Milano is about 90%.

In addition, the average number of countries with which the Italian exhibitors have commercial relationships is also rising (3 countries on average, compared with 2.5 in the previous year). The top markets by destination have remained stable: Germany and France continue to occupy the leading positions respectively with 37% and 35% of exhibitors generating a proportion of their revenues in these countries, followed by the USA at 24%, the Russian Federation which has risen to 18% (from 13% in 2016) followed by Spain at 16%. It is notable that 10% of exhibitors now export to China and Japan.

Graph 2 – Export destinations by country



Source: Research and Development Service, Fondazione Fiera Milano

Lastly the survey revealed the presence of recently established companies amongst the exhibitors participating in events at Fiera Milano's exhibition sites. In 2017, 7% of the companies interviewed were businesses established within the preceding 48 months.

Fieraccessibile

At the end of 2012, Fiera Milano Group launched the Fieraccessibile project to optimise and ensure safe movement of disabled persons or those with reduced mobility within the **fieramilano** site. Disabled exhibitors and visitors may park vehicles free of charge and validate their parking ticket at any Fieraccessibile Desk - located in one or more reception areas depending on the layout of the exhibition – by presenting their ID card and disabled driver card. Alternatively, by presenting the same documents in advance, a disabled attendee can register with Fieraccessibile via the portal <http://fieraccessibile.fieramilano.it/> and thereby obtain a Fieraccessibile card – valid for two years – which will allow the holder to park a vehicle without charge in the **fieramilano** parking areas simply by presenting their card at a Fieraccessibile Desk.

Table 10 – Number of disabled parking tickets validated and Fieraccessibile cardholders - fieramilano

	2017	2016	2015
Number of disabled parking tickets validated	1,728	1,330	1,219
Number of Fieraccessibile Cards issued	62	128	187

The Fieraccessibile procedure is valid for the **fieramilano** exhibition site. For **fieramilanocity**, free parking is available in the covered parking area at pavilions 3 and 4 for vehicles bearing a disabled driver sign which also have a disabled occupant.

Further assistance is available by writing to the e-mail address fieraccessibile@fieramilano.it.

In a section of the company website dedicated to Mobility, visitors may find, amongst other things, all of the main items of information useful to disabled attendees, including:

- A video in Italian and in English describing how disabled attendees can reach the Rho exhibition site and move within it. There is also audio support dedicated specifically – but not exclusively – to people with impaired vision, which explains how to use the Fiera app and the QR code available throughout the exhibition Site to assist in orientation within the location.
- Facilities to request a Fieraccessibile card.
- The No Barriers Guide, which provides detailed indications, distinguished by the nature of the disability, on how to reach **fieramilano** using public transport (underground rail, train, taxi), maps to help those using private transport and also the procedures and contact details of private carriers providing transport services; information on the services available within the fieramilano exhibition site; information about the facilities available to optimise orientation and mobility within the exhibition site.
- A selection of FAQ in Italian and in English containing questions and answers to the most common enquiries posted to the mail address fieraccessibile@fieramilano.it since 2012.

- A Fieraccessibile leaflet in Italian and in English specific to each exhibition which, in addition to locations and dates, provides information about whether the exhibition is open to the public or reserved for companies and professionals operating in a particular sector, advice on which parking area to use, procedures for validation of disabled parking tickets and where to find a Fieraccessibile Desk to obtain a card.
- A robobraille Audioguide: audio maps for people with impaired vision or sight difficulties to help with mobility and orientation in the exhibition site and help the user move with more security and autonomy around an environment that may be unfamiliar to them. The robobraille Audioguide – developed in collaboration with ANS Associazione Nazionale Subvedenti (Italian National Institution for the Visually Impaired) – consists of mp3 files describing various itineraries that may be downloaded at no charge from the company website and which utilise the numbers on the columns along the central avenue, Corso Italia, in the **fieramilano** site as points of reference and aids to orientation.
- How to pay for and rent a mobility scooter or hire at no charge a manual wheelchair to assist exhibitors and visitors who are disabled or have reduced mobility.

Table 11 – Number of scooters or wheelchairs rented - fieramilano

	2017	2016	2015
Mobility scooters rented	494	300	-
Manual wheelchairs rented	243	286	195

The number of scooters rented also includes the tandem. Hire service active from September 2016, so data is not available for 2015 and only partial data is available for 2016 (months included: September- December 2016).

- App Fiera Milano. Iphone and Android smartphone Apps have been designed to: i) make the environment even safer and more accessible to people with disabilities; ii) permit people with disabilities to move about with greater autonomy and knowledge of the surrounding environment (e.g. the location of the bars or restaurants or toilet facilities); permit people with disabilities to be able to request assistance without difficulty, allowing them to find dedicated staff easily and quickly; iii) to simplify the logistics of staff dedicated to security, reception services and assistance. They are also designed to be accessible to people with visual impairment; they contain information that is designed specifically to address the requirements posed by different conditions (e.g. lifts for people with motor disabilities, refreshment areas with gluten-free menus, etc.); they facilitate orientation by utilising geolocation, fixed points or QR codes. In particular, they allow the user to be alerted to potential dangers or obstacles e.g. advising the visually impaired at pedestrian crossings or advising people with motor disabilities of the location of access ramps. They also allow the user (e.g. people with visual impairment) to receive information about the surrounding environment. This information may be provided as the individual is moving about the area, as they approach locations that may be of interest or where more care is required (e.g. restaurant facilities or pedestrian crossings) or, alternatively, when the user is not moving but wishes to explore the immediate vicinity, in which case they can be provided with information on what they will find around them. The apps can provide specific information to the user depending on the nature of their disability.
- Loges (lines of orientation, guidance and safety) - raised feature paving routes and tactile maps.

The exhibition pavilions are normally accessible to people with disabilities and/or motor difficulties and the usual evacuation procedures are therefore applicable in all cases.

Dedicated procedures exist for the specific case of evacuation from office buildings.

The **fieramilano** exhibition site was designed and constructed in accordance with the requirements of prevailing laws and regulations regarding the removal of architectural barriers (Law 13/1989; Ministerial Decree 236/89; Law no. 104/1992; Presidential Decree no. 503/1996; Presidential Decree no. 380/2001). The **fieramilano** exhibition site also complies with the standards for the majority of the indicators defined by the EMECA (European Major Exhibition Centres Association) study "Ease of access-Ease of success" of 2007 which was prepared to create a benchmark standard by analysing the accessibility infrastructure of the leading European exhibition sites. The construction of the new Fiera Milano corporate website in 2018 will allow it to fully satisfy the EMECA standards.



Our personnel



Permanent employees
and fixed term employees

658

(+23 compared with 2016)



New employees

+73

of which

44 are permanent

29 are on fixed term contracts



New permanent
employees

+44

of which

18 to strengthen the organisational structure
dedicated to corporate governance

7 confirmations of permanent employment to young
employees in accordance with the company's policy
of gradual integration of junior staff

19 to strengthen the commercial and business
development areas, compliant with legal
requirements (Law no. 68/1999 and article18)



New employees on fixed
term contracts

+29

of which

17 to strengthen the commercial areas

6 office staff

6 to substitute personnel who are
absent on maternity leave



Leavers

50

of which

34 were permanent employees

16 were on fixed term contracts



Permanent employees
leaving the group

34

of which

21 left voluntarily and/or consensually

2 retired

8 because of corporate reorganisation

2 dismissals

1 Other



Employees on fixed term
contracts leaving

+16

of which

9 due to contract expiry

5 confirmations of permanent employment

2 voluntary resignations



Total staff turnover

19%

(-9.1% compared with 2016)
Turnover was calculated as the difference between incoming and outgoing employees, over the average number of employees for the year.



Part time employees

75

72 female
3 male



Graduates

50%

(+3.1% compared with 2016)



Average age of employees

45.2



Employees aged less than 45.1 years

46.7%



Employees on fixed term contracts

35

(+13 compared with 2016)



Rate of employees in Italian companies of the Group returning and staying on following absence on parental leave: 100%. Over the course of the two years under review, the total number of employees taking parental leave equalled 9 female employees in 2017 and 15 female employees in 2016. Net of parental leave not yet completed, 100% of the female staff members who took parental leave were still employees of the company 12 months after the end of their leave.



Average period of internship

6 months



Interns taken on for work experience

55

(40 taken on in 2017, 15 taken on prior to that)
from the Politecnico di Milano, the Bocconi University, the Università Cattolica del Sacro Cuore, the Università Iulm, the Università degli Studi di Milano, the Università degli Studi di Milano Bicocca, the Sole 24 Ore Business School, the Istituto Europeo di Design, the Università Carlo Cattaneo – LIUC, Fondazione Fiera Milano, Fondazione Le Vele, the Università LUISS – Roma and the Universidade Mackenzie (São Paulo)



Percentage of interns offered fixed term employment

32.7%



Percentage of female interns

67.9%

(-5.9% compared with 2016)

“Human resources are indispensable to the survival of the business. The dedication and professionalism of employees are determining factors in achieving the goals of the Fiera Milano Group.”

(Code of Ethics)

As stated in the Code of Ethics adopted by Fiera Milano Group, the Human Resources Department of Fiera Milano is committed to developing the abilities and competences of each employee of the Group, to ensure that the energy and creativity of every one of them find their full expression and lead to the employee realising his/her potential. The continuous introduction of new initiatives, the identification of the best organisational solutions, the maintenance of an effective system of industrial relations and the implementation of remuneration policies in line with market norms, all contribute to providing the optimum conditions for professional growth and staff motivation. Although a specific policy has not been defined in detail, the Code of Ethics indicates the key principles for policies implemented for the management of personnel.

The guiding principles governing the start-up and management of every new personnel-related project are transparency, equality and trust.

The Human Resources Department of Fiera Milano Group has established its own model for the management of personnel based on the context and characteristics of the business in which they are engaged.

2017 was a year of change in the organisational structure of the Human Resources Department, which redirected it towards a more management and less administrative function and introduced the role of HR Business Partner and the Centre of Expertise. The Department is structured according to responsibility covering all aspects of personnel management including recruitment, training, remuneration policies and industrial relations.

A review and planning programme based on the Department's guiding principles was initiated in 2017 to be issued in 2018. Particular attention, with regard to sourcing, identifying, and retaining talent, has been devoted to recruitment and to performance and leadership evaluation.

In particular, a Personnel Research and Selection Procedures policy has been prepared in order to define the guidelines to regulate these procedures and the individual responsibilities of managers involved in them. The Procedures, which apply to all Group companies in Italy, will be submitted for approval in March 2018.

In 2017 a review of the previous performance management and rewards system led to the formulation of a new system designed to encourage the achievement of strategic business objectives and to evaluate conduct on the basis of criteria representative of Fiera Milano Group's leadership model.

As part of its programme of integrated personnel management policies, Fiera Milano recognises the need to identify a system that aligns the efforts and skills of each individual with Group strategy, combined with the need to foster cultural renewal based on the meritocratic management of people and their work.

The skills and knowledge of individuals, together with the exercise of pre-established roles, must be transformed into the exercise of responsibilities consistent with Fiera Milano Group's strategies through procedures and policies capable of continuously nourishing and renewing the company's capabilities.

With this in mind, in December 2017, the Company's Board of Directors approved a "Performance Leadership Management - PLM" system by which each employee selected will be included in a process to evaluate their performance and leadership skills on the basis of pre-established criteria. The system will assign objectives and designate standards of conduct. This system combines aspects of both performance and leadership to the extent that Fiera Milano Group can observe *the manner* in which specific objectives were met, a fundamental variable in the comprehensive evaluation of each employee which is equal in importance to achieving the set objectives. The aim of this instrument is to map or track the individual performance of Group employees and to establish the most meritocratic and clearest identification criteria in the application of initiatives to improve overall performance and, simultaneously, support professional growth through individual development programmes. The system is structured to encourage interdepartmental collaboration and the continuous development of a manager-co-worker interface facilitates continuous feedback.

Foreign subsidiaries – with regard to their business requirements and the circumstances in which they operate – report on a divisional basis to the Parent Company but are equipped with their own distinct and autonomous organisational model.

The personnel management policies of the subsidiary CIPA Fiera Milano, based in São Paulo in Brazil, apply policies that are consistent with those of the Parent Company and adapted to suit the specific requirements of the organisation to which they refer. The Brazilian company has adopted an integrated system of personnel management with regard to recruitment, training and employee development and has, since 2016, implemented a performance evaluation system for each employee with the aim of supporting the professional development of employees and identifying gaps to be filled. The company has also adopted a model of defining, evaluating and clarifying the requirements and responsibilities of each employee function.

Diversity and equal opportunities

Fiera Milano Group considers it a fundamental tenet of its management policy to offer every employee the same opportunities to develop his/her aptitude and ability with no discrimination on the grounds of race, gender, age, nationality, religion or personal beliefs.

Fiera Milano SpA prepares a biennial report on gender equality which covers recruitment, training, promotion and other matters in accordance with Legislative Decree no. 198 of 11 April 2006.

At the end of 2017, female employees represented 58% of total employees. Female employees represented 60% of Managers and white collars workers and 20% of executives with managerial responsibilities.

The number of female members of staff employed by the Group has risen from 375 to 384 between 2016 and 2017. In 2017, 32 of 38 new recruits were female.

“Fiera Milano offers all employees the same professional opportunities, ensuring that all may benefit from equal treatment based on merit and without any form of discrimination.”

Table 12 – Composition of female personnel by category

(Code of Ethics)

	2017				2016			
	Male	Female	Total	%	Male	Female	Total	%
Executives	24	6	30	20%	22	9	31	29%
Managers and White collar workers (including Journalists)	250	378	628	60%	238	366	604	61%
Total	274	384	658	58%	260	375	635	59%

Caring for employees

The Fiera Milano Group – despite the continuing difficult macro-economic climate – has confirmed its commitment to human resources by seeking to identify alternative instruments to enhance the wellbeing of its employees. To achieve this objective, the Fiera Milano Group has allocated an annual amount for the benefit of all employees to finance its Company Welfare plan which includes insurance services, personnel services and work-life balance services. Originally launched in January 2014 for Fiera Milano, the plan has been rolled out to other Group companies over the past few years to cover 81% of the corporate workforce in 2017.

The plan is accessible via the on-line platform “WellFair”, where employees can construct their own package of goods and services that they manage independently to make full use of the credits available to them.

The “WellFair” platform covers different goods and services: training, health insurance, pension funds, crèche facilities, social care, sport, holiday packages, cultural events, shopping vouchers, season tickets, mortgage interest repayments, legal expenses and domestic maintenance expenses.

In 2017 more than 500 requests were received for a total value of benefits of approximately Euro 376,000. The services most requested by the employees who are registered related to card services, holidays and training.

Fiera Milano Congressi signed an indirect agreement with the Istituto Auxologico Italiano for the provision of multidisciplinary medical services to its employees, who received a “Carta della Salute” (“Health Card”) valid for their whole family. Feedback received from this initiative was positive given the high numbers of those who registered for this benefit (98% of those entitled to register). This success provides an impetus to continue to find other innovative benefits that are outside the normal remuneration policies in order to incentivise employees and increase their loyalty to the Company and respond to their very real needs and those of their families.

As part of the “WellFair” project, the Company has decided to allocate the unutilised quota of benefits to assign scholarships to children of employees.

From 2017, in order to increase staff involvement in voluntary projects, a commission of Fiera Milano Congressi staff volunteers will submit to the company’s Board of Directors two charity projects to which 3 hours of voluntary working time will be dedicated every 6 months by each employee for each project selected. 48% of Fiera Milano Congressi employees took part in this project which began in the second half of 2017. This activity involved the health care for the elderly organisation RSA (Residenza sanitaria assistenziale – Nursing home care), the Parco delle Cave nursing care home in Baggio (on the outskirts of Milan) and the “Il Balzo” Association for family support - a cooperative that specialises in providing support for the disabled. All the employees of the subsidiary contributed to a Christmas collection of non-perishable food which was donated to the “Madre Teresa” charity in Giussano in the Monza/Brianza province near Milan.

The Italian companies belonging to the Fiera Milano Group have adopted the National Collective Employment Agreement (CCNL) for Tertiary (Service) Sector Companies, those involved in distribution and services. However, the companies operating in the publishing sector have instead adopted the National Collective Employment Agreement for companies involved in graphic and related activities while the National Contract for Journalists applies to the Group’s trade publishing and multimedia companies. Foreign subsidiaries apply the appropriate prevailing contractual agreements for the countries in which they are located.

All companies, including foreign companies, are also provided with a draft second level supplementary contract or company regulation that incorporates the terms of the relevant National Collective Employment Agreement.

Fiera Milano’s second level Supplementary Contract, renewed every three years, provides several benefits over and above the national collective employment agreement, such as:

- access to the company canteen,
- 80 hours of paid leave,
- results based bonuses,
- additional clauses covering maternity/paternity leave,
- insurance cover for accidents outside the workplace and life and disability assurance,
- flexible working hours with the possibility of a working day starting at any time up to 11.00 am,

- subsidised loans/advances on the staff-leaving indemnity for reasons additional to those provided for by the CCNL corporate social security scheme, to which the Company contributes an amount of 3% of gross annual salary (RAL-Reddito annuo lordo) of employees who subscribe to the PREVIP national collective pension programme. In 2017, the number of Fiera Milano employees subscribing to the PREVIP national collective pension programme was 307 compared to 317 in 2016.

In addition to the provisions of the national collective contract, Fiera Milano SpA's Supplementary Company Contract incorporates a results-related bonus based on company performance and correlated to the achievement of certain income objectives. Payment of the bonus depends on the pre-set minimum level for the gross operating profit in the Industrial Plan being reached.

Overtime working by employees – excluding Management and Senior Executives – may be accumulated in hours of working time accrued and may be drawn on to augment the annual leave allowance within minimum half-hour limits.

Fiera Milano SpA's Supplementary Company Contract expired on 30 May 2016 and was initially extended till 31 December 2017 then, subsequently, until 31 December 2018, as was the contract pertaining to Graphic design. The supplementary contract for Journalists, however, expired on 31 December 2017 and was extended for a further year.

The company regulations of Fiera Milano Congressi also provide health insurance for employees and their families. To ensure a healthy work/life balance, flexible daily working using job rotation schemes may be utilised to fulfil the 40 hour working week conditions defined in the supplementary contract. Performance-based remuneration schemes are also available to employees of Fiera Milano Congressi who may be assigned two common quantitative objectives and three specific objectives depending on the nature of their work (e.g. cost reduction, number of contracts, margin improvement)

Training and personnel development

The Fiera Milano Group's training programme defines the courses that contribute most beneficially to professional and personal growth.

In 2017, the overall number of employees that took part in training programmes was 623; 105 courses were held for a total of 6,095 person-hours. The total investment in training programmes for the Italian companies of the Group in 2017 was Euro 84,000 representing 0.2% of total consolidated personnel costs (0.6% in 2016).

The training programme is focused on projects to update regulatory awareness, to upgrade technical skills and to provide training for specific projects.

Particular attention was devoted to training regarding emission controls and updating internal procedures in diverse corporate areas to train personnel in conforming to codes of conduct, initiatives and working methods in line with company procedures.

Similarly, much attention was given to refresher courses regarding the organisational model updated to incorporate the requirements of Legislative Decree 231. E-learning methods were introduced in 2017 and in the first half of 2018 a training course was conducted in-house for all Management and middle management personnel.

e-learning language training programmes were offered to encourage self-education through the use of new digital formats, which, in addition to telephone language training with mother-tongue teachers involved the use of a platform to improve technical knowledge of the language.

Following the introduction of a single digital management process for documentation, a technical training course was provided on the use and benefits of the Arxivar platform. This training programme, in addition to facilitating the utilisation of a new technological application, assisted the initiation of a process of standardisation and integration which should lead to a complete overview of documentation as well as easy and prompt communication and dissemination of documents and their related authorisation.

“Fiera Milano is committed to developing the abilities and competences of each employee of the Group to ensure that the energy and creativity of every one of them find their full expression and lead to the employee realising his/her potential.”

(Code of Ethics)

The completion of the re-organisation involving Fiera Milano Media coincided with the conclusion of the staff re-training programme which reinforced the digital skill set of employees and geared the marketing and sales resources towards greater market penetration.

During the year, proposals were also made to encourage participation in inter-company events, workshops and seminars on a range of subjects to equip staff with the resources to face different situations, take inspiration from the best practices applied in other companies and to acquire knowledge about the latest developments.

In the second half of 2017 a plenary training meeting for all Group employees was organised to illustrate the actions taken and legal measures employed in implementing the new business model and Group organisation.

Also in 2017, the company's management decided the winner of the "Premio Innovazione" competition launched in 2016 and open to all Fiera Milano Group employees. The objective of the winning project - called "One company, one social customer care" was devised by a team of three employees from two Group companies – is to establish a new concept of social customer care: the adoption of a Chatbot with 24-hour assistance would facilitate the optimisation of services offered by Fiera Milano, increase orders and widen the Group's pool of clients.

In order to improve internal communications a new version of the company intranet was designed and developed in 2017. Called "NoiFiera" the new intranet facility is intended to share knowledge amongst employees and staff of Fiera Milano Group and to facilitate cooperation and the beneficial use of services simply and effectively. A "call for ideas" was launched on-line on 1 October 2017 to get the whole corporate community involved, which was followed up by the drafting of the project which involved the collaboration of 130 Fiera Milano employees between the months of October and December 2017.

The innovations introduced by "NoiFiera" include direct access to services and applications through the homepage. The new intranet allows employees with one click to communicate with colleagues responsible for the preparation of time or wage slips, contact the technical help desk, request car or motorcycle passes, order packed lunches or order motor transport for long journeys on company business. Another innovation is the on-line collection of news and human and professional stories relating to the company with a view to composing an e-book of 100 stories to reflect the Group's value, in preparation for the celebration of Fiera Milano's centenary.

Lastly, since September 2017 several meetings have been organised between top management and Group staff and employees, to share strategies and provide regular updates about projects and business trends.

Training schemes organised by foreign subsidiaries have included technical and language courses and have also focused on the development of new marketing and digital skills and on experimenting with new approaches to business and the market. Management coaching sessions have also been organised to help managers achieve their objectives and improve professional and team performance.

Table 13 – Hours of training provided

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Executives	179	56	226	0	143	50	51	0
Managers and White collar workers (including Journalists)	2133	2597	383	521	2,319	2,650	270	139
Total hours of training	2,312	2,653	609	521	2,462	2,700	321	139

Table 14 – Hours of training provided per person based on total employees

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Executives	7.8	9.3	226	0	6.8	7.1	51.0	0.0
Managers and White collar workers (including Journalists)	9.2	7.2	22.5	27.4	12.7	8.7	14.2	8.2
Average hours of training per employee	9.0	7.3	33.8	27.4	12.1	8.7	16.1	8.2

Breakdown of personnel: the numbers

In order to facilitate comparison of the data between the two years, the figures relating to personnel for the year 2016 – reported in the section below – have been realigned with the corporate perimeter to which the non-financial report for 2017 relates.

Table 15 – Breakdown of employees

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Permanent employees	244	342	18	19	238	338	20	17
Fixed term employees	12	23	0	0	2	20	0	0
Total	256	365	18	19	240	358	20	17

Fiera Milano Group uses employees on fixed-term contracts to manage the peaks of activity in the exhibition calendar and as required for extraordinary projects. There were 35 employees on fixed term contracts at 31 December 2017 compared to 22 in 2016.

Table 16 – Breakdown of permanent employees by category

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Executives	23	6	1	0	21	9	1	0
Managers and White collar workers (including Journalists)	233	359	17	19	219	349	19	17
Workers	0	0	0	0	0	0	0	0
Total	256	365	18	19	240	358	20	17

Table 17 – Breakdown of employees by contract type

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Full time	253	293	18	19	237	286	20	17
Part-time	3	72	0	0	3	72	0	0
Total	256	365	18	19	240	358	20	17

Table 18 – Managers by age group

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	0	0	0	0	0	0	0	0
Between 30 and 50	10	2	1	0	10	4	1	0
Over 50	13	4	0	0	11	5	0	0
Total	23	6	1	0	21	9	1	0

Table 19 – Employees by age group

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	15	31	1	5	11	29	1	4
Between 30 and 50	127	216	10	12	126	220	12	11
Over 50	91	112	6	2	82	100	6	2
Total	233	359	17	19	219	349	19	17

Table 20 – Interns

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Already taken on	4	11	0	0	2	9	0	0
Taken on in the year	14	24	1	1	9	21	0	1
Total	18	35	1	1	11	30	0	1

Table 21 – Numbers of new employees

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	13	14	0	1	9	23	1	1
Between 30 and 50	21	13	0	2	12	16	0	6
Over 50	7	2	0	0	1	2	1	0
Total	41	29	0	3	22	41	2	7

Table 22 – Numbers of outgoing employees

	2017				2016			
	Italy		Abroad		Italy		Abroad	
	Male	Female	Male	Female	Male	Female	Male	Female
Under 30	5	9	0	0	11	8	2	2
Between 30 and 50	13	10	2	1	14	26	0	5
Over 50	7	3	0	0	15	22	0	1
Total	25	22	2	1	40	56	2	8

Security

“Fiera Milano is committed to propagating and reinforcing the culture of safety in the workplace, to developing risk awareness, using all resources necessary to guarantee the health and safety of all persons, clients and groups of people with whom it works”

(Code of Ethics)

Fiera Milano Group's health and safety management is the responsibility of the Security Division set up in 2017 to upgrade the levels of control of structures, processes and procedures and enforce the new responsibilities imposed on organisers/event managers and/or public exhibitions by Memorandum 7 June 2017 - No. 555/OP/0001991/2017/1, known as the Gabrielli Memorandum.

Security and safety related activities, as set out in the Safety Manual, consist of the implementation of actions and deployment of risk management/mitigation instruments identified by the Security Division following the risk mapping and evaluation analyses carried out in conjunction with the Group Risk Manager and regularly updated.

The security and safety risk management/mitigation actions/instruments may, for example, relate to the following macro-categories:

- reinforcement of active and passive instruments of control (e.g. reinforcement of perimeter fences, acquisition and installation of new control equipment);
- organisation and management of surveillance activity (e.g. management of armed security guards, access and gate security, authorisations, vehicle permits);
- proposals to implement or develop technical protection measures for business information systems, as well as implementation or development of information systems to support security activities (e.g. business intelligence systems, video-surveillance or CCTV systems, alarm systems, authorisation systems and access control);
- systematic monitoring and control activity (planned controls and spot-checks) including verification of the correct application of corporate procedures and reputational checks on significant counterparties engaged in security activities.

The Security Division is responsible for the management and coordination of physical access to all Fiera Milano Group sites and locations (headquarters and operational premises, exhibition areas, branch offices) and also for carrying out checks on them with the support of internal or external staff (depending on the nature of the checks) and the types of information systems described above.

The access control duties of the Security Division, carried out by its own internal or external operatives, aims to ensure:

- appropriate registration, certification and clearance of all counterparties (e.g. suppliers, exhibitors, consultants etc.) and all vehicles requesting access to the company's sites and corporate locations;
- constant control that persons granted access have the correct clearance and permissions;
- warning is given of any anomalies or security related incidents to the relevant company Managerial/Supervisory authorities (e.g. Chief Executive Officer, RSPP (Responsabile del Servizio Prevenzione e Protezione - security and safety officer), Supervisory Body, Procurement, etc.);
- the prompt resolution of any security anomalies/incidents identified.

The Security Division, using appropriate regulatory, organisational and technological instruments is responsible for monitoring security levels to ensure an adequate level of security exists for the management of corporate information, records and database in terms of:

- confidentiality (access to information permitted exclusively to authorised personnel);
- integrity (guarantees of completeness and accuracy of information and the procedures for dealing with or processing such information);
- availability (accessibility and traceability of information).

Fiera Milano Group takes all security measures considered appropriate to protect the integrity and confidentiality of information in order to prevent unauthorised access or cyber attacks on the corporate information systems. These security measures must also protect all information dealt with by the company, including all information relating to counterparties (e.g. suppliers, exhibitors, consultants etc.).

With regard to cyber security, the Security Division, in conjunction with the IT Division, has designed and monitors a system to identify and evaluate potential technological threats and cyber risks which also involves the deployment of specific cyber intelligence activities.

The Security Division, in conjunction with the IT Division, and in accordance with the regulations pertaining to information management (e.g. data protection) ensures the creation and maintenance of an inventory of all the information assets of Fiera Milano Group (such as applications, databases, technological infrastructure, corporate archives etc.), and identifies the owner of the information, defines a model for the classification of data, information and documents, and defines the rules and protocols for the utilisation of information based on the level at which the information is classified.

The Security Division's own traffic control and coordination centre, following a series of agreements reached with the main transport entities and law enforcement agencies, actively contributes to mobility management in the Region on the approaches to, and in the vicinity of, the exhibition sites during the different phases of any event.

Amongst the instruments available to support Security activity, the Company has adopted a new Access Certification and Control Procedure. This procedure involves the extension of certification to stand-fitting service providers and exhibitors at all exhibitions taking place at the Group's sites with the aim of exercising greater control over pedestrian and vehicular access.

Exhibition sites management is supported by a 24 hour operations centre, using CCTV and alarmed perimeter fences, protected by security guards with vehicular support, fire protection officers and equipment, which are in constant coordination with the police and law enforcement agencies to ensure public safety during the setting up phase and throughout the period of the event with the police and law enforcement agencies to ensure public safety. The Group strives, by observing the commitments made with the Security Commission regarding the recommended resources, instruments and actions, to meet the standards required by the Law enforcement agencies.

Specific documentation is made available regarding each phase of an event in order to establish timetables and procedures for each operation and to determine the scale of the various services to activate to ensure that each phase can be accomplished in the most appropriate time and ways to protect the environment and ensure the safety of personnel involved in the provision of services.

The planning phase of each event establishes the scale of security services required to supervise the main entrances to the site, inside the exhibition area and door and reception monitoring and control at the site and in the pavilions.

During events, there is constant coordination with the Police and Law enforcement agencies to monitor and manage pedestrian traffic and crowd control in the exhibition areas through monitoring and support provided by security staff and exit and entrance supervisors.

The post-exhibition phase involves final checks and the gathering of exhibition feedback, a post-exhibition debriefing is prepared and corrective action or improvements made.

Fiera Milano Group, through its Info Mobility service, provides real time information on the congestion affecting the various means of transport used to reach the exhibition sites (private vehicles, parking spaces, airports, underground trains, overground railways, airport connections), as well as taxi services, chauffeur driven cars and car sharing schemes.

During 2017, 64,524 passes were issued.

Health and safety at exhibitions

The safety of staff employed in its exhibition sites is an essential prerequisite for Fiera Milano Group which manages and monitors safety in the workplace through a series of measures to protect employees and guests at the Group's sites and offices. These activities are implemented by the Prevention and Protection and Safety Departments within the Operations Division.

The Group has adopted a series of procedures to protect the health and safety of personnel and safeguard assets within the exhibition areas as well as regulating the conduct and methods used to implement these procedures.

Fiera Milano Group uses a combination of measures to ensure compliance with Italian, EU and technical regulatory requirements regarding health and safety in the workplace, identifying risks in the workplace and then implementing appropriate prevention and protection measures such as:

- training courses for employees regarding health and safety in the workplace in accordance with the methods defined in the permanent Inter State-Regional Conference of 21 December 2011;
- monitoring of supplier selection evaluation procedures through verifying the technical-professional eligibility of potential suppliers, with particular attention given to workplace health and safety issues;
- establishment of a technical call centre to collate all maintenance requests;
- use of software for the computerised management of maintenance through which more than 20,000 work orders per year have been processed regarding checks and controls, planned preventive maintenance, repairs and corrective maintenance. Assets monitored include about 3,500 items of equipment and 17,000 components. The technical structure of Fiera Milano carries out regular inspections, both scheduled inspections and spot checks, to control the work carried out by third party service providers;
- carrying out fire prevention exercises to test emergency procedures;
- regular checks on the organisation and coordination of emergency procedures as set out in the Group's Emergency Plan;
- regular maintenance of equipment, fire prevention systems and structures in accordance with the laws in force.

Every stage of the organisation of events that take place in the Group's exhibition sites is monitored, from the drafting of contracts to dismantling after the event with priority given to ensuring adherence to the procedures governing security, safety, fire prevention and environmental protection. At each stage of an event (preparation, assembly, exhibition and dismantling) all areas involved are supervised by specialised personnel to ensure compliance with the relevant laws and health and safety regulations defined in the Technical Report and the security conditions laid out in the "Exhibition Process". In addition, a document entitled PASSA (Piano di attività per la Sicurezza, la Salute e l'Ambiente – [Action Plan for Health, Safety and the Environment]) is also available for each exhibition or event that takes place in the exhibition sites. This document contains the measures considered appropriate to guarantee a gradual improvement in the safety levels regarding planned activities. The results that must be achieved and the means of reaching these results are obtained through a joint analysis of human and financial resources available from the various departments involved whilst taking into consideration the resources already provided by each department. Minutes are taken at each meeting and sent to the offices of Fiera Milano for its input.

During 2017 more than fifteen thousand hours were devoted to monitoring operations producing more than four thousand control memoranda. The categories subject to checks are: parking areas, various work areas, fire prevention, escape routes, security exits, cable ducts and utility manholes, fixed structures, electrical equipment, working environments.

In order to increase the security of exhibitors and visitors, the services offered by Fiera Milano Group also include arranging appropriate insurance cover for organisers.

The records show just one injury more in 2017 than in the previous year amongst Fiera Milano Group employees, with a consequent slight increase in the indices measuring frequency and gravity. The injuries at work involving employees in 2017 were attributable to journeys to or from work or slips.

Table 23 – Accidents involving employees

	2017					2016				
	Italy		Abroad		Total	Italy		Abroad		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
Total injuries	2	2	0	0	4	0	3	0	0	3
<i>Of which fatal</i>	0	0	0	0	0	0	0	0	0	0
<i>Of which serious</i>	0	0	0	0	0	0	0	0	0	0
Index of frequency	5.42	3.80	0.00	0.00	3.86	0.00	5.71	0.00	0.00	2.95
Index of gravity	0.04	0.06	0.00	0.00	0.13	0.00	0.05	0.00	0.00	0.03
Absentee rate	2.95	2.96	4.49	4.49	3.04	3.16	3.16	4.34	4.34	3.22
Rate of work-related illness	0	0	0	0		0	0	0	0	0

Table 24 – Expenditure on employee health and safety (euro thousands)

	2017		2016	
	Italy	Abroad	Italy	Abroad
Injury prevention equipment and other safety tools	4.13	0	5.27	0
Health checks	24.84	0.25	19.97	0.4
Environmental analyses, office sound level measurement	131.95	1.36	12.23	1.5
Training	4.45	0	7.12	0

Environmental management

At the start of 2018, Fiera Milano adopted a specific Group policy aimed at the progressive improvement of the environmental performance of its activities and those over which it might have some influence, defining specific objectives according to the following programme of initiatives:

- rigorous observance of all environmental legislation;
- pursuit of the maximum energy efficiency of equipment used in the exhibition sites;
- prevention of pollution arising from its activities;
- reduction of waste generated by its offices and more efficient waste separation to facilitate recovery and recycling of waste generated by exhibitions and events;
- promotion of certified management instruments;
- adoption of a green procurement policy aimed at reducing pollution with particular attention to the principles of the circular economy and the costs throughout the entire life cycle of products purchased;
- implementation of initiatives in support of sustainable mobility, addressed to the Group's own Stakeholders, with reference to essential assets;
- implementation of initiatives in support of accessibility for disabled and partially-abled users (fieraccessibile, social mobility);
- requests to suppliers to use vehicles and instruments conducive to sustainable logistics;
- promotion of and sensitization of employees for their responsibility to protection of the environment and safety of mobility through the implementation of training courses and information programmes.

Pursuant to Model 231, the Italian companies of the Group employ a series of measures aimed at preventing environmental violations. In particular, several procedures are utilised relating to the following topics:

- disposal of polluting substances;
- emission of ozone-damaging substances;
- waste management;
- archiving of documentation.

In addition, Fiera Milano SpA has adopted energy-saving operating procedures, such as the guidelines for turning lighting on and off and the air conditioning activation Procedure. These procedures facilitate controlled and optimal management of plant and equipment taking into consideration climatic and seasonal conditions, minimising waste and inefficiency.

With regard to certified management systems, the subsidiary Nolostand has subscribed to a declaration of intent and values, which involves an undertaking to reduce the environmental impact its own activities. Nolostand has also adopted procedures regarding the following topics:

- management of atmospheric emissions;
- waste management;
- management of environmental aspects generated by the assembly and dismantling of exhibition stands;
- management of environmental aspects generated by suppliers using storage facilities.

All of these procedures are subject to regular review so that they, as well as general company standards, can benefit from continuous improvement.

The Operations Director has operating responsibility for all activities relating to safety at work and environmental protection. The organisational structure of Fiera Milano Group incorporates

- an office supervised by an Energy Manager, which has the responsibility of contributing to the actual certified condition of plant and equipment and the optimal and safe utilisation of energy, as well as ensuring compliance with exhibition programmes and office opening and closing times and the management of air conditioning plant;
- a Group certification office, which has responsibility to attend to the maintenance of the existing Fiera Milano certification and Quality approval systems, to pursue an extension of the areas they can be applied to and to implement a management system that complies with the regulations in force;
- a waste management office, which manages the process from the generation of waste to its final destination and therefore involves the phases of waste collection, transport, treatment (disposal or recycling) through to re-utilisation of waste materials.

Nolostand's storage facility at Vittuone adheres to a specific waste management protocol (compilation of documentation, authorisation for waste transport, visual checks on waste carriers subdivided by CER code [European Waste Category]). The main categories of waste generated by Nolostand are wood, mixed packaging materials, paper and carton. Nolostand recovers material that can be re-utilised for stand-fitting purposes. The company also monitors the proportion of undifferentiated waste as a percentage of total waste generated with the aim of reducing this proportion even further.

Fiera Milano Congressi is now able to take advantage of Group Services both for Energy Management, and for waste management.

The environmental impact of Fiera Milano Group activities is partly variable, relating to the organisation of exhibitions, conferences and provision of event-related services and partly constant over the year, relating to office energy consumption.

One of the objectives of the original plan for the exhibition complex at Rho was the conservation of drinking water and it has been possible to significantly reduce water consumption from the local water network while groundwater is pumped from seven wells and recycled for those activities that do not require potable water such as irrigation systems, air conditioning systems, technical plant and equipment and sanitation.

For several years Fiera Milano has also implemented initiatives to measure and manage energy consumption in the two exhibition complexes; this activity includes the aforementioned procedures to manage lighting and air conditioning as well as the upgrading of plant and equipment to improve energy efficiency, such as the substitution of lighting systems with new LED systems or the modification of air conditioning equipment using high induction ducts and inverters for compressors.

During 2017 Fiera Milano Group obtained an upgrade to its LEED certification, rising from the Certificate level to the Silver level for existing buildings, the LEED EB:O&M (Existing Buildings: Operations & Maintenance) certification already held by the Centro Servizi, Congress Centre and Administration Offices of the Rho exhibition site. The Rho exhibition site is the first in Europe to obtain this certification which is recognition of the commitment of the Group to sustainability and saving energy.

Following the receipt of LEED certification the Group had already in 2016 implemented a series of initiatives to reduce water consumption, including:

- reduction in the time that running water is available through washroom taps;
- introduction of faucet aerators on washroom taps;
- reduction of the volume of water in WC cisterns from 12 litres to 9 litres.

In 2017 a specialist company carried out a first pre-assessment of the MiCo – Milano Congressi for the subsidiary Fiera Milano Congressi, in order to draw up an action list to obtain certification beginning with a check-list of required standards.

Based on this check-list, several areas have been identified to define a strategy to begin the process of LEED certification with the objectives of reducing consumption, reducing waste and prepare a management improvement policy which can be used to define a strategic plan for the progressive and continuous improvement of the complex (management and maintenance operations).

Work will begin and be completed during 2018.

LEED certification

LEED is the rating system developed by the US Green Building Council – USGBC – dedicated to existing buildings with the aim of certifying the degree of sustainability of property management. LEED certification assesses the environmental sustainability of existing buildings based on criteria of low potable water consumption, the energy efficiency of a building, sustainability in purchasing policies and waste disposal, indoor environmental quality and occupant comfort, innovative sustainable management projects and the unique characteristics specific to the location of the project.

Energy

The main type of energy consumed is electricity - used in setting-up stands, to light exhibition areas and to heat internal spaces. Part of the electrical energy consumed by the Centro Servizi at the Rho exhibition site comes from renewable sources and is purchased with the relevant certificates.

In 2017, heat generated by the waste-to-energy plant, Silla 2, covered 99% of the total heating requirement of the Rho exhibition site with a consequent reduction in the consumption of fossil fuels.

Table 25 – Breakdown of direct energy consumed by energy type (GJ)

	2017	2016	2015
Electrical energy	176,086	172,244	218,744
Natural Gas	20,113	19,270	28,018
District heating	38,994	34,860	36,775
Total	235,193	226,374	283,537

Note: consumption of natural gas by the location at Stresa is not included in overall consumption data as it is not considered significant in a Group context. The percentage of electricity generated by renewable sources depends on the national mix of electrical energy.

Table 26 – Fuel consumption (GJ)

	2017	2016	2015
Diesel	2,866	2,646	2,938
Petrol	12	5	132
Natural Gas	11	32	-
Total	2,889	2,683	3,070

As part of its ongoing commitment to continuous improvement in energy efficiency in 2017, Fiera Milano Group installed LED lighting in pavilions 5/7 and 6/10 of the **fieramilano** exhibition site which guarantee the same level of illumination but offer a significant saving in energy consumption.

In September 2017 the final steps were taken to convert all the lighting at MiCo – Milano Congressi to LED technology. Improved management of the new lighting system will also ensure a significant reduction in consumption.

The system's latest generation electronics combined with dedicated software allows it to control each lighting unit as well as regulating the level of illumination and turning the lighting system on and off.

It also allows remote management of the system to turn on or extinguish groups of lights and to manage the desired level of illumination in order to create specific scenic lighting effects.

In 2017 the Rho exhibition complex achieved a reduction in lighting system consumption of about 2,250,000 kWh resulting in an economic saving of about Euro 310,000. In 2018, the lighting systems will be replaced in pavilions 9/11 and 14/18.

The energy and economic benefits of the new systems at MiCo – Milano Congressi should be apparent by the end of 2018.

The lighting system in pavilion 3 of the **fieramilanocity** exhibition site was partially replaced with LED lighting in December 2017, the benefits of which should be calculable once the system has been utilised.

Emissions

Emissions directly generated by Fiera Milano Group activities in Italy in 2017 amounted to 21,583 tonnes of CO₂ equivalent and are attributable to the consumption of electricity, gas for heating and fuel for the fleet of company vehicles.

Table 27 – Emissions (tonnes CO₂ equivalent)

	2017	2016	2015
Direct emissions (Scope 1)	1,336	1,273	1,790
Indirect emissions (Scope 2)	20,247	19,645	22,409
Total emissions	21,583	20,918	24,199

In 2016 the work, which began in 2015, was completed on the installation of extractor systems to improve the elimination of fumes and smoke from the catering activities inside the pavilions to improve environmental comfort; this equipment was successfully activated during 2017.

Water resources

Although it has a minimum impact on the company's cost base, Fiera Milano monitors and tries to reduce water consumption in the same way that it tries to reduce consumption of other utilities. The water adduction system in the **fieramilano** exhibition site comes from two separate sources: all potable water is supplied through the local water network while groundwater is pumped from seven groundwater wells owned by Fondazione Fiera Milano for all other purposes (recovery and recycling of groundwater eliminates the use of fresh water for non-potable purposes such as heat pumps driven by water from wells, irrigation systems, water for sanitation, fire prevention systems, ornamental ponds and replenishment of the air conditioning systems).

fieramilanocity and buildings used by Nolostand only use water supplied through the local water network.

Table 28 – Water consumption (cu m)

	2017	2016	2015
Municipal water sources	330,921	216,533	291,040
Groundwater	1,938,925	1,712,926	2,013,515
Total	2,269,846	1,929,459	2,304,555

Consumption of water resources varies from year to year depending on the exhibition calendar.

Monitoring, control and preventive maintenance activities, planned and remedial, continued at the exhibition sites through 2017 in accordance with the digitally controlled maintenance programme.

Waste

Fiera Milano Group informs and promotes awareness amongst its clients (exhibitors, stand-fitters and organisers) and suppliers of compliance with laws and regulations governing the correct procedures for disposing of waste by means of its Technical Regulations, suitable signboards and notices, checks on the local area and through other, periodically defined, means. The Company also informs Clients and Suppliers of their own responsibilities and correct methods of disposing of waste.

Most of the waste produced in the exhibition sites is generated by setting up the exhibition areas and dismantling after events. The waste is collected by regional operators using multi-material means to separate and sort different types of waste materials.

Other types of materials e.g. construction materials, wood products and paints, are collected separately and given to specialist waste service providers.

Nolostand collects its own materials left over from its stand fitting activities and transports them to the Vittuone site. Waste disposal at the Vittuone site is according to product group and is carried out by qualified waste disposal service providers.

The following table refers to the aggregate amount of waste generated by the exhibition sites and by the Vittuone warehouse and includes the destination of waste removed in 2017 and the quantity of hazardous waste, which is largely composed of paints and batteries. More than 99% of waste generated in 2017 was non-hazardous.

Table 29 – Total weight of waste by category (kg)

Category of waste	2017	Destination of waste	2016
Wood	5,918,370	Recycling / Recovery	5,552,230
Mixed packaging	4,468,380	n.a.	3,346,814
Paint	210,300	Disposal	233,105
Metal	46,840	Recycling / Recovery	63,530
Construction materials	20,560	Disposal	3,200
Paper and board	61,900	Recycling / Recovery	20,970
Glass	15,060	Recycling / Recovery	6,000
Plastic	80,940	Recycling / Recovery	64,600
Unsorted and other	2,928,750	Disposal	2,667,560
Toner	730	Recycling / Recovery	605
Electronic equipment	940	Recycling / Recovery	438
Oils - grease	5,800	Recycling / Recovery	912
Batteries	200	Recycling / Recovery	130
Bulky items	8,280	Disposal	3,000
Hazardous solvents			440
Total	13,767,050		11,963,534
Of which hazardous	70,180		48,910
Of which non-hazardous	13,696,870		11,914,624

The figures in the table above exclude waste generated at the Rome and Stresa locations as this is not considered significant in the context of the Group.

Since 2015 Fiera Milano Group has implemented a series of initiatives to improve its waste management e.g. the acquisition of new bins for segregated waste disposal located in the Centro Servizi and in the central avenue of the **fieramilano** exhibition area, special ashtrays so that cigarette butts are separated from other litter, and collection points in the Centro Servizi for used batteries. These initiatives continued in 2016 with the introduction of modular containers of recyclable corrugated cardboard in the exhibition pavilions for paper, plastic, glass, cans and other waste. The aforementioned programmes continued in 2017 and, where necessary, more waste collection bins were added.

For Nolostand, and in particular with regard to the warehouse at Vittuone, the procedures adopted in the Integrated Management System provide for the recovery of stand-fitting materials and the refurbishment of these materials at the warehouse for re-utilisation, the management of waste in accordance with regulations in force (maintaining the daily register of loading and unloading) and the use of water-based paints by suppliers.

Between the end of 2017 and the start of 2018, the assembly at MiCo – Milano Congressi of an external tank with a liquid collection cistern was completed for the washing of painting equipment and brushes.

Sustainable mobility

The environmental impact linked to mobility takes account of the variations in the different phases of the life cycle of an event. These activities are the responsibility of the Security Division and are carried out in the following stages:

Pre-exhibition:

- Planning the services of the local Police and the road traffic Police forces based on historic data relating to the exhibition in question (exhibition records and logs) and planning meetings, if required, with the Police forces and leading exponents of mobility to coordinate and discuss the scale of services required and plan preventive and/or corrective action depending on traffic forecasts and required security standards
- Planning and organising the extent of the relevant taxi or shuttle service needed (at the organisers' request)
- Monitoring road works, the potential impact of strikes

Post-exhibition:

- Gathering and checking the final logistics data relating to the exhibition
- Preparation of an exhibition debriefing
- Implementation of corrective action or improvements

Exhibitions in progress:

- During all exhibitions, control of exhibitor and visitor traffic, parking area monitoring and parking management support, management of information panels to direct vehicles towards parking areas with most available vehicle space or towards the less congested road exits from **fieramilano**
- For exhibitions with high or very high attendance levels, activation of a Coordination and Traffic Control Centre involving local Police and road traffic Police patrols to regulate road access to Rho exhibition site and real time preparation of road traffic bulletins. Management of information panels to direct vehicles towards parking areas with most available vehicle space or towards the less congested road exits to the exhibition site.
- Compilation of event logs of recommendations and incidents reported relating to exhibitor and visitor traffic and to collect vehicular traffic data (parking area vehicle occupancy ratios, survey of the time periods of vehicle use of parking areas, peak parking levels, peak parking times and aggregate number of vehicles/totals per day)
- Planning the activity and supervisory roles of Fiera Security services and the local Police and road traffic Police for closing the exhibition at the end of each day

During the organisation and setting up phase of an exhibition, the environmental impact is primarily from the supply and delivery of goods and equipment; during the event the environmental impact comes from the transit of exhibitors and visitors to and from the exhibition site; at the end of the event, the persons dismantling and removing the materials used in the exhibition represent the major source of environmental impact. The impact of the employees of the Fiera Milano Group should be considered in the context of the cumulative effect generated across all operational activities.

The main initiatives implemented to reduce environmental impact are:

MOBILITY MANAGEMENT

Targeted implementation of services provided by the local and/or road traffic Police forces to prevent or limit traffic congestion (and the concomitant increase in atmospheric emissions) in the vicinity of the exhibition sites.

PRODUCT TRANSPORT

The transport of products (stand fitting materials and products for display) is the responsibility of each stand-fitter/exhibitor and is therefore beyond the scope of management by Fiera Milano.

Management of the logistics within the exhibition sites, provided by a sub-contractor using fork-lift trucks, is proceeding with a project to substitute 20 diesel fork-lift trucks with 20 hybrid fork-lift trucks (diesel + electric) by 2020. The process began in 2017 with the replacement of 8 fork-lift trucks. In January 2018 a further 4 fork-lift trucks were replaced.

EXHIBITORS

- Agreement with the Milan transit company, ATM (Azienda Trasporti Milanese) to provide subsidised season tickets
- Car sharing (six vehicle spaces with two recharging columns for electric vehicles at the Porta Est entrance and three vehicle spaces at the Porta Sud entrance for carbon fuel vehicles)
- Car sharing facilities are available at the Organisers' request during certain exhibitions
- Availability of electric vehicle recharging facilities close to exhibition pavilions

VISITORS

- Car sharing (six vehicle spaces with two recharging columns for electric vehicles at the Porta Est entrance and three vehicle spaces at the Porta Sud entrance for carbon fuel vehicles)
- Car sharing facilities are available at the Organisers' request during certain exhibitions
- Electric vehicle recharging facilities in the multi-level car park

EMPLOYEES

- Car sharing (E-Vai Point at the Porta Est entrance – six places with two electric vehicle recharging columns at the Porta Sud entrance)
- Company agreement to provide subsidised annual season tickets for travel on public transport
- Company bicycles are available to employees for use within the exhibition site


A comparison of the trends over the past ten years of the number of metro passengers/year and the number of automobile visitors/year with the trend of exhibitors using automobiles/year indicates a significant increase in the number of users of public transport which corresponds to a substantial reduction in the number of visitors using automobiles.

The number of exhibitors using automobiles/year at **fieramilano** varies widely depending on whether there are biennial and/or triennial events in the exhibition calendar, while figures for 2015 are anomalous due to the exceptional number of events in the calendar and the simultaneous presence of Expo Milan 2015. Figures for 2017 were significantly higher because, unlike previous years, a system of pre-validation was implemented partly in association with the L'Artigiano in Fiera (international hand-crafted products) event.


Data relating to the heavy traffic connected with the assembly and dismantling of events at **fieramilano** in 2015 was unusual because of the particularly busy event calendar and the presence of Expo as mentioned above, while in 2017 traffic to **fieramilanocity** increased as a result of the transfer of the BIT exhibition from the Rho site to the Milan location.

Figures relating to employees' and suppliers' automobiles are estimated on the basis of the number of passes issued each year and is constant over time.

Estimate of heavy goods vehicles entering the exhibition sites

fieramilano			
	2017	2016	2015
	167,000	155,000	170,000
fieramilanocity			
	2017	2016	2015
	7,000	6,000	4,000

Estimate of the number of cars entering the exhibition sites

fieramilano			
	2017	2016	2015
	104,000	51,000	81,000
Exhibitors			
fieramilanocity			
	2017	2016	2015
	412,000	357,000	529,000
Visitors			
fieramilanocity			
	2017	2016	2015
	450,000	450,000	450,000
Suppliers and employees			
fieramilanocity			
	2017	2016	2015
	15,000	20,000	17,000
Exhibitors and visitors			



LIVING
HABITS

HOME

HOME

italiness

italiness

no

Home-Work Commuter programme: Fiera Milano Group employee mobility

Since 2003 Fiera Milano Group has employed a company mobility manager who has the responsibility of optimising the regular travel movements of employees. These are monitored every two years through the compilation of a commuter questionnaire. The results of this survey and the information drawn from it contribute to the preparation of a Commuter Programme which provides recommendations and advice on how to reduce the use of private automobiles in favour of public or collective transport, thereby reducing the impact on the environment and contributing to road safety.

The latest survey of Fiera Milano Group employee commuter habits was conducted in 2016. The results revealed that 75% of Fiera and its subsidiaries employees and their families are resident in the Province of Milan and, of those, 56% live in the municipality of Milan.

In addition:

- almost 90% of employees state that they own an automobile (in line with national data which reveal that 10% of Italians do not own a car. Source: Nielsen survey 2015);
- 27% possess two cars (compared to a national average of 36%. Source: Nielsen survey 2015);
- Only 13% subscribe to a car sharing service;
- 35% have a season ticket for public transport (ATM and/or Trenord and/or Trenitalia) and, of these, 55% acquired their season ticket through the subsidised company scheme;
- 70% own a bicycle (compared to a national average of 63%. Source: Nielsen survey 2015) and 14% own a motorcycle (compared to a national average of 19%. Source: Nielsen survey 2015);
- 63% own a garage or parking space.

The analysis of the means of travel used by commuters reveals that private vehicles remain the most popular means of transport (78% though revealing a reduction of 5% compared with 84% recorded in 2012) compared with public transport or green transport, although few employees stop off on the way to or from work (about 13% of those who do make stops do so to go shopping or accompany children). In addition, 96% of those who use private automobiles are the driver and just 10% carry one or more passengers.

The results of the 2016 Commuter Survey confirm that the majority of Fiera Milano Group employees prefer to use private transport because it gives them greater autonomy with respect to working hours. For that reason, in the two year period 2016-2017 various initiatives were implemented to raise awareness of road safety amongst employees (a road safety course, publication of an "Ecoguide" and three "Sicuguides" on the company intranet) as well as for Fiera Milano Group Stakeholders (with the Company joining the "Quando guidi, guida e basta" ["When driving, just drive and nothing else"] campaign from Anas and the traffic Police and "Autostrada facendo" ["Along the way"] promoted by Sina).

Demand for subsidised annual season tickets for local public transport from Fiera Milano Group employees peaked in 2014 (24% of all employees) following which there was a slight reduction over the subsequent three-year period to 20% in 2017.

In 2017, 91.5% of the vehicles in the fleets of the companies that are transport providers to Nolostand are compliant with Euro 5-6 environmental standards and are committed to all the environmental procedures proposed by the Integrated Management System.

In January 2018 the transfer of the warehouse operations from the previous location at Vittuone to a new site at Arese was completed. This new warehouse, which is closer to the exhibition sites at Rho and Milan, significantly reduces the distances over which materials must be transported. In addition, the new warehouse is of recent construction which facilitates improvements in inventory management:

- a process is currently under way to label all materials using RFID (radio frequency identification) technology
- the installation of a wifi network inside the warehouse is expected.

These activities will facilitate digital tracking and management of materials and order preparation.

Noise management

In addition to the environment, mobility can also have an impact on the following socio-economic factors: noise in the case of recreational events-exhibitions, such as concerts, Motolive, accessibility, safety and security, damage to or deterioration in public transport, reduction in the residual capacity of local transport services and disruption to local services.

In the Acoustic Zoning Plan of the Rho municipality the **fieramilano** exhibition area is ranked in Class IV – area of intensive human activity for which the maximum noise limits (Laeq – Equivalent continuous sound level) are 65 dB during daytime and 55 dB at night. The same values are applicable to the Acoustic Zoning Plan of the Milan municipality for the **fieramilanocity** site.

Activity relating to noise pollution are not currently monitored by Fiera Milano Group as they relate to a relatively small number of events and/or related to third party activities.



Main risk factors relating to sustainability

The present paragraph reports the principal risks, generated by the Group or to which it is subject, relating to the significant (material) issues regarding sustainability:

- environmental
- social
- relating to personnel
- relating to respect for human rights
- counteracting active and passive corruption,

which derive from the Group's activities, its products, services or commercial relationships which may have negative repercussions in areas considered as areas of significant risk, such as the supply chain and sub-contracting activities.

Sustainability risks, therefore, are risk events that may compromise the Group's sustainability objectives, in the five subject areas, environmental, social personnel, human rights and anti-corruption measures, which could also have negative implications for the whole organisation.

Each category of risk is countered, where applicable, by the Group's policies for the mitigation and management of risk.

Responsible utilisation of resources

Risks relating to irregular water drainage management

The risks related to non-compliance with the required regulations and applicable authorisation permits regarding management of plant and equipment that generate waste water and monitoring of drainage is considered to be limited, primarily due to the fact that the waste water produced by the exhibition sites at Rho and Milan is classified as domestic waste water or similar.

The related risk management methods adopted by Fiera Milano, cited in the Organisational Model pursuant to Legislative Decree no. 231/01, Special Section Environmental Violations, are governed by specific dedicated procedures.

Responsible management of emissions

Risks relating to emission of pollutants into the atmosphere

Atmospheric emissions generated by the Fiera Milano Group's activities do not include pollutants, since there is no industrial activity in the Group's sites and the only emissions produced are those generated by natural gas-fuelled boilers for winter heating and by the company's own vehicles or those of third parties using the sites. The associated risk is therefore considered to be negligible.

In the event of anomalies, any plant and equipment involved is shut down and secured until necessary maintenance work has been completed to restore the plant and equipment to normal operating condition.

The risks related to non-compliance with the required regulations and applicable authorisation permits regarding management of plant and equipment that generate atmospheric emissions, and monitoring of emissions, is considered to be low: the related risk management methods adopted by Fiera Milano, cited in the Organisational Model pursuant to Legislative Decree no. 231/01, Special Section Environmental Violations, are governed by specific dedicated procedures.

Risks relating to emission of greenhouse effect gases

The emission of greenhouse effect gases generated by the activities of Fiera Milano can either be direct (category 1, generated by boilers and the fleet of company vehicles), or indirect energy emissions (category 2, deriving from the consumption of electrical energy).

The risk in this specific area, given that Fiera Milano's typical business is not industrial and is not particularly energy intensive when compared with other performance indicators, is considered negligible.

Responsible waste management

Risks relating to the disposal of special waste

Most of the waste generated by Fiera Milano's activities (above all stand-fitting) in its sites, is considered to be in the same category as urban waste and, as such, is separated and differentiated prior to collection by the local public service refuse collection organisations (ASER in Rho and AMSA in Milan). Other types of waste, such as construction materials, wood and paints are collected separately and given to specific authorised waste disposal specialists.

Any special waste that may be generated, and which cannot be handed over to the public service refuse collection organisations, might include e.g. water used to clean painting equipment (generated by Fiera Milano) and special waste (e.g. construction materials, wood and paints) left behind by stand-fitting companies and exhibitors (which is left in Fiera Milano's possession). This type of waste is collected in special temporary deposits and given to authorised third parties for disposal. Certain types of waste are also generated by ordinary/extraordinary maintenance activities (e.g. toner cartridges) the management of which, according to the terms of the supplier contract, is the responsibility of the supplier of the original items, considered to be the "generator" of the waste, the storage and subsequent recovery/disposal of which they therefore manage autonomously.

Fiera Milano has also introduced additional initiatives to segregate different types of waste, such as placing appropriate containers along the central avenue and inside the pavilions.

The risks related to non-compliance with the required regulations and applicable authorisation permits regarding waste produced by Fiera Milano are considered to be limited: the related risk management methods adopted by Fiera Milano, cited in the Organisational Model pursuant to Legislative Decree no. 231/01, Special Section Environmental Violations, are governed by specific dedicated procedures.

Accessibility and sustainable mobility

Risks relating to emission of pollutants into the atmosphere

The organisation and operation of exhibitions and events has an environmental impact relating to mobility and attributable both to the setting-up and dismantling of exhibitions involving the transit of haulage vehicles (suppliers and stand-fitters) both during events and also to the transport of exhibitors and visitors to and from the exhibition sites.

In order to reduce the environmental impact deriving from transport to and from the sites, Fiera Milano has, since 2016, implemented a car-sharing service using low environmental impact electric vehicles (Euro 5) for employees of the Fiera Milano Group travelling between work locations. This initiative has been implemented in addition to the subsidised travel agreements and services already provided for exhibitors and visitors such as subsidised season tickets for public transport and the car-sharing service with pick-up and drop-off points at the **fieramilano** exhibition site. In addition a project began in 2017 to replace diesel fork-lift trucks with hybrid fork-lift trucks.

Customer satisfaction

Risks relating to possession of environmental/industry accreditation required by the market

The Group is exposed to the risk that in the current or prospective market circumstances, certain types of client (principally exhibition and conference organisers and exhibitors) belonging to sectors that are particularly attentive and sensitive to environmental sustainability matters, might favour exhibition companies that are more advanced than or have a higher profile than Fiera Milano in terms of possession of environmental and/or industry accreditation.

The Group currently has LEED (Silver level) certification for its Existing Buildings (Centro Servizi, Congress Centre and Administration Offices of the Rho exhibition site).

In 2018 the MiCo – Milano Congressi conference centre is expected to receive Healthy Venue certification and will begin the process to obtain LEED certification.

In order to mitigate the aforementioned risk in the future, the Group is currently evaluating the possibility of investing resources in the near term to obtain ISO 50001 energy certification and ISO 14001 environmental certification.

Risks relating to the quality of services provided following the recent review of suppliers

The Group's pool of suppliers was radically reorganised in 2017, due to reputational issues arising from events connected with the Judicial Administration Order, particularly in the highest risk sectors (e.g.: cleaning, carpet supply and fitting, stand-fitting).

This led, in sporadic and largely isolated cases, to start-up problems with the technical functioning of services provided by new suppliers – partly attributable to the scale of the exhibition site- that were initially reflected in a deterioration of the quality of service provided, leading to some limited disruption which was detrimental to levels of customer satisfaction.

These issues were resolved by expanding the activity of partnering new suppliers during the planning of services by the Operation unit involved and setting up a Supplier Quality department as part of the Procurement Division in January 2018, with the responsibility to supervise procedures to monitor and control the services provided by suppliers of goods and services and to ensure, through secondary checks, greater assurance regarding the confirmation that the service has been correctly provided.

Security

Risk of catastrophe

Recent terrorist attacks, particularly in Europe, expose the Group to potential negative repercussions arising from any attack in or near its exhibition sites, in terms of injury to visitors, damage to buildings, a reduction in the number of future visitors and participation by exhibitors. In view of this, the Group has for some time, established an effective system of security to manage access points, in particular, the Security Division, established in 2017, partly at the recommendation of the competent authorities, has raised the level of security and control of access to exhibition areas and, beginning with the Artigiano in Fiera event of December 2017, has introduced security checks, based on those in force at airports, and preventive security measures in all areas in collaboration with the law enforcement agencies and has already planned further reinforcements to be implemented in the immediate future in collaboration with the relevant responsible institutions.

Responsibility relating to provision of food and beverages

This relates to the risk of potential harm deriving from the accidental provision of any stale or tainted food and beverages by the catering facilities servicing the exhibition site which might negatively affect the health of consumers, whether they are visitors, exhibitors, employees or any other user. It should be noted that Fiera Milano has for several years conducted random checks to ensure compliance with standards of hygiene through continuous and detailed inspections by independent, qualified personnel of each catering unit located in the exhibition sites. The aforementioned risk is therefore considered to be negligible.

Risks related to the applicable industry regulatory framework

The activities carried out by the Group, in particular the activities at the exhibition sites, and the number of people involved (employees, suppliers, exhibitors, visitors, conference attendees, stand-fitters, etc.) that pass through them and work in them, expose the Companies belonging to the Group to the risk of accidents or violations of workplace health and safety regulations (T.U. 81/2008 – consolidated health and safety law). In the event of such a violation, the Group may be exposed to the imposition of substantial penalties or, in the event of accidents, to legal claims with potential negative consequences for its economic, capital and financial position. The Group is therefore exposed to the risk of administrative sanctions (also pursuant to Legislative Decree 231/2001) and suspension of operations in consequence of violation of the relevant regulations, including those relating to health and safety in the workplace, the regularity of payments and income to and from contractors and unauthorised sub-contracting.

Fiera Milano Group protects itself against these eventualities, in addition to rigorous compliance with the relevant regulations and careful analysis of the underlying risks, also by a range of different procedures, described below:

- review of the selection, contract preparation and management procedures, incorporating more stringent compliance requirements for suppliers and contractors;
- Preparation of the Documento Unico per la Valutazione dei Rischi da Interferenze (DUVRI) – independent assessment of health and safety in the workplace – and updating of related procedures to ensure compliance with the provisions of Legislative Decree 81/2008;
- The adoption of an information system (via a web portal) for registration of access to the Exhibition Site, above all for stand-fitters, and to allow prompt provision of useful information to monitor pedestrian traffic;

- Demarcation of areas in the Exhibition Site, to facilitate full compliance with the health and safety regulations;
- the adoption of and provision to suppliers and exhibitors of the “Technical Rules for Exhibitions” containing the rules which stand-fitters and suppliers must observe in carrying out their activities;
- the application of rigorous identification and control procedures applicable to third parties other than clients (i.e.: organisers, exhibitors and visitors) present at the sites;
- contractual safeguards.

Risks relating to civil responsibilities towards third parties

In conducting its operations, the Group may be subject to or incur unexpected injury to things or people who work or are present in the Group’s exhibition sites. The simultaneous presence of many people with different contractual relationships (employees, external suppliers under direct contract to the Group and/or sub-contractors of other companies etc.) may ultimately render recognition of responsibility for damage to persons or things more difficult, with potential consequences, amongst other things, for the company’s business and corporate image. In order to protect itself against such risks, Fiera Milano Group has taken out insurance policies and has also established an internal department (Exhibition Security) which has the responsibility to ensure distribution of information regarding security and the correct management of the risk of incidents between third parties.

Professional development of employees

Risks associated with the maintenance of specialist skills

Fiera Milano Group considers its workforce and their skills in the core business, in particular in the exhibition and conference sector, to be one of its principal strategic assets. Amongst other things, the gradual trend from “large market” exhibitions towards “large events” or “experiences” (with more value increasingly oriented towards market trends) and the pursuit of medium-long terms strategies (including the development of more directly-organised events) require specialist professional skills which are rarely easily available on the market. The performance management system (more specifically, Performance & Leadership Management – introduced in 2017 and operational in 2018) for the evaluation of employee skills and related incentive schemes have been constructed to allow the Group to enhance the value and loyalty of personnel and their key competences, to ensure better coordination/interchangeability between employees and greater sharing of knowledge. In addition the Group intends to launch a Long Term Incentive Plan with an equity component, pertaining to a limited number of senior managers. However, the Group is increasingly exposed to the risk that skills and relationships cultivated by its own organisers are not sufficiently adequate to respond to new market challenges relating primarily to the evolution of demand and offer in key exhibition industry product sectors.

In response to this risk, the Group has implemented risk limitation initiatives which involve increasing coordination and commercial and organisational synergies amongst its own internal organisers, the provision of succession & management continuity plans aimed at renewing the pool of internal organisers together with increased monitoring of the performance of external organisers.

Responsible management of the supply chain (human rights and countermeasures against illegal labour)

Risks relating to illegal labour in the group's supply chain

The types of supplier engaged by Fiera Milano Group to assist in providing its services include companies operating in sectors which are highly labour intensive (e.g. cleaning, stand fitting, security, catering) and which represent a medium-high risk with regard to exposure to illegal labour.

The effective probability of engaging suppliers who may present problems of illegal employment is, however, considered to be low because of the numerous controls implemented by the Group also following the imposition of Judicial Administration.

Fiera Milano Group has drawn up and is implementing more stringent conditions for the supplier selection process (e.g. reputational evaluations every 6 months, conducted by the Security Division set up in 2017) and on-site access controls conducted by the Security Division in order to verify authorisation and checks on suppliers in the process of carrying out their work, which are conducted by the Supplier Quality department (established in January 2018 as part of the Procurement Division) to ensure the quality of work provided.

It should also be noted that i) Fiera Milano Group's Code of Ethics established fundamental countermeasures to prevent illegal and under-age labour ii) Model 231, currently in force, includes a special section regarding employment violations involving foreign citizens who are not in possession of the correct residency permits and another section regarding violations involving illicit job placement and exploitation of labour, aimed at the prevention of the aforementioned violations and checks to ensure they do not occur.

Business ethics and countermeasures against active and passive corruption

Risks relating to potential repercussions of lack of transparency in relations with counterparties

The Judicial Administration order, revoked in 2017, highlighted the risk that lack of transparency in relations with counterparties can result in illegal conduct, including instances of corruption, which could compromise the Group's reputation and integrity, especially given its media exposure and taking into account the nature of its leading Stakeholders.

In order to protect itself from this risk and from the potential negative impact on its reputation and integrity, the Group initiated and continues to implement a detailed system of procedural and organisational safeguards to counteract active and passive corruption.

Procedural safeguards regarding these matters begin with the Code of Ethics, which prohibits corrupt practices, illegal patronage, collusion, soliciting, directly or through third parties, personal or professional advantages either for oneself or others.

Model 231, in force, also includes two special sections relating to anti-corruption measures, one section relating to violations committed in relationships with public administration and the second section relating to corruption between private parties, which describe the potential types of offence and the related protocols to monitor these highly sensitive issues. These protocols of control are then adapted to specific corporate procedures in which they assume particular significance as regards all aspects of Procurement regulation.

Every client and every supplier, and, more generally, all third parties are notified about Model 231 and the Group's Code of Ethics, which must be accepted and signed; in addition specific clauses are incorporated into every contract requiring the counterparty to adhere to the principles contained in Legislative Decree 231/2001 and the Code of Ethics.

At the level of organisational safeguards, in 2017 the Group implemented (i) the strengthening, qualitatively and quantitatively, of the Procurement Department (ii) the establishment of a Security and Compliance Department (iii) the reinforcement of the Internal Audit Department.

In addition, in order to reinforce the independence of the buyers in the Procurement Department, existing procedures allowed for the introduction of a mechanism to rotate the responsibilities of buyers depending on the importance of the product or services managed, based on new and diverse product and service categories.

A mechanism similar to job rotation was introduced for employees in the company's departments who have contact with suppliers in the medium-high risk category which impose different rotation periods depending on the seniority of the operational staff involved, while rotation periods are higher for managerial staff than for operational staff.

Training courses, including classes requiring attendance in person and e-learning courses, dedicated to these issues were also provided for employees.

Lastly, the Whistleblowing procedures adopted in 2016 and updated in September 2017, regulate the procedures for the receipt, analysis and treatment of disclosures, including those made anonymously or in confidence by third-parties or employees of companies belonging to the Group. In line with the preceding procedures, a designated internal committee (the Disclosure Committee) was set up with the authority to conduct investigations into allegations of improper or illegal practices and/or conduct. This committee will work in conjunction with the Supervisory Body in the event of disclosures of offences pursuant to Legislative Decree 231/2001.



GRI Standard Content Index

GRI Standard	Disclosures	Page number	Omission
General Disclosures			
GRI 102: General Disclosure	102-1 Name of the organization	Cover	
	102-2 Activities, brands, products, and services	10 -13	
	102-3 Location of headquarters	10	
	102-4 Location of operations	14 -15	
	102-5 Ownership and legal form	10 -12	
	102-6 Markets served	10 -12	
	102-7 Scale of the organization	48	
	102-8 Information on employees and other workers	48-57	
	102-9 Supply chain	32-35	
	102-10 Significant changes to the organization and its supply chain	10-15	
	102-11 Precautionary Principle or approach	It should be noted that the Fiera Milano Group does not adopt the precautionary principle in the environmental matters	
	102-12 External initiatives	28-31	
	102-13 Membership of associations	20	
	102-14 Statement from senior decision-maker	6-7	
	102-15 Key impacts, risks, and opportunities	76-82	
	102-16 Values, principles, standards, and norms of behavior	13; 28-31	
	102-18 Governance structure	28-31	
	102-40 List of stakeholder groups	18	
	102-41 Collective bargaining agreements	52-53	
	102-42 Identifying and selecting stakeholders	19	
	102-43 Approach to stakeholder engagement	19	
	102-44 Key topics and concerns raised	16	

GRI Standard	Disclosures	Page number	Omission
	102-45 Entities included in the consolidated financial statements	10-11;15	
	102-46 Defining report content and topic Boundaries	14-16	
	102-47 List of material topics	16	
	102-48 Restatements of information	14-20	
	102-49 Changes in reporting	85	
	102-50 Reporting period	15	
	102-51 Date of most recent report	The Report is published annually	
	102-52 Reporting cycle	14	
	102-53 Contact point for questions regarding the report	92	
	102-54 Claims of reporting in accordance with the GRI Standards	14	
	102-55 GRI content index	84-87	
	102-56 External assurance	88	

Material Topics

Economic performance

GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	10-12;22-25	
	103-2 The management approach and its components	10-12;22-25	
	103-3 Evaluation of the management approach	10-12;22-25	
GRI 201-1: Economic performance	201-1 Direct economic value generated and distributed	21	

Energy

GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	63-67	
	103-2 The management approach and its components	63-67	
	103-3 Evaluation of the management approach	63-67	
GRI 302: Energy	302-1 Energy consumption within the organization	66-67	
	302-4 Reduction of energy consumption	63-67	

Water

GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	63-65;68	
	103-2 The management approach and its components	63-65;68	
	103-3 Evaluation of the management approach	63-65;68	
GRI 303: Water	303-1 Water withdrawal by source	68	

GRI Standard	Disclosures	Page number	Omission
Emissions			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	63-65;67	
	103-2 The management approach and its components	63-65;67	
	103-3 Evaluation of the management approach	63-65;67	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	67	
	305-2 Energy indirect (Scope 2) GHG emissions	67	
Effluents and Waste			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	63-65;68	
	103-2 The management approach and its components	63-65;68	
	103-3 Evaluation of the management approach	63-65;68	
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	69	
Occupational Health and Safety			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	58-62	
	103-2 The management approach and its components	58-62	
	103-3 Evaluation of the management approach	58-62	
GRI 403: Occupational Health and Safety	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	62	
Indirect Economic Impacts			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	43-44	
	103-2 The management approach and its components	43-44	
	103-3 Evaluation of the management approach	43-44	
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	43-44	
Employment			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	48-54	
	103-2 The management approach and its components	48-54	
	103-3 Evaluation of the management approach	48-54	
GRI 401: Employment	401-1 New employee hires and employee turnover	48	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	51-53	

GRI Standard	Disclosures	Page number	Omission
Training and Education			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	53-54	
	103-2 The management approach and its components	53-54	
	103-3 Evaluation of the management approach	53-54	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	54-55	
	404-2 Programs for upgrading employee skills and transition assistance programs	54-55	
Diversity and Equal Opportunity			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	28-31;51	
	103-2 The management approach and its components	28-31;51	
	103-3 Evaluation of the management approach	28-31;51	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	29;51	
Forced or compulsory labour			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	34	
	103-2 The management approach and its components	34	
	103-3 Evaluation of the management approach	34	
GRI 409: Forced or compulsory labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	34	
Anti-corruption			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	32-34	
	103-2 The management approach and its components	32-35	
	103-3 Evaluation of the management approach	32-35	
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	34-35	
Socioeconomic Compliance			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	28-31	
	103-2 The management approach and its components	28-31	
	103-3 Evaluation of the management approach	28-31	
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	31	

Independent auditors' report



EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Independent auditors' report on the consolidated disclosure of non-financial information in accordance with article 3, par. 10 of Legislative Decree 254/2016 and with article 5 of Consob Regulation adopted with Resolution 20267

(Translation from the original Italian text)

To the Board of Directors of Fiera Milano S.p.A.

We have performed a limited assurance engagement pursuant to Article 3, paragraph 10 of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of Consob Regulation adopted with Resolution 20267, on the consolidated disclosure of non-financial information of Fiera Milano S.p.A. and its subsidiaries (hereinafter the "Group") for the year ended on 31st December 2017 in accordance with article 4 of the Decree approved by the Board of Directors on 12th March 2018 (hereinafter "DNF").

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by GRI – Global Reporting Initiative ("GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or non-intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

EY S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale deliberato Euro 3.250.000,00 sottoscritto e versato Euro 3.100.000,00 I.V.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta all'Albo Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited



Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant topics in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. **comparison of the economic and financial data and information included in the DNF with those included in the Fiera Milano Group's consolidated financial statements;**
4. understanding of the following aspects:
 - o group's management and organization business model, with reference to the management of the topics indicated in article 3 of the Decree;
 - o policies adopted by the Group related to the matters indicated in article 3 of the Decree, results achieved and related key performance indicators;
 - o main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

With regards to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below;

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
In particular, we have conducted interviews and discussions with the management of Fiera Milano S.p.A., Fiera Milano Congressi S.p.A. and Nolostand S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF. Furthermore, for significant information, considering the Group activities and characteristics:
 - at Group level



- a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For the site of Rho Fiera of Fiera Milano S.p.A., that we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Fiera Milano Group for the year ended on 31st December 2017 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Other Information

The comparative information presented in the DNF for the year ended on 31st December 2016 has not been examined.

Milano, 28th March 2018

EY S.p.A.
Signed by Federico Lodrini, Partner

This report has been translated into the English language solely for the convenience of international readers.

FIERA MILANO SpA

Registered offices: Piazzale Carlo Magno, 1 – 20149 Milan, Italy

Operational and administrative headquarters:

Strada Statale del Sempione, 28 – 20017 Rho (Milan) Italy

Share capital: Euro 42,445,141.00 fully paid up

Companies Register, Tax code and VAT no. 13194800150

Economic Administrative Register 1623812

Freephone number: 800820029

Phone +39 02 4997.1

Fax +39 02 4997.7379

email: fieramilano@fieramilano.it

For clarification and further information, please contact

sostenibilita@fieramilano.it

April 2018

This document is available for inspection on the Company's website at www.fieramilano.it/en

Graphic design and layout

Sunday, Torino

Freephone number: 800820029
Phone +39 02 4997.1
Fax +39 02 4997.7379
email: fieramilano@fieramilano.it



FIERA MILANO