

# Sustainability Report

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

# 2019



**FIERA MILANO**

This document contains a faithful translation into English of the original report in Italian "Report di Sostenibilità 2019 - Dichiarazione consolidata di carattere non finanziario ai sensi del D.Lgs. 254/2016".

However, for information about Fiera Milano Group reference should be made exclusively to the original report in Italian.

The Italian version "Report di Sostenibilità 2019 - Dichiarazione consolidata di carattere non finanziario ai sensi del D.Lgs. 254/2016" shall prevail upon the English version.

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## 2019



**FIERA MILANO**

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## Message to Stakeholders

In 2019, the performance of the Fiera Milano Group was highly satisfactory in both the business and economic areas, highlighting the key strength of our company: the ability of our people to work to high quality standards with dedication and professionalism.

Fiera Milano has now embarked upon a journey designed to bolster its sustainability policies, formalising medium/long-term objectives and targets in the various areas in which these policies are being implemented, with a view to progressively integrating them into the business.

This includes a project designed to involve the whole the company, designed to instil a greater awareness of sustainability-related issues. The empowerment of people has been used as a key stimulus in this regard. Specifically, in April 2019, Fiera Milano launched a contest involving 87 employees, who were called upon to design projects linked to sustainability, identifying four areas of intervention: inequality, the circular economy, water and climate change. The "Social Responsibility Contest" demonstrated that it is possible to achieve several goals at the same time: on the one hand, it succeeded in spreading a culture of sustainability, on the other, the experience contributed to the development of cross-functional collaboration, encouraging team building. The company is committed to continuing on this journey, by implementing each of the eight projects as of 2020.

In addition, over the course of the year, the sustainable development goals set out in the UN's 2030 Agenda were also associated with material issues relevant to the Fiera Milano Group. In supporting the CEO's Call to Action launched by CSR Europe, we wanted to send a signal of our further, tangible commitment, something which unites us with the other leading European companies accompanying us on this path of change towards a sustainable development model.

In 2019, we continued to dedicate our efforts to achieving excellent performance in the areas of energy saving, waste, safety and services at the various exhibition and congress centres, as described in this Report.

After the health crisis began in January 2020, Fiera Milano has been doing everything necessary to further protect the health and safety of its employees, organisers, exhibitors and visitors.

In 2020, Fiera Milano will be engaged in a wide-reaching process of digital transformation, creating a "smart" district, equipped with cutting-edge technologies and systems, such as the LED screens that will gradually replace advertising panels, offering greater sustainability and the opportunity to achieve continuous interaction with visitors through images and videos. These steps will lead to tangible improvements in the customer journey, rendering the experience of visiting an exhibition or trade fair truly unique.

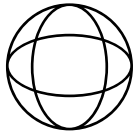
We will also continue our engagement in the quest for ever greater integration between the Group's sustainability plan and the trade fair business. Our intention is to create a bona fide strategic plan which sees sustainability fully integrated into the business, by means of a series of innovative measures designed to create lasting, shared value for the benefit of all stakeholders.

Happy reading,

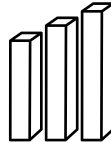
**Lorenzo Caprio**  
The Chairman

**Fabrizio Curci**  
The Chief Executive Officer

## Mission



The Fiera Milano Group represents a tool for the growth and internationalisation of companies.



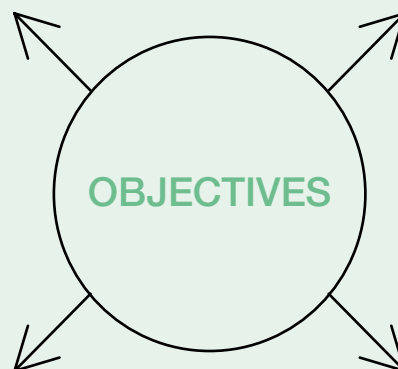
It contributes to the development of the economy.



It supports the socio-economic progress of the region in which it is located.

To be among the major international players in the trade fair sector

To offer companies the most effective business platform to make themselves known, establish lucrative contacts and multiply their business opportunities



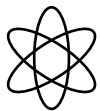
To oversee new areas of growth in the world, providing support for the export of Made in Italy products

To foster meetings between different company cultures, to encourage the exchange of knowledge and experience and to stimulate and drive innovation



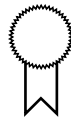
# Business Principles

The principles defined in the Strategic Plan for 2018–2022, from which the Group takes its inspiration, are as follows:



## ONE GROUP

a single, integrated group



## PEOPLE ENGAGEMENT

designed to promote the engagement of the entire company workforce and to reinforce a sense of accountability, rewarding the best performance



## MARKET FOCUS

to seize every opportunity offered by the market



## EXECUTION EXCELLENCE

or perfect, agile performance, increased operating efficiency through strict cost controls, and an effective approach to organisation



In 2018, the company implemented a new organisational structure, inspired by the principles of the Strategic Plan. The key objective of this was to create an integrated group that effectively engages people on a journey of evolution, change and sharing.

In 2019, the company continued to implement the new organisational model, introducing measures focused on improvement and fine-tuning, particularly in the sales and operations structures, putting standardised activities and functions more at the centre in order to progressively turn the focus towards products and customers, improved performance and cost efficiency.







# Fiera Milano Group

## WHO WE ARE

Fiera Milano Group (“Fiera Milano S.p.A. and its subsidiaries” or the “Group”), is the leader in Italy and one of the leading companies worldwide in the trade fair sector. It is active in all the phases of the value chain: it plans, manages and provides equipped exhibition space available, provides value-added services and organises exhibitions and manages congresses.

In Italy, the Group, through Fiera Milano S.p.A. (“Fiera Milano” or the “Parent Company”) manages the two exhibition sites of fieramilano in Rho, the leading fair district in Italy with indoor exhibition space of 345,000 gross square metres and 60,000 gross square metres of outdoor space in total, and in fieramilanocity Milan, a city-centre site of 54,000 gross square metres of exhibition space overall. Fiera Milano Congressi S.p.A. (“Fiera Milano Congressi”) manages MiCo – Milano Congressi (“MiCo”), one of the largest congress centres in Europe, and the Stella Polare convention centre, located in the service centre at the Rho fair district, as well as Montecitorio Meeting Centre (MoMec) in Rome.

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

Fiera Milano has been listed on the STAR segment of Borsa Italiana’s MTA market since 2002, reserved for small- and medium-capitalisation companies that meet strict corporate governance and corporate disclosure requirements.

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 trade fair systems while leading the exhibition and convention system in Milan to become increasingly modern and important, as well as more competitive at an international level. Fondazione Fiera Milano is a non-profit foundation that works for the public good and supports, promotes and expands the exhibitions and events organised 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 MiCo, which occupies the pavilions of the old fair district in the centre of Milan.



## Fondazione Fiera Milano investment plan

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 competitiveness of exhibition sites and the congress centre and the development of surrounding areas. Specifically, in the two-year period 2018–2019 it made investments totalling Euro 47 million, relating to:

### SAFE AND SMART DISTRICTS

developing digital technologies to increase safety and interaction with customers

### ENVIRONMENTAL SUSTAINABILITY AND INNOVATION

for environmental protection, reduced energy costs and even greater appeal

### OPERATIONAL EXCELLENCE

to simplify the participation experience both outside and inside structures

### ENHANCING CUSTOMER EXPERIENCE

to improve the customer journey and integrate physical and digital touch points

Fondazione Fiera Milano's 2020–2022 Business Plan strengthened the programme of measures, allocating an additional Euro 75 million for the three-year period 2020–2022. Further investments in the same three-year period will be allocated for accommodation infrastructure in support of the MiCo congress centre.

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

Fondazione Fiera Milano also supports the third sector through a charity model to reduce inequality, support a culture of inclusion and legality, through partnerships with institutional bodies.

## Fiera Milano is all these things



### TENS OF THOUSANDS

of worldwide exhibiting companies.



### 4 MILLION

visitors.



### AN OFFERING

of professional exhibitions, unique in scope and quality.

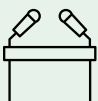
Fiera Milano, in addition to providing an exceptional exhibition centre, is also qualified to offer its facilities to companies as unparalleled platforms for business and internationalisation, thanks also to the high quality of services it can provide.



## EXHIBITION ACTIVITIES

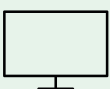
Fiera Milano is large-scale B2B exhibitions, unmissable international events in key economic sectors. In 2019, there were 80 exhibitions (of which 28 were abroad), some of which were organised by Fiera Milano itself. 33,8701 exhibiting companies participated (of which 9,630 were from abroad). These exhibitions are ideal and affordable communication tools for companies to reach target customers and markets which would otherwise involve extremely expensive marketing activities. Fiera Milano is active in several industry sectors. Fashion, publishing, interior design, property, mechanical engineering, tourism, professional hospitality, food, industrial plant and energy, construction, art and sailing are just some of the sectors represented.

Through the subsidiary Nolostand S.p.A. ("Nolostand"), and from 2020 also through commercial partnerships, the company offers technical services for trade fairs, customised or standard set-ups, including common areas, pre-arranged solutions and event space at fairs and congresses. The Group also offers technical lighting, gantries, panelling, platforms, carpeting, fixtures and fittings. It also assures exhibitors of dedicated and continuous assistance, extending, if requested, to activities the exhibitor may wish to carry out outside the Milan exhibition sites.



## CONGRESSES

Congresses 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: MiCo, managed by the subsidiary Fiera Milano Congressi. The complex can accommodate up to 18,000 delegates. Fiera Milano manages conventions, conferences and events and, through MiCodmc S.p.A. ("MiCodmc") also provides hospitality services for participants. In addition, Fiera Milano is allowed to use the meeting rooms at the Stella Polare convention centre, located at the service centre of the Rho fair district, as well as the Montecitorio Meeting Centre (MoMec), an executive business suite in the heart of Rome.

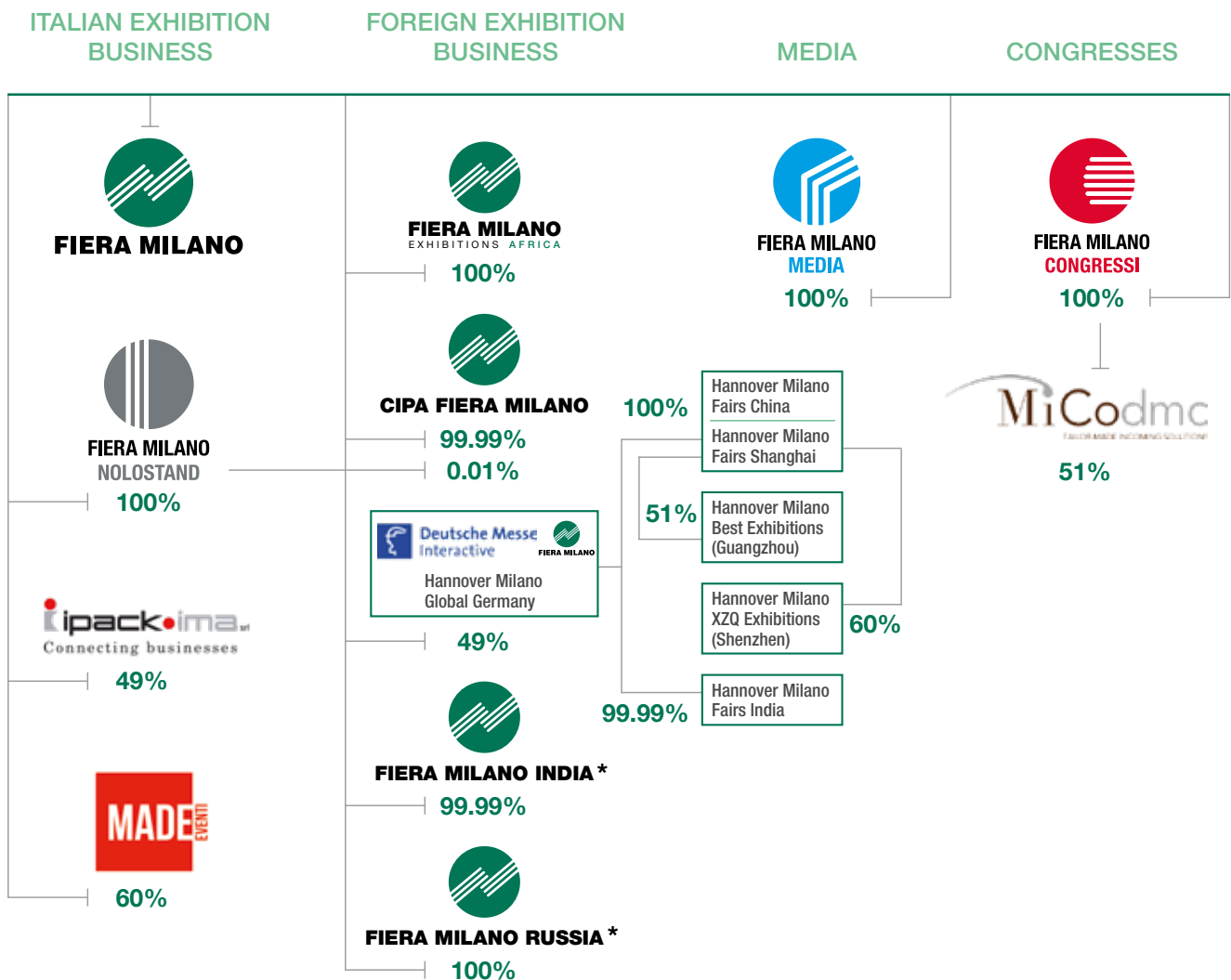


## MEDIA

Fiera Milano also provides flexible and multi-channel corporate communications, both online and offline. The Group's subsidiary Fiera Milano Media S.p.A. ("Fiera Milano Media") offers companies communication services which integrate traditional specialist publishing and advertising channels with websites and communication platform for conventions and training workshops.

<sup>1</sup>The data refers to events that took place at Group level, including events managed through joint ventures.

## Structure of the Fiera Milano Group as at 31/12/19



\* Company under liquidation

On 5 December 2019, Fiera Milano acquired 60% of Made Eventi S.r.l., organiser of Made Expo, a biennial international fair in the architecture and construction sector. The operation was part of the strategy to strengthen Fiera Milano's portfolio of events it organises itself.

In 2019, the Group continued its international development plan with the acquisition by Hannover Milano Fairs Shanghai of 60% of Hannover Milano XZQ Exhibitions, organiser of LASERFAIR, China's most important event in the field of laser industry, held in Shenzhen, the country's high-tech capital.

As part of the Group's corporate structure rationalisation plan, on 29 November 2019, the subsidiary La Fabbrica del Libro, 51% owned, was liquidated. Furthermore, on 6 June 2019, the deed of reverse merger of Eurofairs International Consultoria e Participações Ltda into its 100% subsidiary CIPA Fiera Milano Publicações e Eventos Ltda was signed.

## SOCIO-ECONOMIC IMPACT GENERATED<sup>2</sup>

The overall economic impact of Fiera Milano was equal to

Euro

**8.125** billion



Equivalent to

**2.2%**

of Lombardy's  
GDP

**3.5%**

of Milan metropolitan  
area's GDP

of which

Euro

**6.642** billion

as a result of purchases from  
suppliers, investments, wages and  
expenses of exhibitors and visitors  
associated with them



**DIRECT** Euro **2.976** billion

Economic impact of: wages, direct purchases from suppliers,  
direct investments in neighbourhoods, visitor and exhibitor  
expenses, including transport, hotels and restaurants etc.

**INDIRECT** Euro **1.588** billion

Economic impact of: employee consumption, economic  
activity generated through the second level of suppliers

**INDUCED** Euro **2.077** billion

Additional pull effect (increase in general consumption) due  
to spending on suppliers and wages

Euro

**1.483** billion

of contributions to the public budget  
through various taxes



The multiplier effect is

**x2.23**

for each euro spent at Fiera Milano,  
Euro 2.23 are transferred into the economy

<sup>2</sup> Source, "Study of the socio-economic impact" prepared by KPMG in March 2019, based on 2017 data.

## STRATEGY

The Group's strategy, defined in the 2018–2022 Strategic Plan, is based on solid corporate social responsibility and the following pillars.



The Group seeks to attract new fairs that are leaders in their reference sectors and/or have strong potential, and similarly to attract large international conventions, while, at the same time, supporting the organisers in further developing the events.

Services will be enhanced through greater penetration of stand-fitting services, the offer of Smart District services and the development of media activities as a content hub for the entire lifecycle of events. Fiera Milano intends to further extend destination management services to Italian and international exhibitors, as well as foreign buyers and visitors.

The Group will strengthen its own exhibitions, such as: Host, the international professional hospitality event, Tuttofood and Homi (lifestyle and interior design, fashion and jewellery, and outdoor), which will increase penetration in their product sectors and/or will add to the product categories covered whilst also increasing the number of international exhibitors and buyers participating.

In relation to the expansion of international business, the Group expects to develop geo-cloning of its own leading exhibitions, including through agreements with leading local partners and strengthening sales of services.



## Digital Transformation

The Fiera Milano Group launched a digital transformation strategy along four lines:

### VENUES

through Smart Districts, smart payment and digital signage digitisation projects

### PEOPLE & WORKPLACE

to revolutionise the way people work through the promotion of a digital culture and tools

### BUSINESS APPLICATION

to transform the technological architecture to support the company's business and operating processes

### DATA

for evolution in a "data-driven company"

From 2020, the Smart District project will take shape in the Rho exhibition centre, with 1,620 low-emission sensors installed in the district and the creation of an innovative/integrated platform based on new technologies (IoT, data analytics, the cloud, mobile app). The technology we uses integrates various technologies to decide the proper positioning of tools like, for example, BLE, terrestrial geo-magnetism and/or inertia systems for phones. The technology used, Bluetooth 4.0, includes a "Bluetooth Low Energy" (BLE) mode that allows for energy optimisation, in part thanks to its low emissions, being the most frequently used technology in IoT systems with high concentrations of people and in wearable devices.

### The Smart District will upgrade the experience of both visitors and exhibitors.

Interaction will be more effective thanks to specific tools ranging from digital payment to the creation of interactive routes. The event catalogue will be digital and multi-platform, unique and easily accessible on the website, app and totems, which will recognise users and guide them through their visit to the event.

## Smart District for...

### ORGANISERS

Possibility of additional services  
App and event totems  
User profiling  
Heat map

### EXHIBITORS

Digital presence on the website, totems and the app  
Claims/reports via the app  
Statistics available to view on the app and portal  
Single portal for access to services through a single user (Fiera ID)

### VISITORS

Catalogue accessible through the app, totems and website  
Digital tickets  
Interactive map with location and wayfinding  
Digital business card exchange  
Collections of photos, notes and contacts

Through an agreement signed with Samsung SDS at the end of 2019, Fiera Milano aims to accelerate the digital transformation of its exhibition sites (fieramilano and fieramilanocity) and in the MiCo conference centre, offering more quality services for visitors, exhibitors and organisers, with an approach that ensures an ever better customer experience. Samsung will provide its experience and knowledge for digital transformation processes, with its "Digital Transformation Framework" for taking advantage of technology solutions to support digital innovation in various sectors.

**During 2020, the new digital signage system will be installed at the exhibition sites and MiCo. It is an innovative system with high-resolution screens that can be adapted for a wide variety of applications, making for a unique visitor experience at fair exhibitions and events.**

The Fiera Milano Group's digital transformation strategy also provides for transforming its technological architecture, to support its business and operating processes, together with the transformation of the way people work, through the promotion of a digital culture and tools. In 2019 an app for employees was developed and released in pilot mode to some of the company's people. In 2020, it will be extended to all employees and additional features will be implemented to make it the digital interface for interaction with the company. In the 2020–2021 period, technological tools available to employees will be replaced to ensure maximum workplace mobility and flexibility.

## The contents of the Smart District APP

### INFORMATIVE



Infomobility



Disabled



Exhibitions



News



V-card



Profiling

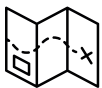


Eateries



Claim management

### LOCATION



Map and Wayfinding



Feedback and reports



Proximity marketing



Vehicle and object tracking



Compliance Wifi policy



Tracking people



Safe Area



Man Down



Groups



Personal safety devices

### PAYMENT



E-payments








Utility token



Integrated cash desk

## MATERIALITY ANALYSIS

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

Legislative Decree 254/2016	Material topic	GRI indicator	Internal perimeter	External perimeter
	Responsible use of resources	302-1 Energy consumption within the organisation	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 management of waste	306-2 Waste by type and disposal method	X***		
	Accessibility and sustainable mobility*	302-1 Energy consumption within the organisation	X***	
	Customer satisfaction	102-43 Approach to stakeholder engagement	X	
	Economic performance	201-1 Direct economic value generated and distributed	X	
	Contribution to local economic development	203-2 Significant indirect impact	X	
	Safety	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 organisation	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	
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	X	
	Employee training	404-1 Average hours of training per year per employee	X	
		404-2 Programmes for upgrading employee skills and transition assistance programmes	X	
	Development of company culture	404-3 Percentage of employees receiving regular performance and career development reviews	X	
	Diversity	405-1 Diversity of governance bodies and employees	X	
	Responsible management of the supply chain** (human rights and combating undeclared work)	102-9 Supply chain	X	
		102-10 Significant changes to the organisation and its supply chain	X	
		409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	X	
	Fighting 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 behaviour	X	
		419-1 Non-compliance with laws and regulations in the social and economic area	X	

\* Also relating to the "Social" category.





\*\* Also relating to the category "Fighting active and passive corruption".

\*\*\* Reporting does not include the offices of the Business International department and the MoMec in Rome, as these are not considered significant given the size of the Group. With particular reference to energy consumption in 302-1, gas consumption for central heating in the Rome offices is excluded as irrelevant.








## OUR COMMITMENT TO SUSTAINABILITY

Sustainable  
Development  
Goals  
(SDGs)

Material topic	Goal	2019 Actions/Results	2020–2022 goals	Sustainable Development Goals (SDGs)
Responsible use of resources Responsible management of emissions Responsible management of waste Accessibility and sustainable mobility*	Develop strategic management of environmental sustainability issues to minimise the Group's impact	Connecting fieramilanocity and MiCo to district heating Launch of the plastic-free project for MiCo and fieramilanocity Optimisation of the waste management process (operational plan) Start of work on photovoltaic system at fieramilano New Nolostand warehouse at fieramilano <i>Green procurement</i> <i>Crisis Management Plan</i>	Progressive reduction of CO <sub>2</sub> emissions and/or compensation for Scope 1 and Scope 2 emissions Scope 3 calculation Increase in the use of energy from renewable sources Reduction of disposable plastic and waste at exhibition sites and MiCo LEED certification at MiCo Certification Plan Reduction of the environmental impact of logistic processes Further promotion of sustainable mobility	 
Safety	Protect the health and safety of collaborators and all people present at the exhibition sites and MiCo	Completion of Safety Plan Launch of the digitalisation plan for work and safety management <i>Crisis Management Plan</i>	Implementation of services to improve quality and greater job security (Smart District) Investment in health and safety Strengthening the safety culture and implementation of a management system	 
Professional development of employees Employee training Development of company culture Diversity	Enhancing human capital and promoting the development of a change culture	Employment protection: new employee hires CSR awareness and development programme for Group employees ( <i>Social Responsibility Contest</i> ) "WellFair" online platform for all employees in Italy Launch of process to include CSR objectives in the performance assessment system Launch of <i>Performance Leadership Management</i> (PLM) plan Launch of <i>succession and management continuity</i> plan Launch of employer branding project Inclusion of Nolostand and Fiera Milano Media in the second-level Parent Company contract	Increase in new employee hires Strengthening worklife balance initiatives Strengthening employee involvement through the assignment of CSR objectives in the performance assessment system Extension of the PLM to the whole Group Extension of the <i>succession &amp; management continuity</i> plan Digital culture training (Digital Workplace) Gradual increase in beneficiaries of personalised training courses Conclusion of Italian subsidiaries harmonisation process for second level contracts Further initiatives on diversity and equal opportunities	



Sustainable  
Development  
Goals  
(SDGs)

Material topic	Goal	2019 Actions/Results	2020–2022 goals	
Contribution to local economic development Economic performance Customer satisfaction	Promotion of social and economic development in local areas Greater integration of CSR into the business Promotion of a quality culture, including through innovation	Local initiatives corresponding with own events Healthy Venue certification upgrade from "Silver" to "Gold" for MiCo Post-event food collection Post-show <i>debriefing</i> process for all events <i>Customer Satisfaction Survey</i> for own events	CSR content development for own events Sustainability promotion Implementation of corporate and social volunteering initiatives in the region Implementation of a claim management system to assess services sold and the quality of services provided	  
Responsible management of the supply chain** (human rights and combating undeclared work)	Continue to develop policies for combating active and passive corruption, to promote and spread an ethical, legal and anti-corruption culture	Formalisation and signing of the memorandum of understanding to prevent and combat undeclared and irregular work Extension of reputational assessment and qualification process to suppliers of foreign subsidiary CIPA	Implementation of the protocol and continuous commitment to combating the phenomenon of undeclared and irregular third-party work, and training on the subject Further improvement of supplier monitoring	
Fighting active and passive corruption Business ethics	Continuous improvement in anti-corruption and implementation of other compliance programmes	Updating of anti-corruption guidelines abroad Integrity Due Diligence for foreign suppliers Training for the Board of Directors on the 231 Model	Training for employees of foreign companies on anti-corruption guidelines Definition and implementation of further processes such as anti-corruption safeguards	

\* Also relating to the "Social" category

\*\* Also relating to the category "Fighting active and passive corruption"

## Sustainable investment

To strengthen Fiera Milano's CSR policy and at the same time allocate a portion of the profit liquidity available in the medium term, in December 2019, the Fiera Milano Board of Directors decided to allocate Euro 5 million to socially responsible investment; that is, to those particular mutual funds that select their own securities portfolio based on ESG parameters and direct issuers with more sustainable and responsible practices. Specifically, it chose Etica SGR to make the investment with, by allocating the aforementioned amount to two "Balanced" category funds.

## THE INTEGRATED RISK MANAGEMENT MODEL

Fiera Milano uses 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 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 assessment of potential negative impact on desired performance and the probability of the risks identified materialising;
- definition and implementation of risk response measures that are consistent with the propensity for 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 used by the Internal Audit function as information for the preparation of specific risk-based audit plans.

In view of the significance of ERM for the Group, the company has a Risk Management function, which is responsible for guaranteeing the planning, design and implementation of a global process of corporate risk management. The process of systematic identification, assessment, management and reporting of Fiera Milano Group's corporate risks is regulated within a specific procedure. This procedure also allows it to respond to the requirements of corporate governance regarding aspects of Risk Management applicable to listed companies.

The risk management methods, called risk response strategies, vary according to the type of risks identified and to their exposure, and are basically attributable to the following four types:

- **avoidance:** the identified risk is avoided;
- **mitigation:** the identified risk is accepted within a specific maximum loss tolerance, then actions are taken to reduce the likelihood or impact of the risk, or both
- **transferring/sharing:** the identified risk is transferred and/or shared, i.e. the likelihood and/or the impact is reduced by transferring or sharing a part of the risk (for example by signing an insurance policy for a specific risk or by using outsourcing activities or joint venture projects);
- **acceptance:** the identified risk is fully accepted, a deliberate decision is made not to take action that could affect the likelihood and/or impact of the risk; this response is normally used when both the likelihood and the impact are considered to be very low.

During 2019, the Enterprise Risk Management process was updated to fully integrated risks with potential environmental, social, reputational and health and safety impact (so-called ESG risks).





For further information, regarding risks and risk management methods please refer to the paragraph "Principal risk factors relating to sustainability".





## FIERA MILANO GROUP STAKEHOLDERS AND THEIR 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	Stakeholder expectations
<b>PEOPLE</b> 	<p>Meetings with Group workforce to share results of and updates on development plans (at least 4 per year)</p> <p>Contact with and involvement of employees through regular individual meetings</p> <p>Technical training and training events on newly issued/ updated procedures</p> <p>Corporate intranet, mailing, surveys on specific topics</p> <p>Inter-functional and inter-managerial committees</p> <p>Corporate welfare plan</p> <p>Relations with trade union representatives for the renewal of the Supplementary Contract</p> <p>Health and safety activities</p> <p>Initiatives to promote a sustainability culture (Social Responsibility Contest)</p> <p>Employer branding initiatives</p>	<p>Information about the Group's economic and financial strategies and results</p> <p>Clarity of objectives and of assessment system</p> <p>Training and professional development</p> <p>Projects to improve employees' well-being, health and safety</p> <p>Equal opportunities</p> <p>Focus on the environment</p> <p>Solidarity initiatives</p> <p>Creation of a more active community among Group companies</p>
<b>SUPPLIERS AND COMMERCIAL PARTNERS</b> 	<p>Regular contacts</p> <p>Supplier portal (register)</p> <p>Market surveys</p> <p>Freephone number and technical support e-mail for supplier accreditation</p> <p>Supplier quality audit</p>	<p>Continuity of supply</p> <p>Compliance with contractual conditions</p> <p>Visibility and business development (new partnerships)</p>
<b>ORGANISERS</b> 	<p>Daily dialogue</p> <p>Customer satisfaction surveys following each event</p> <p>Specific meetings for sharing the Smart District project and other Group initiatives</p>	<p>Improvement and development of services</p> <p>Promotion of win-win initiatives</p> <p>Information about the Group's strategies</p> <p>Involvement in sharing sustainability projects or achieving ISO 20121 certification</p>
<b>EXHIBITORS</b> 	<p>Direct contacts</p> <p>E-Service platform</p> <p>MyMatching (interface for organising meetings with Buyers)</p> <p>Call centre</p> <p>Corporate website</p> <p>Newsletter</p> <p>Social media networks</p> <p>Customer satisfaction questionnaires following each own event</p>	<p>Improvement and development of own exhibitions</p> <p>Expansion of the range and quality of services offered</p> <p>Conventions during exhibitions</p> <p>Development of new product areas for own exhibitions</p> <p>Development of new sales and export channels (e.g. e-commerce)</p>

Stakeholder	Communication channels, contact and engagement	Stakeholder expectations
<b>VISITORS</b> 	Corporate website App MyMatching Call centre Fieraccessibile Social media networks Fiera Milano Infomobility service	Improvement and development of services offered Product variety and business opportunities Site safety Static and real-time information on how to get to the fieramilano and fieramilanocity districts
<b>LOCAL ADMINISTRATIVE BODIES</b> 	Direct contacts Committees Working groups Corporate website Newsletter Social media networks	Implementation of projects and events in the region in conjunction with own exhibitions Integrated mobility solutions Protection of the local area and security Shared initiatives on preventing and combating undeclared work Plans and procedures to manage and control the flows of clients and suppliers Management of access and road networks for the fieramilano and fieramilanocity districts and related parking areas
<b>SHAREHOLDERS</b> 	Shareholders' Meeting Roadshow Daily dialogue One-to-one meetings and events held at the company's headquarters Corporate website Post-results conference calls	Understanding the business model and the final and expected economic and financial results Value creation Prompt dissemination of exhaustive information Dialogue
<b>FONDAZIONE FIERA MILANO</b> 	Periodical meetings on the investment plan to support the exhibition sites and MiCo Research and analysis on the exhibition market Format Exhibionist (series of edutainment meetings on digital contamination in the exhibition sector) Training for managers and professionals working in the exhibition sector by Accademia Fiera Milano	Development and optimisation of managed exhibition sites Growth and internationalisation tool for exhibiting companies Promoting socio-economic improvement in the region
<b>LOCAL BUSINESSES</b> 	Collaboration on a daily basis Organisation of committees and round tables Corporate website	Partnerships Allied
<b>TRADE FAIR ASSOCIATIONS</b> 	Round tables on Innovation, HR, Waste Management Regular meetings and conventions UFI UN SDG Reporting: initiative to collect activities and projects that demonstrate the contribution of trade fair system operators to goals set by the UN UFI Award (Digital Innovation, HR, Management, Industry Partners, Marketing, Operations & Services, Sustainable Development)	Active participation by trade fair system operators Promotion and comparison on industry best practice

Depending on the specific nature of each single business, the companies of the Fiera Milano Group are members of various Italian and international trade associations. In 2019, the parent company was a member of the following associations, among others:

In 2019, the parent company was a member of the following associations, among others:



Fiera Milano Media was a member of:



Fiera Milano Congressi is registered with:



Nolostand is a member of:







## Membership of the CEO's Call to Action

On 30 November 2019, the CEO of Fiera Milano signed the Call to Action, promoted by the Sodalitas Foundation, together with 77 other Italian CEOs. The CEO's Call to Action is an appeal by the leaders of the companies most committed to sustainability, to EU institutions, the business world and civil society, to face the new climate and social challenges together.

The Call to Action was launched by CSR Europe in May 2019, in the presence of the Vice President of the European Commission Frans Timmermans. Over 370 leaders across the EU have agreed to this appeal, affirming their commitment to the transition to a sustainable business model.



## Preparation of the report

Fiera Milano Group's 2019 Sustainability Report, Consolidated Disclosure of Non-Financial Information (hereinafter also "NFI") pursuant to Italian Legislative Decree No. 254 of 30 December 2016, as subsequently amended (hereinafter also "Decree" or "Legislative Decree 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.

The Report was prepared in accordance with the procedure for drafting disclosures of non-financial information, which formalises the process for collecting and approving the non-financial information being reported.

As required by Legislative Decree 254/2016, the Fiera Milano Group has identified the material topics that, within the scope of the 2017 Consolidated Disclosure of Non-Financial Information, are necessary to ensure full understanding of its business activities, trends and results, and the environmental impact of those activities. In 2018, the issues of significance for the Fiera Milano Group were updated as a result of the 2018–2022 Strategic Plan, through interviews with top management including the Chief Executive Officer. The material issues were then shared and validated by the Chief Executive Officer. The same material issues were confirmed during the drafting of the 2019 NFI.

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

### Criteria used to exempt the company from the report

Company	Revenues as percentage of Group 2019	Environmental category	Social category	Anti-corruption category	Personnel management category	Human rights category
Fiera Milano Exhibitions Africa Pty Ltd	0.3%	Size of the company; business purely organisational (no venues managed)		No exclusion. These topics are reported in this document		Size of the company; event (no exhibition areas managed) and consequently limited amount of outsourced services
CIPA Fiera Milano Publicações e Eventos Ltda	1.3%	Size of the company; business purely organisational (no venues managed)		No exclusion. These topics are reported in this document		Size of the company; business purely organisational (no exhibition areas managed) and consequently limited outsourcing of services
Fiera Milano Russia	0%	The company is not operationally active and is under liquidation				
Fiera Milano India	0%	The company is not operationally active and is under liquidation				

<sup>2</sup> See art. 5, paragraph 1, of Legislative Decree No. 254 of 30 December 2016, as amended.

Compared to the 2018 Report, the company MiCodmc, 51% owned, was excluded from the reporting period, since, following the change of governance agreements with the AIM Group International S.p.A. partner, the company was consolidated using the net equity method in 2019.

This disclosure does not report the data relating to the subsidiary Made Eventi, the controlling stake in which was acquired on 5 December 2019.

It should be noted that the Stresa conference centre, previously managed by Fiera Milano Congressi and already excluded from the scope of consolidation on the environmental theme in 2018, is no longer included among managed centres, as it was released during 2019.

With reference to the topics explicitly indicated in Legislative Decree 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 by others. This topic is therefore subjected to a purely qualitative risk assessment. 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, in part given the satisfactory functioning of practices that have been consolidated over a prolonged period and the high degree of centralised control.

The 2019 Sustainability Report, Consolidated Disclosure of Non-Financial Information pursuant to Legislative Decree 254/2016, as amended, 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 relate to activities carried out by Fiera Milano Group between January and December 2019 unless otherwise indicated. Where possible, a comparison of the quantitative information is shown for the period under review with data for the two years 2017 and 2018.

The present 2019 Sustainability Report, Consolidated Disclosure of Non-Financial Information pursuant to Legislative Decree 254/2016, as amended, of Fiera Milano Group was approved by the Board of Directors of Fiera Milano on 10 March 2020 and published on the website [www.fieramilano.it](http://www.fieramilano.it).







## NOTES ON INDICATORS

With regard to the chapter on environmental management, the consumption data is attributable to the exhibition and congress sites, the Nolostand warehouses, and the administrative offices at the fieramilano, fieramilanocity and MiCo sites. Generation of waste, water consumption and consumption of gas for heating are not reported for the Rome locations, as these are not considered significant in relation to the size of the Group.

With reference to fuels, the figures for diesel, petrol (gasoline) and methane gas consumption refer to vehicles used by Group employees. Natural gas consumption refers mainly to heating.

With specific reference to the paragraph on mobility, the data on visitors' cars is provided by partner public transport and parking companies. Data on cars and vehicles of exhibitors, suppliers, fitters and employees comes from the "LogisticainFiera" platform used for the accreditation of people and vehicles and for access management. These figures have been rounded and do not include events and congresses organised by the Fiera Milano Congressi subsidiary.

Energy costs per square metre for the site were calculated on the basis of the ratio between the energy costs of the exhibition and the respective net square metres occupied.

Energy costs for the event were calculated on the basis of the reports pertaining to the consumption of electricity and district heating recorded throughout the event (setting up, running and dismantling of the event) assigned to the relevant pavilions, central area buildings and heating plants.

The national standard parameter table produced by the Italian Ministry for Environment and DEFRA's database for the relevant years was used as a source for the conversion factors for calculating transport diesel and natural gas energy consumption.

The emission factors in the national standard parameter tables produced by the Ministry for Environment for the relevant years were used to calculate emissions of CO<sub>2</sub> equivalent deriving from district heating, consumption of natural gas (for heating and transport) and transport diesel. The latest versions of the coefficients of conversion provided by Terna for the location-based approach and by AIB for the market-based calculation were used for the calculation of emissions of CO<sub>2</sub> equivalent deriving from the consumption of electrical energy.

The savings achieved by replacing traditional lighting fixtures with LED technology fixtures in the pavilions of the site were calculated using a specific algorithm integrated into the remote-control lighting system, which analyses the actual hours of operation and shows the difference in consumption when using old and new lighting fixtures.

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 scheduled to be worked for the same period multiplied by 1,000.

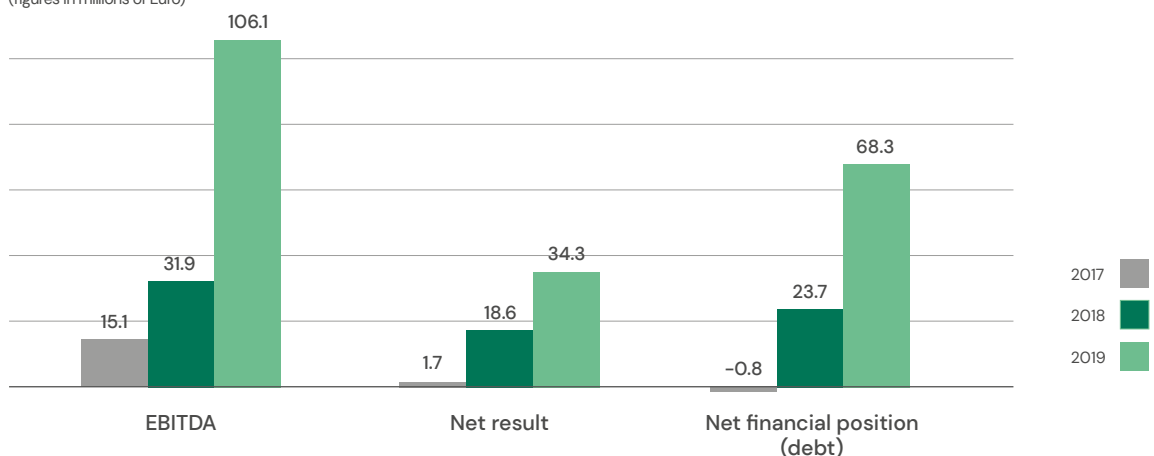
The number of working days lost represents the calendar days lost because of injury beginning from the date of the injury.

# Business and economic performance

## RESULTS

### Main highlights

(figures in millions of Euro)



The economic values for 2019 take into account the effects of the new IFRS 16 accounting standard on accounting for leases, mainly relating to leases for exhibition sites and the conference centre. The effect of the above accounting standard on EBITDA and net result is, respectively, an increase of Euro 47.7 million and a decrease of Euro 4.6 million. The application of the accounting standard did not involve the restatement of the previous compared periods (modified retrospective approach). The value relating to the net financial position is shown before the effects of IFRS 16.

2019 closed with a net profit that was a record in Fiera Milano's history. The achieved results were well above the target in the 2018–2022 Strategic Plan of May 2018, thanks to a general positive trend in the exhibition and congress business and to the achievement of further management efficiencies for activities already started in the previous year.

The Group was committed to the development activities defined in the 2018–2022 Strategic Plan. Specifically, in relation to the strengthening of the own events portfolio, the company acquired the majority shareholding in the MADE Eventi S.r.l. company, organiser of MADE Expo, the biennial international architecture and construction exhibition dedicated to designers, companies, buyers and specialised operators. MADE Expo's reference sector has synergies with the Sicurezza event, which also includes solutions for building automation, as well as with FISP, the international event for safety and protection, organised by the Fiera Milano Group in São Paulo, Brazil. In 2019, the company also acquired the Cartoomics exhibition brand, and 62.5% of the Milan Games Week exhibition brand in the area of comics, gaming and entertainment.

With the aim of developing the services it offers, Fiera Milano signed a commercial partnership agreement with Allestimenti Benfenati, a company boasting many years of experience in the world of customised fittings and installations. The agreement will allow their respective commercial expansion capabilities to be developed in the exhibition area, including for events that take place outside the exhibition perimeter.

In relation to the development of activities abroad, in October 2019, the first edition of E-Pack Tech was held in Shanghai, dedicated to packaging technologies and solutions designed for the e-commerce market.

In 2019, the financial market recognised a 65% appreciation in Fiera Milano stock, compared to the performance of the FTSE Italia All-Share and FTSE Italia STAR indices, respectively equal to 27% and 28%.

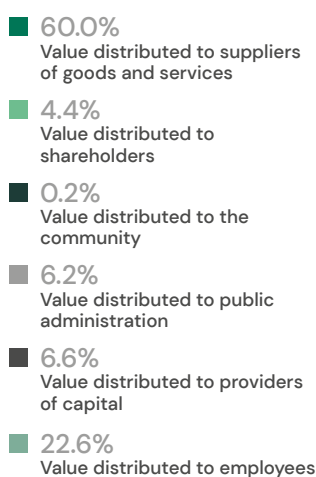
**Table 1 – Breakdown of economic value generated and distributed by the Group\***

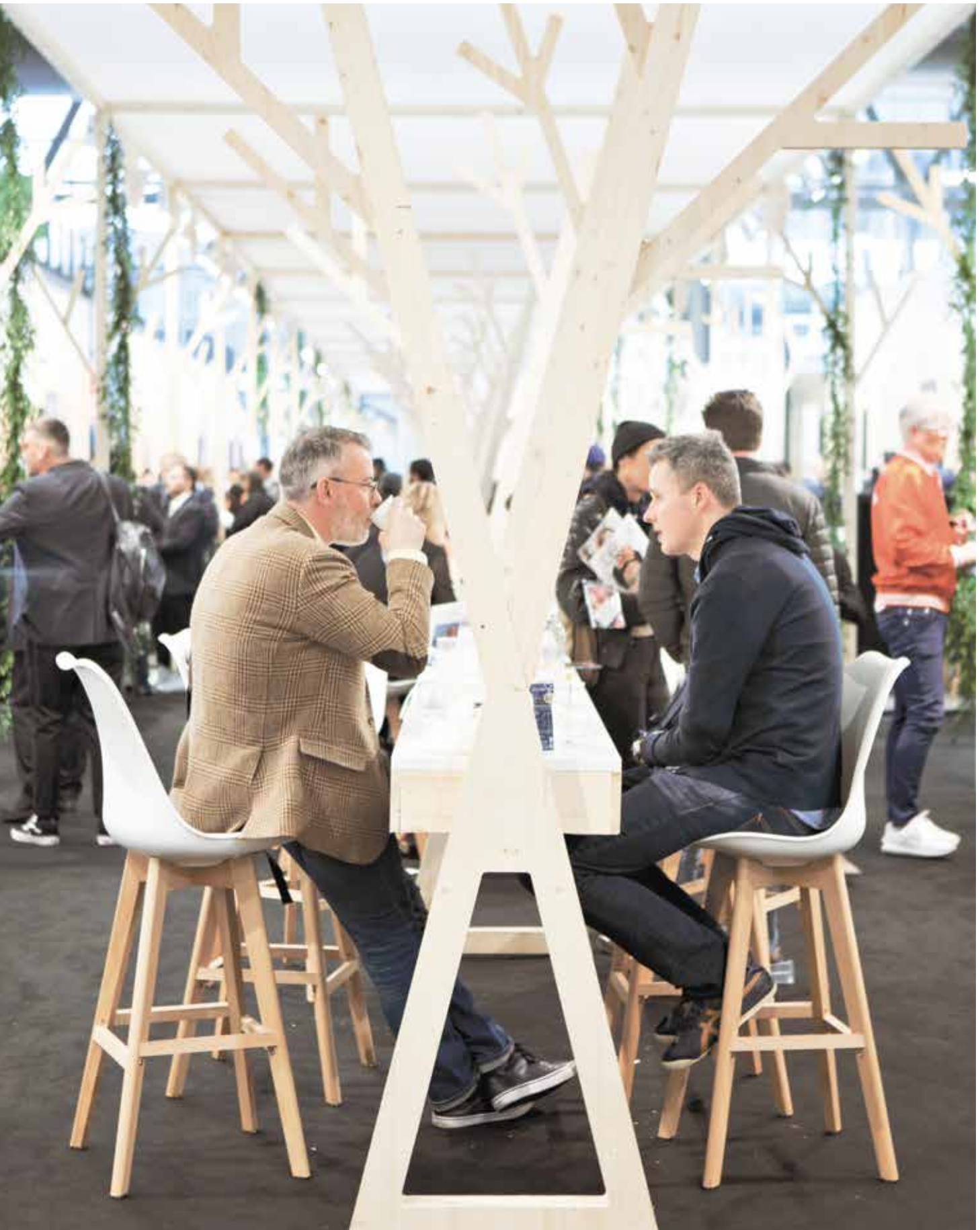
(thousands of Euro)	2019	2018	2017
<b>Economic value generated (A)</b>	<b>286,403</b>	<b>255,475</b>	<b>278,018</b>
<b>Economic value distributed (B)</b>	<b>209,486</b>	<b>230,949</b>	<b>258,481</b>
Value distributed to suppliers of goods and services	125,643	168,269	191,498
Value distributed to employees	47,432	47,037	48,860
Value distributed to providers of capital	13,844	402	1,203
Value distributed to public administration	12,878	5,586	4,601
Value distributed to shareholders**	9,227	9,227	-
Value distributed to the community	462	428	12,319
<b>Economic value retained (A-B)</b>	<b>76,917</b>	<b>33,395</b>	<b>19,537</b>

\* In line with the Consolidated Financial Statements of Fiera Milano Group at 31 December 2019, 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 2018 figures include the results of the new IFRS 15 principle, in effect from 1 January 2018. The amounts relating to 2017, which reflect the aforementioned accounting principle, provided for comparison purposes, are the following: Economic value generated Euro 263,039,000, economic value distributed Euro 243,502,000, Value distributed to suppliers of goods and services Euro 176,519,000. Furthermore, in 2018, the item Promotional costs is indicated in the Value distributed to suppliers of goods and services instead of Value distributed to the community.

\*\* The amount for 2019 is estimated on the basis of the proposed dividend.







## GROUP ACTIVITIES

Average for the three-year period 2017–2019 in Italy:

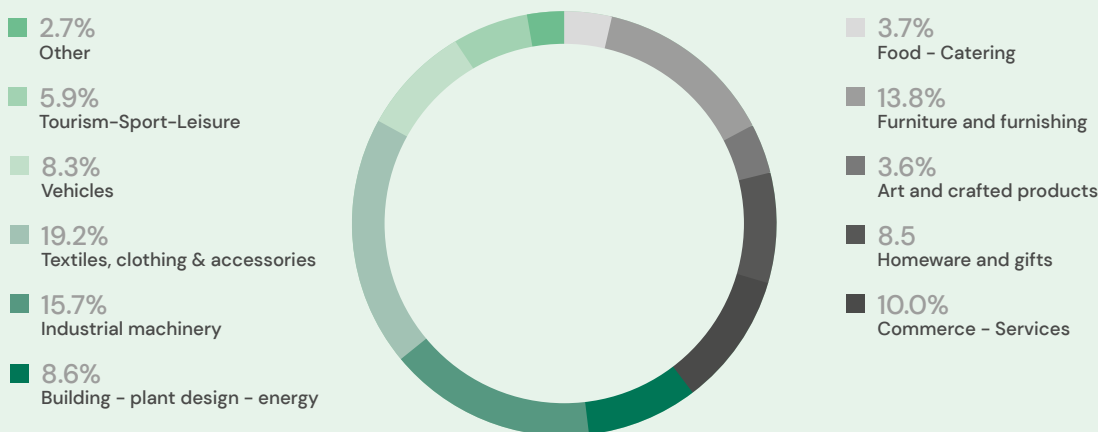
**53**

exhibitions per year

**82%**

of B2B exhibitions in terms of  
square metres occupied

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)

## Focus exhibitions in Italy 2019

**52**

exhibitions  
in Italy

**1,462,365**

net square metres of  
exhibition space

**24,240**

exhibitors

of which organised by the Group

**15**

exhibitions  
in Italy

**430,370**

net square metres  
of exhibition space

**7,305**

exhibitors

EXHIBITIONS IN ITALY	2019	2018	2017
Net square metres of exhibition space	1,462,365	1,442,890	1,465,160
Exhibitors	24,240	24,150	24,865
of which from Italy	65%	66%	67%
of which from abroad	35%	34%	33%
Visitors*	3,573,159	4,048,628	3,919,711

\* Prepared by Fondazione Fiera Milano's Research and Development service based on ISFCERT, CFI online data and exhibition press releases. The figure includes the number of visitors to the B2C Artigiano event in Fiera equal to 1,000,000 in 2019 and 1,670,000 in 2018 and 2017.

In 2019, the exhibition calendar included big biennial events organised by Fiera, such as Host and Tuttofood, as in 2017, but not the big triennial event The Innovation Alliance, which was last held in 2018. Overall, events recorded a net exhibition area and a number of exhibitors substantially in line with that of previous years.

The proportion of foreign exhibitors was higher than in the previous two years. Specifically, in the three-year period under review, the increase in international exhibitors is highlighted for the following events: Eicma Moto, Host and Milano Unica.

### Exhibitions organised abroad

	2019	2018	2017
Net square metres of exhibition space	23,160	49,290	21,445
Exhibitors	840	1,065	670
Visitors	152,000	173,294	135,039

Note: Following the change in the scope of the 2018 NFI, the 2019 and 2018 data also refers to events that took place in Brazil and South Africa; 2017 data refers exclusively to events that took place in Brazil.

The 2019 exhibition calendar in Brazil was affected by the absence of the biennial events Fisp and Fesqua; the 2019 edition of the annual Exposec included a new "Parking Lab" sector on innovative mobility and parking solutions, and saw an increase in visitor numbers compared to the 2018 edition. The other biennial events that took place in Brazil and the South African art fair event in Cape Town saw similar numbers to previous editions.

### Table 2 – Congresses

Location	2019		2018		2017	
	No. events	Participants	No. events	Participants	No. events	Participants
Milano Congressi (MiCo)	110	278,830	108	245,545	102	315,312
Stella Polare, Rho	21	10,340	16	18,970	9	15,890
Stresa Convention Centre*	-	-	12	5,941	12	7,150
MoMec	40	1,373	33	790	42	1,160
<b>Total</b>	<b>171</b>	<b>290,543</b>	<b>169</b>	<b>271,246</b>	<b>165</b>	<b>339,512</b>

\* The convention centre is no longer run by Fiera Milano Congressi, having been handed over in 2019.



2019 was a year that benefited from two large international association events, the World Congress of Dermatology (WCD) and the Lions Club International Convention. Other important international events took place later in the same year, such as Workday Rising and the ESTRO Forum. Numerous Italian corporate events also took place, particularly in the ICT, financial and insurance sectors. At an international level, there was considerable interest in Milan and its Centro Congressi on the part of prestigious customers like AWS (Amazon), Microsoft, Red Hat, Google and SAS.

**Table 3 – Production at Fiera Milano Media in brief**

	2019	2018	2017
Periodicals	9	10	10
Copies	560,000	570,000	580,000
Publishing portals	12	12	10
Training events	98	127	114
Annual conventions*	17	19	24
Participants	4,900	5,800	5,800

\* Including exhibitions incorporating conventions

In 2019, the role of Fiera Milano Media as a service company, with a particular focus on digital services, was consolidated. Through this role, it updates corporate communication (assisting institutional affairs) and communication for exhibitions, in particular its own, for which it oversees every aspect of content production and dissemination. The Digital Signage path designed with the Korean company Samsung Sds was particularly significant. This system will bring a complete quality revolution in 2020 and therefore have a huge impact on site advertising sales. In addition to a substantially stable performance in publishing, Business International introduced new training activity offers, essentially structured as larger and less fragmented events.

# Contributing to the development of economy

## SME TOOL

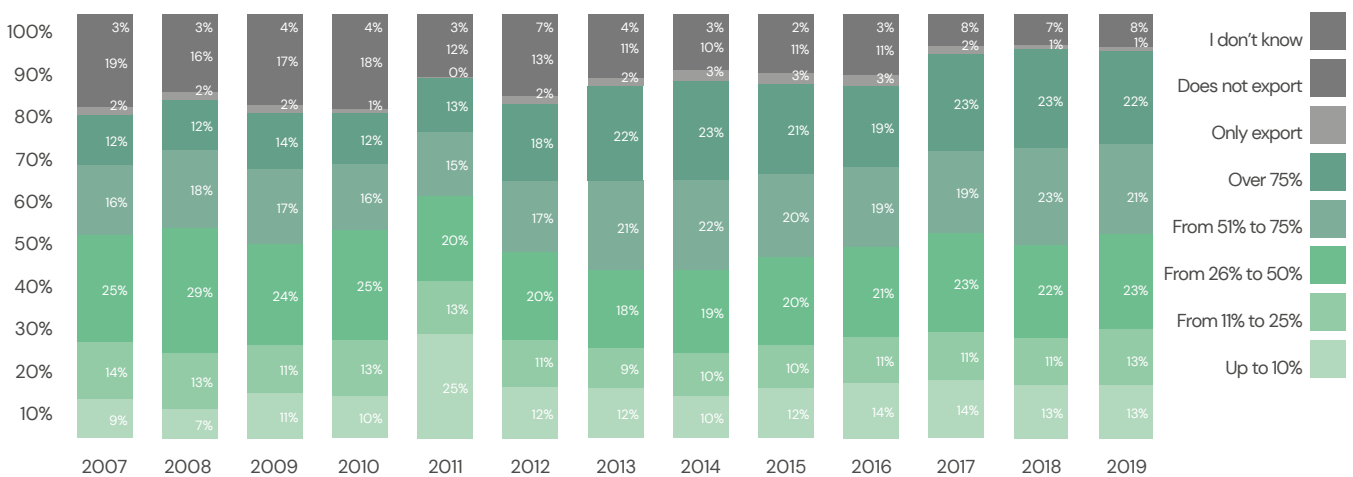
Supporting the business of companies in Italy and abroad is one of the main features of the Fiera Milano Group's mission and one that feeds its own business.

Since 2002, the Fondazione Fiera Milano's Research and Development Service has carried out an annual survey on the structure, strategy and opinions of Italian companies exhibiting at Fiera Milano sites. The survey involves 3,000 interviews each year with exhibitors at the leading events 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; 84% of the exhibitors interviewed in 2019 said that they launch new processes and products on the market every year. The research also reveals that over 50% of the Italian exhibitors interviewed said that their companies had introduced new products after taking part in an event at Fiera Milano's exhibition sites. These companies not only made new contracts through Fiera Milano, but also found inspiration, improvement possibilities and new solutions. The value capacity to spread corporate culture and innovation is another reason given by exhibitors for their participation at exhibitions.

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

Table 4 – Export share of revenues of exhibitors (2007–2019)

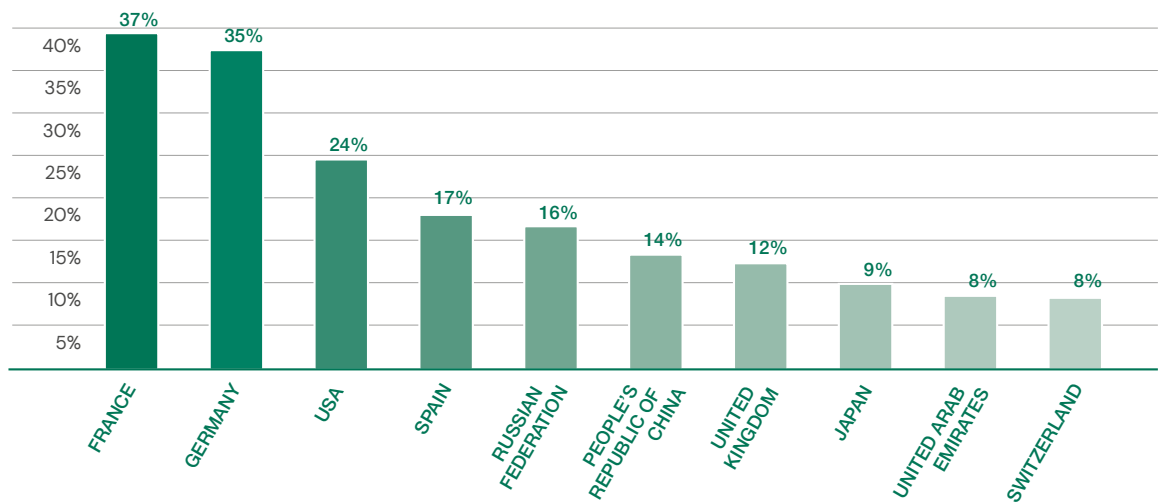


Source: Research and Development Service, Fondazione Fiera Milano

The proportion of companies that generate more than 50% of their revenues from exports remains high and at 2018 levels: in 2019 the figure stabilised at 44% compared to 30% in the pre-crisis year of reference (2007). At the national level, the proportion of manufacturing companies that export to foreign markets is about 25% on average, while the proportion of exporters amongst companies exhibiting with Fiera Milano is 92%.

In 2019, the average number of countries with which the Italian exhibitors had commercial relationships increased to 4.5 (from 3 in 2018), while the destination countries remained almost unchanged. The list of top export destination countries in 2019, saw the entry of the United Arab Emirates into the ranking, in ninth place with 8%. The top two destinations changed place: France took first place with 37% and Germany second with 35%. The USA, Spain and Russia followed, securing their places as reliable foreign trading partners, with 24%, 17% and 16% respectively of exhibitors saying they exported to these countries. China is also among the top ten export countries and constantly growing, with 14%. The United Kingdom fell to 12% and Japan to 9%.

Table 5 – Export destinations by country



Source: Research and Development Service, Fondazione Fiera Milano

Finally the survey revealed the presence of recently established companies amongst the exhibitors participating in events at Fiera Milano's exhibition sites. In 2019, companies established during the previous 60 months accounted for 9% of the respondents.



### SACE SIMEST Agreement

On 18 July 2019, SACE SIMEST, the CDP (Cassa Depositi e Prestiti) Group's export and internationalisation hub, signed an agreement with Fiera Milano for cooperation in the development of new exhibition initiatives. Specifically, SACE SIMEST will support participation in exhibitions in Italy and abroad with specific products, such as subsidised loans or financial guarantees, and through the presence of local offices in Fiera Milano's target markets.

## Relations with the local area

### INITIATIVES IN THE LOCAL AREA FOR OWN EXHIBITIONS

The fair is a great attraction and an extraordinary engine of development for the economy of the local area. The relationship between the fair district and the surrounding city operates is truly essential and unique.

Dialogue established with many local businesses over the years has led to big opportunities for growth and sustainable development being seized. The fair and the city work together in a close, reciprocal relationship. The local area is being reborn through new businesses and the Fair, with a welcoming and rich in services, increases its competitiveness for those who come here from all over the world. All this is thanks to the accessibility and openness of the fair, its willingness to go out of its own gates and become an engine for development in the area that hosts it.

In 2019 Fiera Milano ran a series of special projects, linked to its own events, all with the goal of supporting and supplementing events in the city through specific initiatives.

HOMI used its new format to increase the space given over to professional training. In September, at HOMI Outdoor Home & Dehors, in collaboration with an industry journal, refresher courses were held that were worth training credits for architects. This collaboration is still ongoing and was repeated in January 2020. Fiera Milano was one of the promoters of the last two editions of the Design Competition, hosting the projects and prototypes of dozens of young creatives at HOMI and promoting them to designers.

Miart, thanks to its strong relationship with the most important public and private bodies in Milan, coordinated – under the direction of the municipal government – a jam-packed art week with openings, events and special projects. Milano Art Week was an entire seven days dedicated to modern and contemporary art and involved the most exciting private galleries and non-profit exhibition spaces in the city. In 2019 Miart hosted a stand by the IEO Foundation (European Institute of Oncology) for a fund-raising initiative. This initiative involved the photographer Giovanni Gastel taking shots of celebrities and ordinary people during the event and giving them out for donations.

May saw the third edition of Milano Food City, the biggest event dedicated to food and food culture, the shared brainchild and hard work of Fiera Milano, Milan municipal council, the chamber of commerce of Milan, Monza Brianza and Lodi, Coldiretti Lombardia, Confcommercio Milano Lodi Monza e Brianza, Fondazione Giangiacomo Feltrinelli, Fondazione Umberto Veronesi and Assolombarda. The 2019 edition took its cue from the creative and innovative genius of Leonardo da Vinci. Its more than 600 events got all of Milan talking about proper, healthy eating. Over 200,000 people attended events all around the city, like food tastings, talks, debates, workshops, sports trials, cooking competitions and much more besides. Milano Food City also launched the initiative "Più giochiamo più doniamo" ("The more we play, the more we donate"), a campaign to educate people on food waste. For every sport they tried at the Arena Civica, children were given a token which could then be donated to provide food for the charities Banco Alimentare, Pane Quotidiano and Caritas Ambrosiana.

At the end of the Tuttofood event in May 2019, volunteers from Banco Alimentare, Caritas Ambrosiana and Pane Quotidiano collected leftover food from its pavilions. Thanks in part to talking with the organisers, who showed enthusiasm for the initiative, they managed to gather 3,700 kg of food in all (pasta, sweet pastries, fish, sauces and tins), which they divided into fresh and frozen.



The Transpotec&Logitec event took place in February 2019 and made its mark on the culture of the sector, with more than 70 smaller events over four days in collaboration with publishers and associations. The themes of these events were transport, getting around sustainably and drivers' health. Young people were educated on the realities of a market in which more than 15,000 workers have died. The wider event also hosted two awards: "Le stelle del trasporto" ("Transport stars"), organised by the magazine *TuttoTrasporti*, and the "Premio Fabio Montanaro" ("Fabio Montanaro prize"), by the magazine *Trasportare Oggi in Europa*, both of which reward excellence in the sector. The event's outdoor areas hosted "Emozioni al Buio" ("Emotions in the dark"), put on by Dark. This exciting and unusual experience showed visitors the importance of using their senses to the utmost in every situation. Inside a trailer there was tasting "in the dark", a chance for visitors to push their limits, learn to trust and really value their own senses. The funds raised by this event were given to charities for victims of road accidents.

HostMilano has always had a keen eye on anything to do with training and the future. In 2019 it put forward a range of projects in collaboration with newspapers, stakeholders and trade associations. The biggest of these, the only one of its kind, was the SMART Label Host Innovation award, organised with POLI.Design, a consortium from Milan Polytechnic, and sponsored by Associazione Italiana per il Disegno Industriale (ADI). The contest rewarded innovation and "intelligent solutions" in the products, services and projects put forward by exhibiting companies, based on certain key elements: efficient functions in products or services, effectiveness of products or usability of services, innovation in methods of using technology and advantages for the user. The categories were: SMART Label, for products defined by high innovative content; Innovation SMART Label, for products that build on existing trends; and Green SMART Label, for products with distinct environmentally sustainable features. At the event, 800 smaller events were organised with trade associations and stakeholders, providing a real training opportunity for operators and exhibitors in the on-trade sector, highlighting the advantages of technological innovation combined with professionals' expertise in anticipating trends in hospitality in the 21st century.

Sicurezza and Smart Building Expo set up more than 100 professional meetings and events to improve the culture of the sector and had more than 4,000 people attend over three days. Many events by top publishers and associations gave training credits to a range of workers (industrial experts, engineers, installers, safety monitors) from different companies. Among the main topics looked at were the value of human resources and the importance of continuous training. Within the event a Cyber Arena was set up by Business International (Fiera Milano's media division) to train and inform people on IT risks. There were three days of in-depth talks and round tables, attended by experts on cyber security, leading in Italy and the world. Sicurezza also hosted two awards: "L'installatore certificato" ("Certified installer"), organised by the magazine *Essecome*, and the "Premio H D'oro" ("Golden H prize"), by Fondazione Enzo Hruby. Both rewarded professional excellence, that is to say skill and ability in making custom installations for different settings.



## SOCIAL WORK

Fiera Milano has always thought a commitment to social issues to be essential. The company has for a long time run charitable initiatives with the progress and well-being of people in Milan, and society in general, at their heart.

In 2019 Fiera Milano employees collected plastic bottle caps and corks to help Fondazione Malattie del Sangue, which does biological and genetic research in the field of haematology in the Niguarda Hospital.

On 21 November 2019, the fieramilano district played host to a day of blood donation, in collaboration with Avis Milano.

Fiera Milano Congressi was official sponsor of the race Stramilano in 2019, to get more visibility in city affairs. If it is to respect the recommendations of the World Obesity Federation and live up to its healthy venue certification, the event must commit to promoting healthy practices for the well-being not only of its visitors but also its employees and the local community in general. Eight employees took part in the race. On 8 June 2019, three employees from Fiera Milano Congressi took part in the Lierac Beauty Run.

In January and December 2019, the Group granted the Italian Cancer League a free space at Fiera Milano Congressi for an event dedicated to its volunteers.

In December 2019, MiCo opened an urban apiary to let a species under threat of extinction flourish, benefit the surrounding environment (especially the green space in CityLife) and defend and spread biodiversity. Bees are a canary in the coalmine when it comes to air quality. And living here, they produce about 40 kg of honey a year for MiCo, which it gives away to its customers. The apiary can also be visited by people, including schoolchildren, as long as they are with trained guides and wear the appropriate protection.

Between 28 November 2019 and 18 January 2020, the Group gave 5,000 gross square metres of exhibition space at fieramilano over to Banco Alimentare, so it could temporarily store food donated by people before giving it away.

On International Disability Day in December 2019, the Fiera Milano Auditorium in Rho hosted a charitable social event.

At the end of 2019 Fiera Milano helped refurbish the play area in Parco Pomé in the centre of Rho, including a kiosk and café run by the cooperative Arca di Noè. This is a place for people from the city to socialise, especially families. In 2019, the Pomé kiosk was used as a centre for educational, cultural and training events, most of them run in collaboration with important schools, associations, social services and cooperatives in the local area.

In 2019 we contacted the Milan prison authorities about a project to get prisoners working on activities run by our Security department. This project is in the planning phase and set to begin in 2020.

In 2020 a contest was launched to get young writers creating works of art using traffic barriers in the fieramilano district, to protect pedestrians.



# Governance and ethics in business

Fiera Milano's company governance system manages and coordinates Italian companies covered in the non-financial declaration and is based on a traditional management and control model, with a Board of Directors and a Board of Statutory Auditors.

The Board of Directors plays a key role in company organisation. It is responsible for strategic and organisational guide lines, as well as ensuring the internal control and risk management system works and is monitored. The Board of Directors has the broadest powers of ordinary and extraordinary administration over the company. Specifically, it may take any action it deems necessary or useful to reach social goals, with the sole exception of those reserved in law for the Shareholders' Meeting.

The company's governance system conforms to the law and applicable existing regulations. It is also in line with the Corporate Governance Code for companies listed by Borsa Italiana S.p.A. (hereafter the "Corporate Governance Code").

The mandate of the Board of Directors, currently ongoing, was conferred by the Shareholders' Meeting of 21 April 2017 and will end with the one held on 31 December 2019 to approve the financial statements. In light of the appointment of the new Board of Directors by the Shareholders' Meeting scheduled for 20 April 2020, pursuant to the Corporate Governance Code, the current Board of Directors published, in February 2020, a document laying out the directions for shareholders when it comes to managers and professionals whose attendance at Board meetings is felt to be beneficial.

The Board of Directors includes a higher number of independent members than required by existing law and legislation and the company's By-laws.

The company's By-laws contain specific diversity policies governing the composition of administrative, management and control bodies. Specifically, the Board of Directors must display the gender balance dictated by law, as the process of self-assessment in 2019 showed it did. The Board must also be diverse in terms of skills, experience, age and nationality.

The Board of Directors of Fiera Milano is made up of nine people, four of them women and five men, as shown in the table below. For further information, see the Corporate Governance and Ownership Report for 2019, paragraph 4.2, "Composition (pursuant to art. 123-bis, paragraph 2, letters d) and d-bis) of the Consolidated Law on Finance)".

**Table 6 – Composition of the Board of Directors of Fiera Milano**

Gender	Age group	2019	2018	2017
Men	30 to 50 years	1	1	2
	Over 50 years	4	4	3
<b>Total men</b>		<b>5</b>	<b>5</b>	<b>5</b>
Women	30 to 50 years	0	0	0
	Over 50 years	4	4	4
<b>Total women</b>		<b>4</b>	<b>4</b>	<b>4</b>
<b>TOTAL</b>		<b>9</b>	<b>9</b>	<b>9</b>

The company also has 'Regulations for the Board of Directors of Fiera Milano S.p.A.', written pursuant to existing legislation and the Corporate Governance Code. It defines, *inter alia*, further requisites the directors must have in besides those set out in law. To this end, the following specific areas of expertise are required of the Board of Directors:

- knowledge of the trade fair sector and techniques for managing risks connected to carrying out activities in it;
- experience of managing businesses and/or organising companies, acquired over years of work in administration, direction or auditing in companies or groups of similar sizes;
- ability to read and interpret information from financial statements, acquired over years of experience in administration or auditing in companies, or other professional work or university teaching;
- expertise in business governance (auditing, legal, company, etc.), acquired over years of experience in auditing or management monitoring in large companies, other professional work or university teaching;
- international experience and knowledge of foreign markets, acquired over years of entrepreneurial or professional work in international companies or groups;
- knowledge of remuneration packages;
- business risk management.

The Board of Directors has set up within it two Committees with roles and functions in line with the standards in the Corporate Governance Code and best practices in corporate governance.

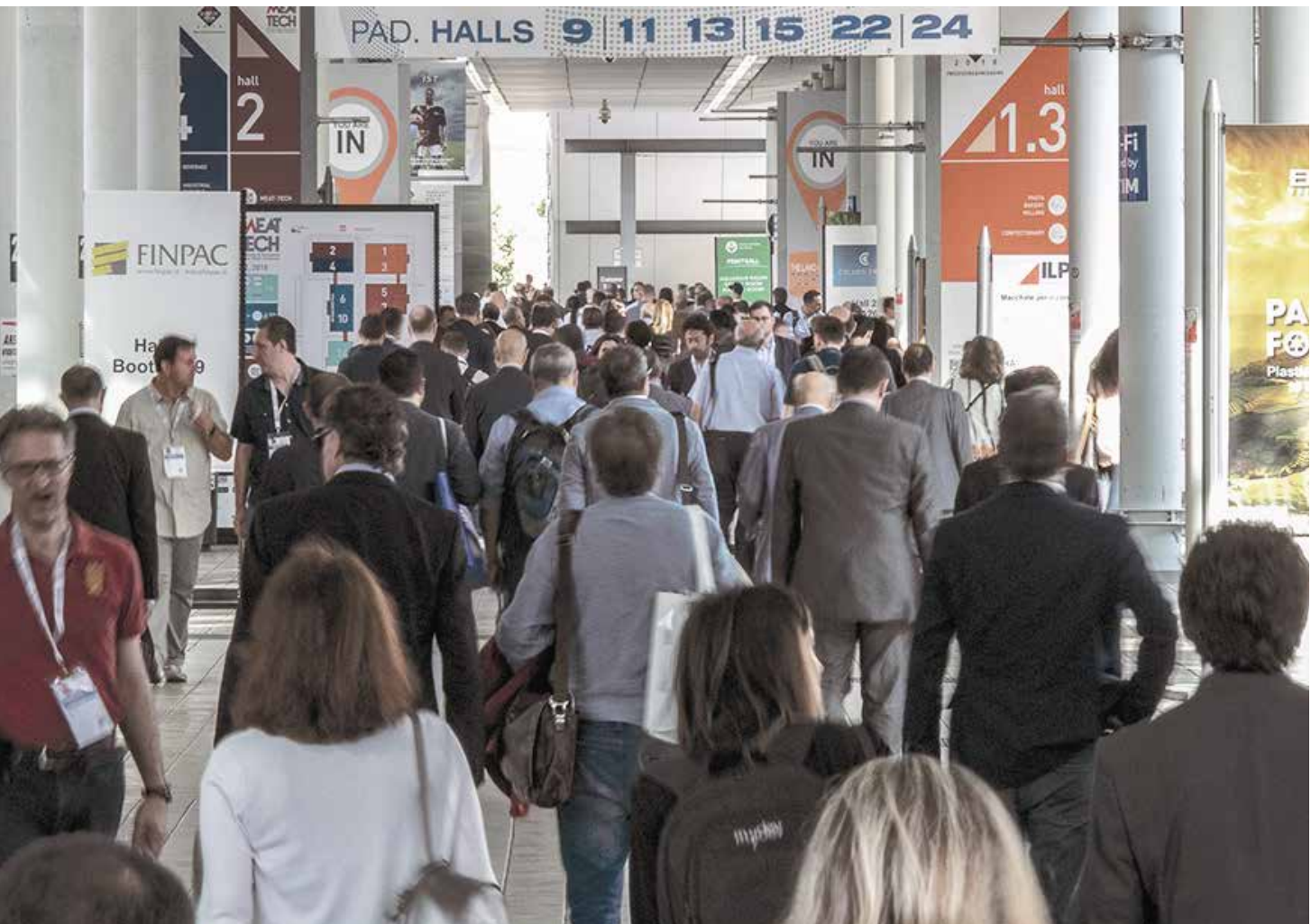
The Nomination and Remuneration Committee provides consultation, suggestions and instructions to the Board of Directors on remuneration and company appointments.

The Control and Risk Committee provides consultation, suggestions and instructions to the Board of Directors, to help it make assessments of and decisions on the internal control and risk management system, as well as approve regular financial reports and the non-financial declaration. The same Committee, as part of its responsibilities to instruct, oversees, *inter alia*, all other sustainability issues linked to the business's activities and its interactions with all its stakeholders.

The Board of Statutory Auditors of Fiera Milano was appointed by the Shareholders' Meeting of 23 April 2018 and its mandate will end with the one held on 31 December 2020 to approve the financial statements. It monitors that the law and company's by-laws are observed, the principles of proper administration are followed and the organisational structure of the company is satisfactory, along with the internal control system and accounting and administrative system, ensuring that the latter reliably presents the facts on management. It monitors concrete ways of enacting the rules on corporate governance in the codes written by management companies in regulated markets, and ensures the company's instructions to subsidiaries are satisfactory. The Board of Statutory Auditors also oversees legal revision of the annual and consolidated accounts, the effectiveness of the internal control, internal revision and risk management systems, and the financial information process. The Board of Statutory Auditors also sees to it that the rules on non-financial declarations in Legislative Decree no. 254/2016 are observed and addresses this in its annual report to the Shareholders' Meeting.

The company and Group's internal control and risk management system is in line with the Corporate Governance Code and represents the set of rules, procedures and organisational structures that allow for identifying, measuring, managing and monitoring the main risks. This system leads to a consistent company and Group, with the goals defined by the parent company's Board of Directors in their sights, taking informed decisions. It also ensures that (i) the company's social assets are secure, (ii) the company processes are efficient and effective, (iii) financial information is reliable and (iv) laws and regulations are respected, along with the company's By-laws and internal procedures.





In 2019, Fiera Milano replaced the then regulations on the parent company's powers of direction and coordination with Guide Lines on Direction and Coordination. Their aim is to ensure unified company management, identifying the company functions and control bodies of each Group company in order to decide the links that need to be forged between them for effective collaboration that benefits each of them. This work affects all subsidiaries directed and coordinated by Fiera Milano.

Within its company governance system, in 2019 Fiera Milano adopted Guide Lines for Managing Information Flows for its control bodies, the aim being to define how small information flows are managed both within the Group and within the parent company, in order to properly assign separate responsibilities and help enforce the ethical principles and rules of conduct in the Group's Code of Ethics, and the protocols set out in the Organisation, Management and Control Model under Legislative Decree 231/01231 (hereafter the "231 Model").

In 2019, the company's entire 231 Model was also updated, after mapping the internal procedures applicable with regard to individual activities at risk of crimes, pursuant to Legislative Decree 231/2001. The risk assessment work was followed by a gap analysis and an action plan to define the remediation action to be taken. At the same time, the general parts of the 231 Models of all the Italian companies of the Fiera Milano Group and some special parts have been updated. Specifically, the special part of the 231 Model of Fiera Milano Media and Fiera Milano Congressi on health and safety in the workplace has been updated; while the updates to Nolostand's 231 Model concerned the following special parts: environmental offences, market abuse, offences against public administration and private corruption, and workplace health and safety offences.

The Legal and Company Affairs department, through the company, governance and compliance secretary, constantly monitor compliance with the procedures and policies adopted by all the Group's companies, in order to ensure the highest possible level of conformity with existing legislation and recommendations by Italian and international organisations. Specifically, the above function monitors that the company complies with, and helps it comply with, internal organisational regulations (manuals, policies, procedures, codes of conduct) and, externally, the regulations of the Fiera Milano Group, in order that it is in line with the best practices of listed companies. Compliance is regulated by the Compliance Manual, approved by the Board of Directors of Fiera Milano and defined by a specific annual work plan, followed by prompt accounting of the findings.

In the year in question, an important project was carried out to further improve compliance when it comes to privacy. This involved the company appointing a Data Protection Officer and coming up with a Policy on Personal Data Protection, in order to define general policies and guide lines on personal data protection to be applied by Fiera Milano, with a particular focus on how existing legislation on this matter should be applied, as well as policies, procedures, instructions, measures and documents adopted to ensure conformity with this legislation. Two training sessions were held on the topic, one for management and the other for all Group employees in Italy.

In 2019 the Fiera Milano Group received no significant sanctions for non-compliance with either social or economic legislation.

Fiera Milano has, since December 2019, had a Crisis Management Plan for managing any crises that may arise in infrastructure or the operating functions. The aim of the Crisis Management Plan is to spot and analyse any crises in infrastructure or operations in the exhibition sites, whether internal or outside of the company. This plan lets us govern emergency prevention and management, with a plan that keeps important people safe within the fair district. It identifies the people involved or who need to be involved and potential actions to be taken. The plan will be implemented in the first few months of 2020. Specifically, it involves training the employees involved and finding the ideal way to maintain and update them.

Within the realm of its governance system, the Group has also developed and maintained certified management systems for specific companies that conform to international standard principles, namely:

- ISO 9001:2015 – Quality Management System for the subsidiaries Nolostand and Fiera Milano Media – Business International department
- ISO 14001:2015 – Environmental Management System for Nolostand
- OHSAS 18001:2007 – Health and Safety Management System for Nolostand
- ISO 20121:2013 – Sustainable Event Management System for Nolostand

In 2019 Fiera Milan began the process of obtaining the ISO 20121:2013 certification for the design, management and set-up phase of its events and extending the current Quality Management System, certified under ISO 9001:2015, to all its services, with a view to continuous improvement of company services, including from an environmental, social and economic point of view. We plan to obtain this certification in 2020.

Also in 2020, the Management System for Nolostand will be brought in line with ISO 45001:2018.

For more details on corporate governance in the Fiera Milano Group, see the following documents, available on the website [www.fieramilano.it](http://www.fieramilano.it), in the "Investors" section:

- Corporate Governance and Ownership Report
- Remuneration Report
- Fiera Milano Group Code of Ethics
- By-laws.

# Supply chain

Fiera Milano manages the Group's purchasing activities centrally through the Procurement department, which collaborates proactively with the soliciting functions by means of an integrated programmatic approach in order to optimise spending and ensure compliance with the applicable procedures and targets set in terms of timeliness.

The Fiera Milano Group's supply chain is made up of goods suppliers and specialist and consultancy services covering the following product categories, among others:

- Facility management, relating to technical goods, portorage services, security, catering, cleaning, etc.
- Set-up, referring to stands or parts thereof designed to complement the offering of subsidiary Nolostand;
- Hangings, i.e. structures suspended at a certain height above the ground that serve mainly as a visual element or to light the stand from above;
- Communications services and products for the purposes of promoting and running events;
- Waste management services;
- ICT services;
- Catering services.

Operations in this field are regulated by a set of procedures that include, among others, the procedure for the procurement of goods, services and consultancy, the procedure for the technical and economic qualification of suppliers, the reputational assessment procedure and the procedure for managing relations with commercial intermediaries.

The procedure for the procurement of goods and services was updated in 2019 to promote the improved understanding and application thereof as part of efforts to simplify the Group's body of procedures. A review of the procedure for the technical and economic qualification of suppliers was published over the course of the year with the aim of rationalising and optimising the assessment process, including in relation to the functions of the online platform that manages the supplier register. The purchasing process was then further simplified at the end of the financial year by merging the procedures regarding consultancy, the procurement of goods and services and the management of customers' supplier information into a single document.

The company maintains a register that allows it to record and manage qualification requests using digital functions for suppliers, be they contractors or subcontractors of the Group. The continuous updating of the register allows the company to constantly monitor the market in order to verify and update skills, operational capabilities and competitiveness. The online platform makes it possible to manage the technical and economic assessment, for which the Procurement department is responsible, and the reputational assessment, for which the Security department is responsible, in the early stages of the relationship. The IT system approval process follows the rules outlined in the procedures adopted by the two departments directly involved in the evaluation and authorisation process and makes it possible to inform the Group's soliciting functions about supplier status through a series of reports that can be viewed in real time. Some 1,100 reputational assessments were performed in 2019.

When it comes to qualifying for inclusion on the register, all suppliers are required to share the principles of conduct outlined in the 231 Model and in the Code of Ethics with a view to ensuring the compliance and legality of the supply relationship. Furthermore, suppliers must be included on the register and upload the documents required for the technical, financial and reputational assessments in order to be qualified. The outcome of the assessment process is then used to determine which suppliers meet the necessary requirements to be able to work with the Group. The supplier and assessment documents, separated in accordance with the rules on data processing, as well as any updates resulting from the GDPR standard, are stored on the register platform. The creation of a single repository ensures that all authorisation processes are traceable and transparent.

Constant attention from start to finish: assessing and managing the supply chain



In 2019, increased digitisation of purchasing processes made it possible to reduce the use of paper documents in this area. The new practice provides, for example, for sending contracts by certified e-mail and archiving contract documents in the computer database, lowering paper consumption.

The effectiveness of the new version of the supplier register software has improved the qualification process management process, and provided for the acquisition of any sustainability certifications issued by an accredited body, like the ISO, or specific product certifications. By 31 December 2019, the number of registered suppliers in possession of such certifications was up 72% on 2018.



There were 3,464 suppliers on the Fiera Milano Group's supplier register as of 31 December 2019. Around 86% of the suppliers have operating headquarters less than 300 km away. The rest are based further away. The scouting of foreign suppliers plays a functional role in optimising value for money and the modernisation of traditional technologies. Furthermore, commercial policies designed to develop the presence of foreign events within the Group's portfolio require the supplier bases in the countries concerned to be developed accordingly.

As part of its operations, the Procurement department adopts operational policies relating to sustainability in accordance with the Green Procurement Procedure, revised in July 2019. Technical scores have been awarded to suppliers in possession of sustainability certifications since May 2019, when a technical and economic evaluation committee was established as part of the selection process. The technical score awarded contributes to the overall technical score obtained during the competitive selection process.

The procedure for the procurement of goods and services in force where Italian subsidiaries are concerned provides that the purchasing of certain products for regular consumption (such as printer paper, batteries, etc.) be based on a series of criteria typical of green procurement with the aims of (i) protecting the environment and public health, (ii) preserving natural resources, (iii) minimising waste disposal and (iv) reducing toxicity. Traditional items continued to be replaced with green products (e.g. binders) and the use of non-green product codes prohibited in 2019 as part of a framework contract for stationery. This measure resulted in 79% of the products consumed in that category in 2019 being environmentally sustainable.

Furthermore, the supplier that won the framework contract for the stationery increased its use of electric and natural gas vehicles in 2019, as part of its expansion of its fleet of environmentally friendly vehicles, with 22 natural gas and 10 electric vehicles among the 120 currently in operation.

The Group intends to continue its efforts to introduce sustainability-related aspects into the supplier selection process over the course of 2020, reinforcing Fiera Milano's commitment to pursuing its sustainability goals.

On the basis of the provided service procedure, begun in April 2019 for any Fiera Milano Group departments/functions in need of goods, services or consultation, the Procurement department, through the Supplier Quality function, supports functions requesting its help in the first-level service-monitoring process, through second-level sample checks on the service provided by the Group's suppliers.

The Supplier Quality function also guarantees the quality of the service provided by suppliers, in compliance with contractual agreements, and supports the achievement of business objectives through second-level control audits also focused on sustainability issues. The number of these qualitative and quantitative checks performed both during events and at operational sites increased in 2019. The Supplier Quality function did 2,512 checks on supply in the year and found 93% of it to be compliant.

In 2019, Fiera Milano implemented additional entry pass document control measures for those suppliers employing large numbers of workers on site. This was done through an entry database managed by the Security department, the aim of which is to ensure that the on-site presence or otherwise of authorised sub-contractors is in line with the supply and/or service contract agreed with the company holding the contract.

The procurement process adopted by foreign subsidiaries is managed by local entities based on procedures inspired by corporate guidelines. The Group's Procurement department receives regular information on the main contracts the former signs up to.

A process for adapting procedures linked to the Procurement department for foreign subsidiaries was introduced in 2019. This process initially involved the Group's Security department performing reputational assessment analyses on suppliers to Brazilian subsidiary CIPA. The Procurement and Purchasing Procedure, inspired by the relevant guidelines adopted by Italian companies, has been in force since September 2019, whilst the supplier qualification procedure was adopted in February 2020.

## TACKLING UNDECLARED AND IRREGULAR WORK

The Code of Ethics outlines out the basic policies designed to combat illegal and irregular work; the 231 Models in force include a specific section on the employment crimes of third-country nationals staying in the country illegally, as well as a section on crimes of illicit brokering and labour exploitation, with the aim of preventing and controlling the aforementioned crimes.

The types of suppliers that the Fiera Milano Group uses to provide its own services include product areas that are associated with varying levels of risk, especially with regard to the impact of the labour component. The risks associated with undeclared work relate exclusively to the Group's supply chain given that there are no labourers on the Fiera Milano Group's payroll since it subcontracts all of its labour activities to third parties. With regard to procurement processes, those suppliers most exposed to the risk of illegal work are those who perform operational activities relating to managing the districts concerned and the conference centre and those who supply the Nolostand subsidiary. With this in mind, and within its procedural frameworks, such as the reputational assessment procedure, the Fiera Milano Group places particular emphasis on those supplier categories that involve a significant labour component (e.g. cleaning, set-up, security, catering, etc.), providing for tighter controls both at the supplier selection stage and when performing the relevant checks in the field, in order to ensure the absence of any undeclared working practices in its supply chain. As per the latest revision of the reputational assessment procedure, all assessments are valid for 12 months. Tighter controls may be implemented during the qualification stage, depending on the level of risk associated with the product category in question.

Access passes stating the pavilions and stands for which they are valid are issued during the access granting stage in order to more effectively control the presence of workers inside the pavilions. This method makes it possible to identify any irregularities that, if detected, can lead to penalties such as the removal of workers from the district in question being imposed.

A protocol agreement on the prevention and combating of undeclared and irregular work within the exhibition centres managed by Fiera Milano was signed between the Prefecture of Milan and the Milano-Lodi Regional Labour Inspectorate, INPS Milan Metropolitan Branch, INAIL Lombardy Regional Directorate, ATS Metropolitan City of Milan, Fiera Milano and CGIL – CISL – UIL, FILCAMS CGIL – FISASCAT CISL – and UILTUCS UIL on 21 June 2019 with the aim of creating a coordinating network to ensure timely intervention in terms of prevention, surveillance and counteraction. This protocol calls for more efficient and better coordinated planning of measures for monitoring and counteracting any undeclared and irregular work within the exhibition centres and the organisation of integrated information and training courses aimed at promoting a culture of legality and safety in employment relations.

This protocol led to the setting up of a permanent observatory that met for the first time in February 2020, its aim being to promote as widespread a culture of legality as possible. The observatory will proceed to set up a technical and operational group made up of all of the bodies signing the protocol under the aegis of the prefecture. The various components of the technical and operational group, coordinated by the prefecture, will continue to implement the protocol. Efforts will focus primarily on training, with a view to involving all players in an increasingly efficient operational process.

The protocol agreement follows an earlier protocol, signed in 2007, between Fiera Milano and the CGIL, CISL and UIL regional trade unions of Milan, with trade organisations and the RSU, which had allowed the company to incorporate a series of contractual clauses into the contracts and tenders signed by Fiera Milano and to open the work desk managed by the three regional trade unions of Milan within the fieramilano district.

The Labour Supplier Quality office, in collaboration with the General Service Access and Employment Law-related Industrial Relations offices, implemented a control and verification initiative on suppliers' data and access control data in a number of specific cases in 2019, in accordance with the laws in force regarding privacy protection aimed at establishing joint and several liability for both contributory and retributive debts.

Also in 2019, a number of appropriately-timed checks were carried out following reports received by the aforementioned work desk, located within the district itself.

## FIGHTING ACTIVE AND PASSIVE CORRUPTION

The issue of fighting corruption is initially dealt with in the Group's Code of Ethics and is notably regulated in terms of business conduct, customer relations and supplier relations. The Code of Ethics prohibits corrupt practices, illegitimate favours, collusive behaviour and the direct or indirect solicitation of both personal and career benefits either for oneself or for others. Corruption is prohibited across all of the Group's activities in all countries, without exception. This principle applies to all transactions between the companies within the Group and any other party, regardless of whether they are between one of the companies within the Group and a private party or between one of the companies within the Group and a public official or person responsible for a public service. The directors and employees of the Fiera Milano Group must avoid conflicts of interest between their own personal and family economic activities and the tasks they perform within the structure to which they belong.

The 231 Models adopted also allocate ad hoc special sections to the matter of corruption, specifically offences committed in relations with public administration and corruption between private individuals, and describe the types of offences that could potentially be committed by employees or senior management to the benefit or in the interests of the company, the sensitive activities within which corruption could be committed and the protocols for monitoring the sensitive issues in question. These monitoring protocols are then broken down into specific company procedures, among which all of those relating to the field of procurement are relevant for the purposes in question.

All clients and suppliers, and indeed all third parties operating with Fiera Milano and the individual companies within the Group in general, are informed of the 231 Model (General Section) as applicable to each company and of the Group's Code of Ethics. The contracts also include specific clauses in which third parties must declare they are aware of the contents of Legislative Decree no. 231/2001 and undertake to refrain from any conduct that might constitute an offence under that decree (regardless of whether the offence is actually committed or punishable). Failure to comply with this commitment is considered a serious breach of contract and grounds for termination of the contract pursuant to article 1456 of the Civil Code.

With regard to foreign subsidiaries, the guidelines for the application of anti-corruption measures and compliance programmes by foreign subsidiaries were issued over the course of 2019 and adopted by Brazilian company CIPA and South African company Fiera Milano Exhibition Africa.

A risk assessment will be performed by the Risk Management and Compliance functions in the early part of 2020 with a view to establishing the need to introduce additional safeguards into the body of procedures adopted by foreign subsidiaries in order to fully implement the provisions of the aforementioned guidelines.

Fiera Milano also has a well-structured procedural system designed to fight corruption, among other things.



As a safeguard against passive corruption, the procedure for procuring goods and services incorporates a job rotation mechanism for representatives of corporate functions that come into contact with suppliers belonging to medium/high-risk product categories, with different rotation periods depending on the seniority of the individual concerned.

The Group's Italian companies also have a Whistleblowing Procedure, which regulates the process by which reports are received, analysed and processed, including anonymous or confidential reports, made by third parties and Group company personnel relating to potential crimes, offences or irregular conduct committed in violation of the Group's Code of Ethics, 231 Models adopted by Group companies, internal regulations (manuals, policies, procedures, instructions, etc.), laws or regulations or measures adopted by the authorities or in any case designed to cause damage or prejudice of any kind to the Fiera Milano Group. In line with the aforementioned procedure, a special internal committee, the Reporting Committee, made up of HR, Security and Internal Audit representatives, has been tasked with performing the necessary checks in the event of any illegal acts and/or behaviour being reported. This committee performs the tasks for which it is responsible in conjunction with the Supervisory Body in the event of any reports concerning significant offences pursuant to Legislative Decree 231/2001. Please note that the reports examined by the Reporting Committee in 2019 were not considered relevant for the purposes of Legislative Decree 231/2001.

The company also has an Accreditation and Access Control Procedure serving as an additional safeguard where its supply chain is concerned.

The procedure for managing gifts, donations and sponsorships was applied over the course of 2019. In line with the provisions of the Code of Ethics, the Group is committed to sponsoring and organising only events of a national and/or international scale. Fiera Milano does not sponsor or organise promotional or training events for individuals and/or countries featured on the reference lists issued by public authorities for the purposes of fighting organised crime, terrorism and money laundering. Gifts and forms of hospitality, whether paid or complimentary, are permitted only if they are of moderate value not exceeding Euro 250, do not compromise the integrity or reputation of any of the parties and cannot be interpreted as aimed at obtaining any sort of unfair advantage.

All newly hired employees are given a form that gives them an idea of the Group's important organisational documents, including procedures, the Code of Ethics and the 231 Model of the reference company, and details on how to complete the compulsory e-learning session on the 231 on the company's intranet. The e-learning training on the 231 for Italian companies involved eight managers (31% of the total) and 43 middle managers and employees (7% of the total) in 2019, for a total of 102 hours of training. In addition, a course on updating the 231 Model was organised for Italian companies, in which 16 executives (62% of the total) and 461 middle managers and employees (78% of the total) participated.

Members of the Board, as recipients of the 231 Model (and individuals with authority of approval), are required to comply with anti-corruption processes and provisions. A training session for the company's Board of Directors was held in 2019 and members of the Board and statutory auditors invited to attend the training programme organised for Fiera Milano Group employees, with the support of external experts in criminal law.

The Internal Audit, Security and Corporate Secretariat, Governance and Compliance functions are responsible for monitoring issues relating to fighting corruption.

Auditing activities are performed in order to monitor the internal control and risk management system in place within the entire company structure. Such activities are notably performed on the basis of an Audit Manual and an annual Audit Plan approved by the Board of Directors and based on any reports of critical issues identified by top management. The audits performed over the course of 2019 covered, among other things, the management of the environmental system, the implementation of the supplier register, discounting practices, accreditation and access control, cyber security, donations, gifts and sponsorships. Furthermore, the Internal Control department performs the relevant verifications for all of the companies in the Group managed and coordinated by Fiera Milano. The Internal Audit department also carried out full audits of fully consolidated foreign companies in 2019.

The Corporate Secretariat, Governance and Compliance function monitors the risk of non-compliance with the relevant regulations with a view to ensuring that company activities where the Italian subsidiaries are concerned are carried out in accordance with the internal and external regulatory framework in force.

The Security department, meanwhile, supports the other functions in assessing any potential conflicts of interest regarding suppliers/partners and the Italian companies within the Group.

# Our people

**646** Individuals

**605** On permanent contract

**41** On fixed-term contracts

**+70** New hirings



**+37** On permanent contract

including **24** to strengthen the commercial and business development fields and in compliance with the relevant legislation (Law no. 68/1999 and art. 18), **13** to strengthen the body of staff responsible for overseeing corporate governance

**+33** On temporary contracts

including **31** to strengthen the commercial and staff bodies and **2** to replace staff on maternity leave

**+16** Confirmed young employee on permanent contracts

Primarily in the business and operations fields and young people to consolidate the company's policy regarding the gradual integration of junior staff members

**21.5%**

Total Group turnover

**73**

Part-time employee

**49.4%**

Graduates

**10.8%** **10.7%**

Incoming turnover

Outgoing turnover

**70** **3**

Women

Men

**44.1%**

Employees under 45.1 years of age

**94** Internship experiences: 94 (61 initiated in 2019, 33 initiated previously) with Milan Polytechnic, Bocconi University, the University of Milano-Bicocca, the Catholic University of the Sacred Heart, IULM University, Carlo Cattaneo University - LIUC, the University of Genoa, the University of Pisa, Sole 24 Ore Business School, Accademia di Comunicazione, Accademia di Fondazione Fiera Milano, AFOL Metropolitana, the ACTL association for culture and free time, ADECCO, FourStars Impresa Sociale, LUSMA University of Roma, the Tor Vergata University of Rome and the Gema Business School in Rome.



**“Human resources are vital to the company’s very existence. The dedication and professionalism of employees are key values and conditions when it comes to achieving the Group’s objectives.”**  
**(from the Code of Ethics)**

The enhancement of human capital is at the heart of the Fiera Milano Group's strategy, since the value and quality of a company's people are vital to achieving its objectives. The Human Resources department is committed to developing the skills of each Fiera Milano Group employee to ensure that the individuals concerned are able to fully express their energy and creativity and achieve their full potential, in compliance with the Code of Ethics. The continuous introduction of innovative tools, the identification of the most effective organisational solutions, the maintenance of an effective industrial relations system and the implementation of remuneration policies that are in line with the market are all factors that help to determine the best conditions for boosting professionalism and motivation among employees.

The main HR tools that the Fiera Milano Group uses are outlined below:

- an organisational and managerial HR department model combining the responsibilities and expertise of HR Business Partners and the Organisation. The department is consequently based on a matrix structure that combines expertise and responsibilities to handle all of the traditional HR processes such as selection, training, development, remuneration policies, industrial relations, skills and knowledge of all of the Group's processes and organisational areas. This operating model makes it possible to appoint a single HR representative for each employee, known as the HR Business Partner, who is tasked with managing a particular business area in terms of all HR-related processes, including organisational development, recruitment, training, performance management, personal development, remuneration policies and budget;
- a staff search and selection procedure that favours internal mobility and is subordinate to external recruitment, with the aim of ensuring the development of managerial skills among growing resources through training and targeted development initiatives and to facilitate the definition of pathways to succession;
- employer branding, with the aim of bringing in a new generation of employees through collaboration with Accademia di Fondazione Fiera Milano and various agreements with some of Milan's leading universities aimed at identifying young talent and attracting new skills;
- a process aimed at providing general and specialist training for employees and enabling them to continuously update their technical and managerial expertise;
- a Performance Leadership Management (PLM) model for evaluating performance and leadership that also makes it possible to identify measures to be taken in terms of both wage policy and personal growth and development with a view to promoting a meritocratic culture;
- a procedure for the distribution of MBOs (management by objectives) aimed at the Fiera Milano Group's management team and commercial entities;
- a Supplementary Contract based on the principle of greater employee responsibility in exchange for significant flexibility with a view to improving work-life balance;
- a multi-faceted welfare system extended to all employees of the Group in Italy;
- life/accident/legal insurance cover that protects employees even outside of the workplace.
- With reference to business needs and the context in which they operate, foreign subsidiaries answer to the parent company from a functional perspective but operate based on a separate and independent organisational model.

As part of its personnel management policies, subsidiary company CIPA Fiera Milano adopts policies that are consistent with the parent company's provisions and adapted to the specific context in which it operates. More specifically, the Brazilian company adopts an integrated system of human resource management procedures relating to the recruitment, training and development of its employees and adopts a system for evaluating the performance of individual employees with the aim of promoting personal growth and the identification of gaps that need to be filled.

The South African subsidiary, meanwhile, operates in accordance with local legislation.

The Group has a cross-functional Group Sustainability Team that provides support on matters relating to CSR. Members of the team serve as the main points of contact for their respective areas with regard to the NFS drafting process and are responsible for promoting sustainability initiatives. The team notably played an active role in the Social Responsibility Contest phases outlined below over the course of 2019.

In line with the Fiera Milano Group strategy, the company will also continue to implement its HR policy through a series of new tools, including a corporate volunteering pilot project planned for 2020 and various social initiatives in the field designed to promote sustainability. The Group also intends to continue to strengthen its employer branding strategy, extending the corresponding agreements to universities outside of Milan and specialist secondary schools.

## DEVELOPING THE CORPORATE CULTURE

### *The Group intends to enhance its human capital and promote the development of a culture of change.*

As part of a programme of integrated personnel management policies, Fiera Milano recognises the need both to identify a system that is capable of aligning the efforts and skills of the individual with the Group's strategy and to promote a cultural renewal based on the meritocratic management of both people and their work.

The skills and knowledge of the individual, together with the performance of predetermined roles, must be transformed into services that are consistent with the Fiera Milano Group's strategy through a system of procedures and policies with the ability to continuously fuel and update the company's capabilities.

In 2018 the Fiera Milano Group adopted a Performance Leadership Management model, then applied it to a pilot group of employees. The formal self-assessment phase looking at the individual performances of the population involved in 2018 took place in the early part of 2019, followed by the managerial assessment phase and the subsequent definition of the corresponding development plan. The system is structured in such a way as to encourage cross-functional collaboration and develop constant manager-employee communication for the purposes of obtaining continuous feedback.

**Table 7 – Employees targeted by the performance evaluation system**

	2019				2018			
	ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMAN	MEN	WOMAN	MEN	WOMAN	MEN	WOMAN
Executives	19	4			22	5		
Managers and White collar workers (including Journalists)	135	203			79	111		
Workers								
<b>Total</b>	<b>154</b>	<b>207</b>	<b>0</b>	<b>0</b>	<b>101</b>	<b>116</b>	<b>0</b>	<b>0</b>

The year 2019 saw the extension of the Performance Leadership Management system to other Italian companies considered suitable based on the new organisational model. As of 31 December 2019, 56% of the Group's employees were part of a performance evaluation system as opposed to 36% as of 31 December 2018. The system is expected to be applied across the entire Fiera Milano Group by 2020.

In order to encourage the achievement of objectives aimed at incorporating environmental and social aspects into the company's business activities, almost all of the reports produced by the Chief Executive Officer and other employees over the course of 2019 had at least one Corporate Social Responsibility objective in keeping with those of the Group included in their individual performance plan. 20% of employees covered by the PLM model were set at least one CSR target in 2019.

A succession & management continuity plan that provides for the identification of potential successors to key figures within the Group was introduced in 2019. This plan involves identifying individuals with great potential to replace those responsible for certain strategic areas for the Group in the future, including through training and skills development plans. The succession plan notably concerns the Executive Directors and Managers who play a strategic role within the Group; in this respect, all of the figures concerned have identified a suitable replacement during the PLM assessment, either immediately or as a result of inclusion in a development and training plan. The plan has, in fact, already led to the replacement of one individual reporting directly to the Chief Executive Officer with effect from January 2020.

In terms of change management, an early retirement plan with voluntary mobility was introduced in 2019 with the aim of encouraging generational change and introducing new skills, including digital skills to support the digital transformation, which will involve the entire Group from a technological perspective with a view to supporting both business processes and company operations. To achieve such objectives requires a continuous effort, so as to source and attract the best professional talents, both in terms of their specific competences (their “fit” for the role in question), as well as in terms of their suitability and cultural “fit” (in order to facilitate the change). Change and the need for re-skilling will also require significant investment in training, in line with the company’s objectives.

Finally, the Human Resources department finalised the market exploration and appointment process for the provision of a human capital management (HCM) system in 2019 with a view to it being implemented in 2020, resulting in a significant increase in analytical and operational capacity that will pave the way for the increasingly efficient management and enhancement of Fiera Milano’s human capital.

Fiera Milano has a medium/long-term Incentive Plan based on a combined cash and performance share structure. Such a system makes it possible to (i) align the interests of management with those of shareholders, (ii) link the incentive process as applicable to managerial roles and key individuals within the Group to the company’s actual results and (iii) develop policies aimed at attracting and retaining talented professionals. Those covered by the Plan, as identified by the Board of Directors, include the Chief Executive Officer, the Executive with Strategic Responsibilities and other members of the Group’s management team identified based on the significance of the position they hold.

## THE WORK-LIFE BALANCE SYSTEM



The Fiera Milano Group has reinforced its focus on human resources by seeking to identify alternative tools for promoting the well-being of its employees, regardless of their rate of employment.

All Group employees are covered by a Corporate Welfare Plan that includes pension, personal and work-life balance-related services. This plan can be accessed via the WellFair online platform, where employees can "build" their own package of goods and services and manage it independently as far as their available credit will allow. The WellFair portal includes goods and services that fall into various categories, including education, health insurance, supplementary pension funds, babysitters and social workers, sports, holiday packages, culture, shopping vouchers, commuter subscriptions, repayment of loan/mortgage interest, legal advice and home maintenance.

Furthermore, Fiera Milano Congressi has an indirect agreement with the Italian Auxological Institute for the provision of multidisciplinary healthcare services to its employees, who are consequently issued with a health card that is valid for the whole family. Fiera Milano Congressi has also continued to pursue its initiative of awarding five scholarships to the children of employees with the best school results.

The Italian companies belonging to the Fiera Milano Group are bound by the national collective bargaining agreement for employees of tertiary, distribution and services companies. An exception was made in 2019 for companies operating in the publishing sector that adopted the above national agreement and the national contract for journalists, for employees of companies working in publishing, graphics and related business, including multimedia companies. When it comes to foreign operations, each company applies the contract law in force in the country to which it belongs.

All Italian companies, in addition to CIPA Fiera Milano, then also have a secondary Supplementary Contract or company regulations that complement the provisions of the relevant NCBA.

Fiera Milano's new Supplementary Company Contract was signed on 15 January 2019, to apply from 4 March 2019 until 31 December 2022. Nolostand signed the Supplementary Contract with Fiera Milano in February 2019, followed in December of the same year by the inclusion of the Fiera Milano Media subsidiary.

The renewal of Fiera Milano's Supplementary Company Contract, together with Nolostand's and Fiera Milano Media's inclusions of that of the Parent Company, is part of the process of aligning the Fiera Milano Group's employment management rules. Different regulatory/management regimes coexisted, in fact, within the Group.

The new Contract has brought with it a number of new developments in terms of working hours, social clauses and support for family life and parenthood, as well as welfare. With regard to working hours and work organisation, the new contract is designed to standardise the company's organisational needs, specific to the exhibition business, which is characterised by peaks in activity and periods of lower intensity, and make them compatible with the personal and professional needs of the individuals concerned in order to promote an ever greater work-life balance. New social and family institutions have also been set up.

## The new Supplementary Contract

### WORK LIFE BALANCE

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Redefining welfare indirectly proportionally by gross annual salary band so that those in the lower income bands receive more

---

40 hours per week, Monday to Friday, with a minimum of 4 hours per day

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Increased adaptability and flexibility of start and finish times

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The adoption of the "Tempo Solidale" time-share system whereby employees can donate holiday time and/or hourly leave voluntarily and free of charge to colleagues who have already exhausted their own allowances

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80-hour reduction in working time as opposed to the 72 hours provided for in the commercial NCBA

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Option of making up for any work carried out on a Saturday on a weekday in the same week in which the work is carried out or within the following week at the latest; Sunday working is paid in full if it follows a Saturday that has been made up elsewhere

### FAMILY

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Parental leave coverage of up to 80%, currently paid by the INPS at a rate of 30%, for leave taken by both parents within the first year of the child's life

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25 hours of paid leave per year for each child placed in nursery or primary school

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Subsidy of Euro 1,000 for the birth/adoption of a child or the death of an immediate relative (spouse or common-law partner)

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Parking spaces reserved for pregnant employees

### HEALTH AND WELL-BEING

---

Company canteen and high-quality catering services

---

Extension of the grace period to a maximum of 365 days over two calendar years, with a supplement of up to 100% of the salary

---

50 hours of paid leave per year for specialist examinations, medical treatment and/or clinical laboratory tests, including those concerning immediate relatives and/or relatives-in-law, i.e. spouse or common-law partner

---

40 hours of paid leave and 108 hours of unpaid leave per year to care for disabled or elderly dependent family members

### OTHER INITIATIVES

---

Supplementary company pension scheme whereby the company contributes 3% of the gross annual pay for employees signed up to the PREVIP scheme

---

Production bonus, available in cash or welfare benefits, for employees not covered by the individual incentive scheme, payment of which is subject to the consolidated EBITDA threshold in terms of budget being reached

---

Occupational and non-occupational accidents, permanent disability and life insurance, including for those on fixed-term contracts

---

Granting of subsidised loans

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Extra hours of study leave in addition to those provided for in the NCBA



The Fiera Milano Congressi subsidiary has adopted regulations that provide for health insurance to be extended to employees' families, among other things. Furthermore, in order to achieve a good work-life balance, the 40 hours per week provided for in the Supplementary Contract can be used with a degree of flexibility on a daily basis thanks to a series of shift mechanisms.

The standardisation of business services across the Italian companies within the Group is expected to be completed in 2021 with the Fiera Milano Congressi subsidiary adopting the Fiera Milano Supplementary Contract.

An app dedicated to employees was developed in 2019 as part of the Digital Workplace project and subsequently rolled out in pilot mode across part of the company's population. It will be extended to the entire company population in 2020 and additional features will be implemented so that it serves as a digital interface with the company. Within the app, in addition to the calendar of events and the corresponding pavilion maps, the employee will also find the latest Noi Fiera news and all useful information about the district itself. The app will also allow users to file reports in real time, create their own business cards, obtain a smart badge and calculate the quickest route to a specific location. It will also make it possible, in the future, to make payments within the district and digitise meal vouchers.

Over the course of the 2020–2021 two-year period, the technological tools available to employees will be replaced in order to guarantee the greatest possible levels of mobility and flexibility, in line with a digital development approach and therefore with a new working culture that promotes greater integration, collaboration and mobility.

In addition to the Digital Workplace project and the technological investments made and to complement these initiatives, the company also intends to launch a Smart Working pilot project. The analysis and feasibility study will take place in the final quarter of the year with the aim of launching a pilot project within certain staff functions as of 2021.

## TRAINING AND DEVELOPMENT PATHS

***“Fiera Milano is committed to developing the skills and expertise of each employee to ensure that the individual concerned is able to fully express their energy and creativity and achieve their full potential.” (from the Code of Ethics)***

Professional training, as far as the Fiera Milano Group is concerned, is a key factor in improving management skills, strengthening the Group's identity, promoting its sense of belonging and improving processes in terms of integration and organisational change.

The 2019 training plan objective has served to improve the professional and behavioural capabilities of the individuals concerned by adapting them to the new reference contexts.

Starting with the Performance & Leadership Management system introduced within the Group, the training programme focused on strengths and areas for improvement with a view to shaping attitudes and behaviours aimed at acquiring tools and new models for improving managerial efficiency and performance. A feedback process has notably been introduced for Middle Management, which is responsible for managing complex reporting systems on a daily basis. The course has allowed Managers, who coordinate resources, to acquire the tools they need to manage them in a way that promotes both personal and professional growth.

Training on new policies and procedures introduced over the course of the year (policies on managing data security in dealings with third parties, managing cyber-security, the procedure for transactions with related parties, privacy and compliance, etc.) continued to be provided and was open to all of the Group's employees.

Updates to courses on health and safety protection in the workplace were also completed over the course of the year, along with regulatory updates relating to first aid, fire prevention and the relevant safety officers. Courses were also held for new employees of the various companies within the Group.

The training plan was supplemented by the use of the For.Te interprofessional fund's individual account, which has led to a certain strengthening and updating of leadership skills aimed at ensuring the continuous professional development of the individuals concerned. The plan was designed from an entirely concrete and

practical perspective, with participants playing the leading role in the process and trainers facilitating the learning process and motivating growth and development. The aim was to have an impact on people's own skills by closely linking specifically operational skills (professional technical skills) with the development of managerial skills, human resource management and an aptitude for creativity and innovation; skills that have a significant and determined impact on the success of the organisational structure as a whole.

The plan has been broken down based on the organisation's functional objectives by target type based on specific capabilities.

SCOPE OF ACTION	OBJECTIVES
COMMUNICATION	Improvement of public communication skills focusing on techniques for using time and content to appeal to audiences; "Stage fright" stress management.
SALES AND MARKETING TECHNIQUES	"Decide, Negotiate, Agree" (the DNA of a sale); knowledge of decision-making mechanisms and mental persuasion techniques and the balanced and effective use thereof for a truly successful sale.
TECHNICAL SKILLS	Strengthening and raising awareness of the importance of data protection issues, sharing best practices and solving day-to-day problems.
CHANGE MANAGEMENT	Awareness of the role of change leader; where self-efficacy, the assumption of individual responsibility, proactivity and the ability to work as a team, including a multi-functional one, become key factors; being able to turn a sense of threat into an opportunity.
LEADERSHIP	Developing your own leadership style, maximising its impact on teams and individual employees; continuous feedback management.
TEAMWORK	Creating a more integrative and participatory approach; awareness of group dynamics and the differences between being a group and being a team; Ability to outline group objectives; being able to reconcile the needs of the individual with those of the team, "heritage" in energy, skills, ideas, visions, proposals and various solutions that bring with them an opportunity to constantly learn something new and achieve the objectives set.
APPROACH TO INNOVATION	Rallying people together and raising their awareness of the challenge of innovation and the development of creative thinking by providing project management tools.

The Fiera Milano Group recognises its human resources as valuable human capital for supporting the company's prestige and credibility. In order to guarantee the continuous development of its people and their skills, membership of Network Business International was renewed in 2019, giving them the opportunity to participate in various events, seminars and workshops organised in the fields of finance, law, human resources, marketing and supply chain.

Membership of the Executive Club was also renewed, with meetings reserved for business leaders and senior management, during which they got the opportunity to share and exchange ideas and best practices, establish new contacts and identify business opportunities. The technical route for updating skills with particular emphasis on IT and managerial skills where company executives are concerned was also supplemented by registration with Asseprim and Quadrifor.

The process of updating the skills of the Group's Media Company journalists also continued, a continuous process that, in addition to making it possible to obtain the credits required to keep the registration up to date, allows those concerned to keep up to date with ethical and topical issues.

In addition to participation in plenary updating sessions and initiatives developed by Business International, an outdoor training initiative that included a tour of an industrial site in Turin was organised for the Group's leadership team in 2019 with the aim of finding inspiration and identifying and adopting new processes that could also be applied in an exhibition context. There was also an opportunity, during the debriefing stage of the visit, to get to know one another better, share thoughts and feelings on and work on issues such as teamwork, trust and transparency, all with a view to creating a certain constancy of objectives by focusing on both personal and collective commitment (trust, teamwork, transparency and accountability).

Investment in training human capital is a continuous and ongoing process within the Fiera Group. The emphasis over the next few years will be on supporting the digital transformation that will involve the entire Group from a technological perspective in order to support the company's business and operational processes. The transformation will require investment in upgrading "hard" skills and introducing the new digital skills needed to support new business models.

Paying close attention to both individuals and teams as they go through this further change will be the other pillar that will guide the Group as it strives to achieve new goals.

Finally, several meetings with all Group employees were organised by the Chief Executive Officer in 2019 with the aim of providing constant updates on the gradual implementation of the Group's 2018–2022 Strategic Plan, business developments and the economic results achieved each quarter.

CIPA Fiera Milano, for its part, has focused on technical and linguistic training aimed at developing resources. The African subsidiary did not implement any individual training plans in 2019.

A total of 733 people were involved in training over the course of the year, with 104 courses amounting to a total of 12,901 training hours invested. The investment in training on the part of the Group's Italian companies in 2019 amounted to Euro 124,008, accounting for 0.3% of the total consolidated wage bill (0.4% in 2018).

**Table 8 – Hours of training delivered**

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Executives	280	43	54	0	345	175	54	0	179	56	226	0
Managers and White collar workers (including Journalists)	4,411	7,078	697	338	5,025	7,253	104	207	2,133	2,597	383	521
<b>Total hours of training delivered</b>	<b>4,691</b>	<b>7,121</b>	<b>751</b>	<b>338</b>	<b>5,370</b>	<b>7,428</b>	<b>158</b>	<b>207</b>	<b>2,312</b>	<b>2,653</b>	<b>609</b>	<b>521</b>

**Table 9 – Man-hours of training provided for all employees**

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Executives	12.7	10.8	54.0	0.0	15.7	34.9	54.0	0.0	7.8	9.3	226	0.0
Managers and White collar workers (including Journalists)	17.9	20.7	63.4	17.8	21.2	20.0	8.7	9.9	9.2	7.3	22.5	27.4
<b>Average hours of training per employee</b>	<b>17.4</b>	<b>20.6</b>	<b>62.6</b>	<b>17.8</b>	<b>20.7</b>	<b>20.2</b>	<b>12.2</b>	<b>9.9</b>	<b>9.0</b>	<b>7.3</b>	<b>33.8</b>	<b>27.4</b>

## Internships and employer branding at Fiera Milano

Internships, aimed at developing and enhancing human capital, are the company's main source of manpower. There were 94 internships at the Fiera Milano Group over the course of the year, 61 of which began in 2019. Internship requests are received from all areas of business and interns have the opportunity to play a dynamic, collaborative role in day-to-day activities and specific projects, thus complementing their academic education and enabling them to acquire countless skills ranging from the hardest to the softest. The average internship in 2019 lasted for 6 months, with 18% of internships resulting in the individual being recruited on a fixed-term contract over the course of 2019.

Tabella 10 - Interns in 2019

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Already taken on	8	25	0	0	9	11	1	0	4	11	0	0
Taken on in the year	24	37	0	0	13	35	0	0	14	24	1	1
<b>Total</b>	<b>32</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>46</b>	<b>1</b>	<b>0</b>	<b>18</b>	<b>35</b>	<b>1</b>	<b>1</b>

An employer branding project that will make it possible to gain recognition in the market where new generations are concerned has been launched to support the new talent selection process. The project has been developed through the signing of various partnerships with Milan's main universities, which are not only a catchment area for recruiting new talents but also promote events and create opportunities for interaction that can be useful when it comes to brand recognition.

## Social Responsibility Contest

Over the course of 2019, Fiera Milano promoted a project designed to spread a culture of sustainability, understood not only in terms of protecting the environment but also in terms of social responsibility and strengthening its corporate identity in this respect. Fiera Milano has considered creating a joint pathway in which the empowerment of its people are a key lever and in which the economic aspects are combined with the social and environmental consideration of individual behaviours with a view to long-term sustainable development. The need to follow this sort of pathway was consistent with the Group's strategic plan, which provides for the promotion of a culture of change and the improvement of sustainability performance, among other things. The innovative pathway provided for the involvement of a critical mass of resources within the company that would develop new projects to improve the culture of sustainability, triggering concrete ideas and actions, by stimulating change.

Together with the external technical and scientific support provided by a team of consultants from The European House – Ambrosetti, Fiera Milano launched a Social Responsibility Contest, open to all employees of the Fiera Milano Group in Italy – some 87 employees – in April 2019, the aim being to come up with a series of sustainability-related projects. The selection process that led to the definition of the areas of impact on which to focus the projects entered in the Contest was inspired by the materiality matrix outlining the sustainability issues relevant to Fiera Milano, revisited in light of the most pressing demands imposed by the external context (the urgencies of the country system, the main risks identified by the World Economic Forum, the SDGs, the Climate Agenda, the Plastic Strategy, the Circular Economy Package, etc.). With this in mind, four areas of impact were identified in which eight new projects could be developed, these areas being inequality, the circular economy, water and climate change.

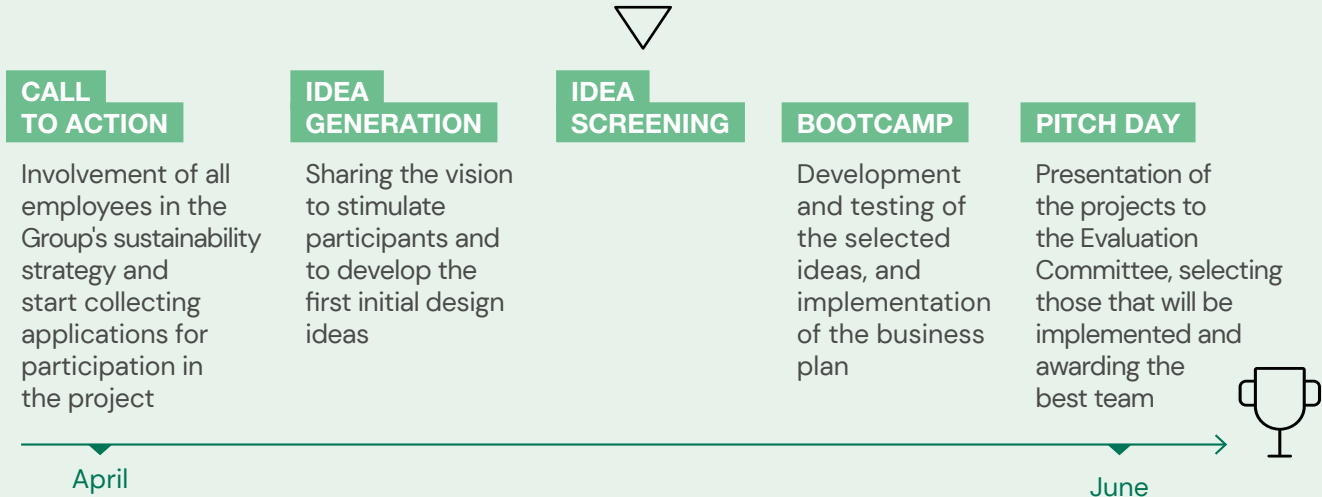
The most innovative Design Sprint tools and the principles of experimentation typically found in the world of start-ups, including Business Model Canvas, which allows you to design a business model based on an idea and analyse all potential criticalities, were used during the programme. The basic ingredients for creating the perfect pitch have also been explored in depth. Using all of these elements, the groups worked diligently during the run-up to Pitch Day, when they would be required to present their projects before an evaluation committee made up of members of the Board of Directors and the Board of Statutory Auditors. This committee would vote on the best project and those that would go through to the implementation stage. The level of commitment observed right throughout the process was very high, with the groups using various organisational methods to save time and work on their respective projects.

The contest ended with the evaluation committee awarding the prize for Best Project to Green Gift, with each member of the corresponding team receiving an electric bicycle in recognition of their achievement. Furthermore, members of the audience got the opportunity to vote by means of an instant poll system on the awarding of the Employee Award, which went to More Water, Less Waste, with the corresponding team winning a hydroponic garden. That said, all of the projects were considered relevant by the evaluation committee, which deemed them worthy of moving on the implementation stage, as well as rewarding the dedication, passion and enthusiasm of all participants.





## The various stages of the process



The experience that the Contest brought with it from Fiera Milano's perspective has shown that it is indeed possible to achieve multiple objectives at the same time; on the one hand, the level of collective awareness of sustainability issues among the company's population was high; on the other hand, the experience of the Contest also proved fruitful from a strictly HR perspective, encouraging team-building and cross-functional collaboration.

The impact has been felt across all areas of the Group, which has shown itself to be sensitive and willing to behave responsibly on an individual level. This has been proven by the very positive outcome of the satisfaction test performed across the entire company population at the end of the process, thus confirming that the process of change is indeed under way within the Fiera Milano Group. The company is committed to continuing with this process, keeping the enthusiasm of the experience alive, and to implementing the eight concrete projects listed below.

**KID CAMPUS:** this project aims to set up a campus dedicated to the children of Fiera Milano employees during the summer holidays;

**CHARITY MATCHING:** the aim here is to create a direct link between Fiera Milano exhibitors and local associations, thus improving business relations when it comes to donating goods and materials to be used during exhibitions;

**WATER WONDERFUL WORLD:** the aim of this project is to create a training event to raise awareness among and provide training for both customers and employees on the correct management of water resources both in a business context and in everyday life;

**MORE WATER, LESS WASTE:** this project aims to reduce the plastic produced at Fiera Milano, encouraging more sustainable water consumption, by improving the collection of PET plastic at exhibition centres, among other measures;

**ISOLA CIRCOLARE ("CIRCULAR ISLAND"):** this project involves the design and construction of a space created using eco-sustainable materials, to be set up during events for the purposes of displaying best practices in the field of Corporate Social Responsibility relating to the four areas of impact on which the contest was based and applicable to the exhibition context;

**EVENTO SOSTENIBILE ("SUSTAINABLE EVENT"):** the aim with this project is to incorporate of all the issues raised by the contest into the company's core business through the implementation of the Sustainable Management System pertaining to organisation and events according to the ISO:20121 standard;

**GREEN GIFT:** the aim with this project is to first and foremost implement an event Life Cycle Assessment, a recognised method of calculating the ecological impact of an activity in order to offset some of the corresponding emissions through projects implemented at a local level;

**GREEN POWER:** this project aims to promote sustainable mobility among the company's people by optimising and integrating the company resources already available and identifying further initiatives that facilitate a more sustainable lifestyle and habits.

## DIVERSITY AND EQUAL OPPORTUNITIES

**“Fiera Milano offers all workers the same job opportunities, ensuring that everyone enjoys fair treatment based on merit, without any discrimination whatsoever.” (from the Code of Ethics)**

As far as the Fiera Milano Group is concerned, offering all employees the same opportunities to develop their own skills and capabilities, avoiding any form of discrimination based on race, sex, age, nationality, religion or personal beliefs, is considered a key pillar of its management policy.

With regard to female employment in particular, Fiera Milano produces a biennial report on gender equality in terms of the situation regarding recruitment, training, promotions and other factors, in compliance with Legislative Decree no. 198 of 11 April 2006.

Women accounted for 57% of the total workforce at the end of 2019. The percentage of all executives and office workers who are women stands at 58%, with this figure decreasing to 15% where managerial roles are concerned.

The number of female staff members decreased from 388 in 2018 to 365 in 2019. Of the 86 new recruits joining the company in 2019, 42 were women.

**Table 11 – Composition of female staff by qualifications**

	2019				2018				2017			
	MEN	WOMEN	Total	%	MEN	WOMEN	Total	%	MEN	WOMEN	Total	%
Executives	23	4	27	15%	23	5	28	18%	24	6	30	20%
Managers and White collar workers (including Journalists)	258	361	619	58%	249	383	632	61%	250	378	628	60%
<b>Total</b>	<b>281</b>	<b>365</b>	<b>646</b>	<b>57%</b>	<b>272</b>	<b>388</b>	<b>660</b>	<b>59%</b>	<b>274</b>	<b>384</b>	<b>658</b>	<b>58%</b>

## STAFF COMPOSITION: THE FIGURES

100% of employees of the Group's Italian companies who took maternity leave in the two years returned to and stayed in work. All women who have taken maternity leave – 10 in 2019 and 12 in 2018 – net of leave not yet completed, returned to work after 12 months.

**Table 12 – Employee composition**

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Permanent employees	250	324	12	19	246	345	12	22	244	342	18	19
Fixed term employees	19	22	0	0	13	22	0	0	12	23	0	0
<b>Total</b>	<b>269</b>	<b>346</b>	<b>12</b>	<b>19</b>	<b>259</b>	<b>367</b>	<b>12</b>	<b>22</b>	<b>256</b>	<b>365</b>	<b>18</b>	<b>19</b>

The Fiera Milano Group employs staff on fixed-term contracts to cope with peaks in activity linked to trends in the exhibition calendar and the implementation of one-off projects. The number of staff on fixed-term contracts as of 31 December 2019 stood at 41.

Table 13 – Employee composition by category

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Executives	22	4	1	0	22	5	1	0	23	6	1	0
Managers and White collar workers (including Journalists)	247	342	11	19	237	362	11	22	233	359	17	19
Workers	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>269</b>	<b>346</b>	<b>12</b>	<b>19</b>	<b>259</b>	<b>367</b>	<b>12</b>	<b>22</b>	<b>256</b>	<b>365</b>	<b>18</b>	<b>19</b>

Table 14 – Employees by contract type

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Full time	266	285	12	19	256	293	12	21	253	293	18	19
Part-time	3	61	0	0	3	74	0	1	3	72	0	0
<b>Total</b>	<b>269</b>	<b>346</b>	<b>12</b>	<b>19</b>	<b>259</b>	<b>367</b>	<b>12</b>	<b>22</b>	<b>256</b>	<b>365</b>	<b>18</b>	<b>19</b>

Table 15 – Executives by age group

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30	0	0	0	0	0	0	0	0	0	0	0	0
Between 30 and 50	10	2	1	0	11	2	1	0	10	2	1	0
Over 50	12	2	0	0	11	3	0	0	13	4	0	0
<b>Total</b>	<b>22</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>22</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>23</b>	<b>6</b>	<b>1</b>	<b>0</b>

Table 16 – Employees (except executives) by age group

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30	17	33	2	6	14	27	1	6	15	31	1	5
Between 30 and 50	132	183	6	9	128	212	7	13	127	216	10	12
Over 50	98	126	3	4	95	123	3	3	91	112	6	2
<b>Total</b>	<b>247</b>	<b>342</b>	<b>11</b>	<b>19</b>	<b>237</b>	<b>362</b>	<b>11</b>	<b>22</b>	<b>233</b>	<b>359</b>	<b>17</b>	<b>19</b>

Table 17 – Number of incoming employees

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30	6	16	1	3	7	15	2	4	13	14	0	1
Between 30 and 50	21	7	1	3	10	17	0	2	21	13	0	2
Over 50	6	2	2	2	3	1	0	0	7	2	0	0
<b>Total</b>	<b>33</b>	<b>25</b>	<b>4</b>	<b>8</b>	<b>20</b>	<b>33</b>	<b>2</b>	<b>6</b>	<b>41</b>	<b>29</b>	<b>0</b>	<b>3</b>

Table 18 – Incoming turnover

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30	1.0%	2.6%	3.2%	9.7%	1.3%	2.4%	5.9%	11.8%	2.1%	2.3%	0.0%	2.7%
Between 30 and 50	3.4%	1.1%	3.2%	9.7%	1.8%	2.7%	0.0%	5.9%	3.4%	2.1%	0.0%	5.4%
Over 50	1.0%	0.3%	6.5%	6.5%	0.2%	0.2%	0.0%	0.0%	1.1%	0.3%	0.0%	0.0%
<b>Total</b>	<b>5.4%</b>	<b>4.1%</b>	<b>12.9%</b>	<b>25.8%</b>	<b>3.2%</b>	<b>5.3%</b>	<b>5.9%</b>	<b>17.6%</b>	<b>6.6%</b>	<b>4.7%</b>	<b>0.0%</b>	<b>8.1%</b>

Table 19 – Number of outgoing employees

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30	1	3	0	3	7	15	1	8	5	9	0	0
Between 30 and 50	8	17	2	7	4	11	4	4	13	10	2	1
Over 50	13	12	2	1	6	4	2	2	7	3	0	0
<b>Total</b>	<b>22</b>	<b>32</b>	<b>4</b>	<b>11</b>	<b>17</b>	<b>30</b>	<b>7</b>	<b>14</b>	<b>25</b>	<b>22</b>	<b>2</b>	<b>1</b>

Table 20 – Outcoming turnover

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30	0.2%	0.5%	0.0%	9.7%	1.1%	2.4%	2.9%	23.5%	0.8%	1.4%	0.0%	0.0%
Between 30 and 50	1.3%	2.8%	6.5%	22.6%	0.6%	1.8%	11.8%	11.8%	2.1%	1.6%	5.4%	2.7%
Over 50	2.1%	2.0%	6.5%	3.2%	1.0%	0.6%	5.9%	5.9%	1.1%	0.5%	0.0%	0.0%
<b>Total</b>	<b>3.6%</b>	<b>5.2%</b>	<b>12.9%</b>	<b>35.5%</b>	<b>2.7%</b>	<b>4.8%</b>	<b>20.6%</b>	<b>41.2%</b>	<b>4.0%</b>	<b>3.5%</b>	<b>5.4%</b>	<b>2.7%</b>

## UFI HR Working Group

Fiera Milano is actively involved in the HR Working Group set up by the UFI, the Global Association of the Exhibition Industry, and committed to managing staff-related challenges in the exhibition sector. The issues in question are shared within the wider UFI community through various events (including the HR Management Forum and the HR Special Interest Group held at the UFI's Global Congresses). Among other things, the Working Group promotes best practices through various awards, which focused on "Employer branding: how to attract and retain key skills" in 2019. This being the case, the Fiera Milano Group's Human Resources Director helped to select the winning project announced during the UFI's European Meeting, held in Birmingham in May. Fiera Milano also facilitated the HR Special Interest Group's session on the issue of "Trust in the workplace" at the UFI World Congress in Bangkok.

## HEALTH AND SAFETY OF EMPLOYEES

The Fiera Milano Group has adopted a series of measures designed to ensure compliance with national and EU regulations and technical standards regarding health and safety in the workplace, identifying risks and implementing the necessary preventive and protective measures. The Prevention and Protection function is responsible within the Group for measures designed to ensure health and safety in the workplace. Hazards have been identified and health and safety risks assessed as follows:

- by capitalising on the experience gained in the field with regard to problems related to the business situation in question;
- by examining the potential types of accident;
- by analysing the tasks and activities to be performed by the workers in question;
- by carrying out inspections in the areas concerned.

The analysis also took into account specific regulatory requirements, along with proven or experience-based technical standards and/or rules (analyses of past accidents and incidents).

The risk analysis refers to sources of risk-related to the type of building, fixed technological service facilities and work-related activities for which Fiera Milano is responsible and those that are connected and exposed in particular. Following the identification of sources of potential danger, a risk assessment was carried out by connecting various aspects, including the following:

- the possibility of eliminating/controlling the risk, i.e. if the risk cannot be eliminated, appropriate tools and methods will be used to control it in terms of facility design, procedures, behaviour and training to eliminate/control the risk factor;
- the reduction in the predictability of the incident occurring, i.e. by adopting preventive measures designed to minimise the onset of the risk itself;
- the mitigability of the consequences of the risk, meaning that, where the risk cannot foreseeably be eliminated and/or is intrinsically linked to the specific work-related activity, the appropriate technical, facility design-related, procedural, behavioural and training systems that can mitigate any potentially harmful consequences where workers, biological entities and property are concerned will be adopted.

The aforementioned methodology has enabled Fiera Milano to prepare a procedural system designed with both prevention and protection for internal and external workers in mind, in addition to the various plant engineering measures implemented. Furthermore, an extensive documentary system has been set up to support exhibitors in providing greater protection for their own workers during the assembly and dismantling stages involved in putting on a trade event. For more details, see the chapter entitled "Health and safety at exhibition sites – exhibition safety" on page 72.



The preventive and protective measures implemented by Fiera Milano include the following:

- training courses for workers on matters of health and safety in the workplace in accordance with the agreement of the 2011 permanent conference of the state and regions;
- meticulous verification, as part of the supplier selection process, of aspects relating to health and safety in the workplace, among others;
- access to a technical call centre for registering all reports regarding maintenance needs; the use of digital maintenance management software through which over 19,000 work orders concerning both verification and monitoring activities, i.e. both scheduled preventive maintenance and repair operations, or corrective maintenance, are executed every year. The monitored assets in question include 3,150 pieces of equipment and 17,300 components. Fiera Milano's technical department continuously performs both planned and unplanned inspections to verify the work of the supplier contracted to perform the services in question;
- the presence of a 24-hour manned operations centre that manages and implements all procedures in the framework of the Emergency Plan;
- periodic checks concerning organisation and coordination, as provided for in the Emergency Plan;
- the carrying out of fire drills with the aim of testing organisation during times of emergency;
- healthcare provided by the first aid clinic and ambulances managed by healthcare operators on behalf of Fiera Milano during all stages of the event.

A health monitoring programme for Fiera Milano's internal workers is drawn up every year by the competent physician, looking at the use of display screens and outlining the protocols to be followed.

The annual safety meeting, which is also attended by Employee Safety Representatives, analyses the following points, among others:

- the risk assessment document, as per art. 17 of Legislative Decree 81/08, and the updating and management thereof;
- trends in accidents, occupational illnesses and health monitoring;
- the selection criteria, technical characteristics and effectiveness of personal protective equipment;
- health and safety information and training programmes aimed at managers, supervisors and workers;
- the overall safety improvement objectives based on the guidelines for an occupational health and safety management system.

All new recruits must undergo training on health and safety in the workplace in accordance with the agreement of the 2011 permanent conference of the state and regions, which notably includes the following:

- four hours of e-learning and four hours of specific classroom-based training in groups of 35 and a final test to verify the knowledge acquired for employees;
- the 16 hours of e-learning and final test to verify the knowledge acquired in the classroom for managers.

All employees are required to undergo a five-yearly six-hour update on the health and safety of workers, with four-hour courses every two years.

Table 21 – Accidents involving employees

	2019				2018				2017			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
<b>Total injuries</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>
Fatal injuries	0	0	0	0	0	0	0	0	0	0	0	0
Serious injuries	0	0	0	0	0	0	0	0	0	0	0	0
Frequency index	0	5.95	0	0	0	3.85	0	0	5.42	3.80	0	0
Gravity index	0	0.27	0	0	0	0.04	0	0	0.04	0.06	0	0
Rate of absenteeism	0	2.39	0	0	0	0.45	0	0	2.95	2.96	4.49	4.49
Rate of occupational disease	0	0	0	0	0	0	0	0	0	0	0	0

Table 22 – Employee safety expenditure

(thousands of Euro)	2019		2018		2017	
	ITALY	ABROAD	ITALY	ABROAD	ITALY	ABROAD
Injury prevention equipment and other safety tools	8.76	0.11	10.12	0.15	4.13	0.00
Health checks	21.26	0.23	22.44	0.32	24.84	0.28
Environmental analyses, office sound level measurement	147.60	1.29	162.50	1.32	131.95	1.48
Training	2.68	0.00	3.64	0.00	4.51	0.00

# Security

**"Fiera Milano is dedicated to spreading and strengthening a culture of safety at work, in which everyone is aware of risks, using all the resources needed to ensure the health and safety of its visitors and customers and the communities it works in." (from the Code of Ethics)**

One of Fiera Milano's fundamental objectives is to protect company assets and people from threats, fraud and criminal behaviour, be it internal or third-party, that could directly or indirectly harm their finances, reputation or physical well-being. It is supported by the police in doing so, and both work together on the principles of collaborative prevention and integrated security, while respecting the separateness of their roles.

In compliance with the policies promoted in its Code of Ethics and the 231 Model, Fiera Milano is equipped with a Safety and Accessibility Plan that maps the preventive measures in terms of structure at management in place at fieramilano, fieramilanocity and the MiCo congress centre to prevent and reduce the risks associated with its activities and set out a course of continuous improvement. The main objective is an integrated security system that protects company assets and people.

Security management within the Group is entrusted to the Security department, which takes actions and uses tools to manage and mitigate risks. Since July 2019, the Security department has included Exhibition Security and District Logistics departments, with a view to complete and organic management of its work throughout the phases of the events. The department operates in compliance with the Security Manual, which defines the principal methods, principles and criteria for the company's security activities.

Security work is done according to a process logic that takes into account its impact on all operations and management and the relevant legislation and specialist technical issues. Specifically, Fiera Milano's security process can be broken down into various sub-processes.



The Security department, in collaboration with the Risk Management department, analyses threats to security, both internal and external, mapping any risks and updating them regularly. They then plan operations and security checks at the macro-level connected with managing the districts and/or organising the events. Operations in the field of security consist of actions and tools for managing and mitigating risks, identified through previous risk assessment. They are followed by assessment and constant monitoring.

Security measures can be divided into organisational, physical and cyber ones.

## Organisational security

The Security department ensures, using the best methods of risk assessment and management, that specific checks are done on the reputations of third parties charged by the Group with security, for example:

- Suppliers, direct or indirect to the Fiera Milano Group (e.g. suppliers of installations for exhibitors)
- Exhibitors
- Consultants and external collaborators

The department has the perfect tools at its disposal, including authorised data bases and companies that specialise in assessing third parties. Among the main results of the reputation assessments was a rating for third parties, assigned according to an effective risk-scoring model. The reputation rating for third parties is done

for security reasons and regularly monitored by the Security department, in collaboration with the relevant company departments (e.g. supplier procurement). Regarding the reputation assessment of suppliers in Brazil, in February 2020 the administrative body of CIPA approved a process of supplier assessment, covering reputation and following the guide lines adopted at the corporate level, with the necessary modifications based on local requirements. For more information, see the chapter "Supply chain" on page 46.

## Physical security

The Security department deals with managing and coordinating physical entry to all company sites of the Fiera Milano Group (legal and operating headquarters and exhibition spaces), as well as assessing them with the help of internal and external people, based on the type of assessment, and the IT systems described below.

When assessing entry, the Security department uses internal and external people to ensure:

- Proper registration, accreditation and assessment of all third parties (e.g. suppliers, installers, exhibitors, consultants, etc.) and all the means to get into company sites and exhibition spaces.
- Constant checks on entry, pursuant to the accredited procedure.
- Reporting of any anomalies or incidents to do with security to the relevant company bodies/departments (e.g. CEO, health and safety officer, Supervisory Body, procurement, etc.);
- Prompt management and resolution of any anomalies/incidents.

The Security department also helps actively run transport in and around the exhibition sites, throughout the different phases of events, through its traffic control and coordination centre, thanks to a series of agreements with the main transport operators and the police. Management of the exhibition sites is supported by centres open round the clock, using video cameras and alarmed perimeter fences, with trusted security guards, anti-fire staff and tools, in permanent coordination with the police in the set-up and exhibition phase of events in order to protect security and law and order. Specific documents are made available for every phase of the event, setting out the times and methods of every operation along with the various services needed if every phase is to be carried out in time and as well as possible, to protect the environment and the safety of workers involved in the services. For more information, see the paragraph on health and safety at the exhibition sites.

In 2019, the Security Plan, begun in 2017, was completed. It involved bringing facilities, processes and procedures up to scratch, to raise assessment levels on the basis of the new responsibilities dictated to organisers/managers of public events in the "Gabrielli" circular of 7 June 2017, NR. 555/OP/0001991/2017/1. Specifically, the plan involved installing bag and full body scanners at entry points to fieramilano, fieramilanocity and MiCo, and traffic barriers to protect pedestrian areas. It also involved greater security and checks on the accessibility of areas for events, with a view to protecting the health and safety of people in the district. This technology also allows us to see in real time the number of people within the exhibition sites. Finally, in January 2020 the first load of road blockers were installed at Fieramilano to protect pedestrians along the central section of the district. The second and third batches will be erected by June 2020, at the service centre and at Porta Est, respectively.

In 2019 more video cameras and video recording devices were also added, extending the surface monitored by video surveillance to better guard company assets.

**Table 23 – Number of checks on entry points to exhibition sites**

	2019	
	fieramilano	fieramilanocity
Bag checks ('000)	2,340	250
Metal detector checks ('000)	3,151	286

## Cyber security

The Security department uses good regulatory, organisational and IT tools to ensure proper levels of security when managing the company's information, in terms of:

- confidentiality (access to information for authorised people only);
- integrity (guaranteed accuracy and completeness of information and processing of it);
- availability (accessibility and availability of information).

The Group takes the security measures it feels are necessary to protect the integrity and confidentiality of its information, so as to block any unauthorised access to and attacks on its IT systems. These security measures must protect all the information processed by the company, including that which relates to third parties (suppliers, exhibitors, consultants, etc.).

In terms of cyber security specifically, the security and IT departments work together to define and monitor a system for monitoring cyber threats and risks, including through cyber intelligence work.

The Security department, in collaboration with the IT department and in respect for the relevant legislation (e.g. on privacy), creates and maintains an inventory of all the Fiera Milano Group's IT assets (like applications, databases, technological infrastructure, company archives, etc.), identifies the owners of the information, defines a model for classifying data, information and documents, sets out rules and behaviour for using information based on classifications assigned to it.

With a view to promptly preventing or managing events that threaten IT security, in 2019 we went on with our cyber security programme, begun in 2018. Specifically, we introduced services for safely managing the digital identity of users and access to company IT platforms. Specific projects were also launched, which will be completed in 2020, to protect company e-mails, computers and servers (endpoint) in advance.

## HEALTH AND SAFETY IN THE EXHIBITION SITES – SAFETY AT EXHIBITIONS

For the Fiera Milano Group, the health and safety of its workers and everyone who enters its exhibition sites is paramount. Accordingly, they are planned, managed and monitored through a series of preventive and protective actions to protect them. For the proper management of these activities, the Group has permanent contracts for security services at the exhibition sites, for continuous monitoring and protection of all aspects of security at its exhibitions. Each event is, therefore, monitored in all its phases of organisation (from drafting the contract to completion), to assess and ensure compliance with all safety and fire-prevention practices and full compliance with Fiera Milano's Technical Regulations.

In 2019, in light of analyses done at the exhibition sites to prepare for the Crisis Management Plan described on page 41, certain processes were carried out that by their nature required formal, specific working rules. So, working rules were put in place for:

- Crowding in the districts;
- Crowding in underpasses;
- Flooding in underpasses;
- Occasional use and management of helipads.

Also in 2019, more than 17,000 hours of monitoring were done and more than 6,500 audit reports written. The main things monitored were: exhibition sites, assessment of technical and construction documentation presented by exhibitors, compliance with fire regulations, especially in terms of maximum crowding and usability of extinguishers (fire extinguishers, fire hydrants, fire buttons, etc.), assessment of escape routes and emergency exits, assessment of safety signs and fire extinguishers at sites and exhibitions.



The management of the interference risks for each individual event is done in two distinct phases, in compliance with current legislation. During the preparation phase of the exhibition, the so-called 'single document for the evaluation of interference risks' for the exhibition is sent to the organiser, and once duly integrated with the latter's own information, is shared and made available to all those involved. Also at this stage the *DUVRI* for Fiera Milano contractors is prepared and shared with them. This document regulates the risks of direct responsibility of the fair district manager.

On 21 June 2019 Fiera Milano signed a protocol agreed with the prefecture of Milan and the local health authority and approved by the Ministry of the Interior. This agreement defines, in accordance with regulatory requirements, the roles and responsibilities of the parties involved in installing and dismantling exhibitions, as well as information and communication obligations between Fiera Milano and the local health authority. Specifically, the agreement provides for:

- Division of roles and responsibilities between the district manager and the event organiser.
- Detailed definition of Fiera Milano's responsibilities in its various roles as site manager, client and contractor.
- Regular communication by Fiera Milano to the local health authority about any accidents of which it becomes aware during the phases of the exhibitions.
- Implementation of an IT platform, available to the prefecture and local health authority, for checking the proper security management documents – *DUVRI*, *PSC* – drawn up by the organisers/exhibitors as well as entry of workers to the exhibition centre.
- Regular communication from Fiera Milano to the local health authority of:
  - Calendar of events.
  - List of delayed and ahead-of-schedule installations.
  - List of safety contact people appointed by the organisers and exhibitors.
  - Operational office in the Rho district.

In light of the signing of the above protocol, and following the changes in the organisational structure concerning the Security department, the various procedures, operating instructions and reference forms were accordingly updated in the second half of 2019. All contractual documents that Fiera Milano drafts and forwards to the various parties involved in the exhibition document process undergo a thorough review, as do the reference forms on Fiera Milano's website and on the E-Service portal.

In 2019, too, new and different operations were begun, which will lead to a revision of Fiera Milano's technical regulations (expected in the first half of 2020). This revision will not only transpose the protocol mentioned above, but also set out a different approach to certifying exhibition sites set up by installers, quickly revisit penalties for non-compliance, go into specific detail on methods of entry for anyone coming into the fair district, and last but not least, revisit, with diagrams and details of effects, all the chapters from the document.

Revisiting the documents and procedures as described above is planned for 2020 and will be the point of departure for adopting a security management system pursuant to the standard UNI 45001, which is seen as key to a structured, organic system for continuous improvement.

So, 2020 will involve planning, executing and implementing a Security Management System, with a view to future certification of it.

# Customer satisfaction

## INVOLVING STAKEHOLDERS IN OWN EXHIBITIONS

A company's success is measured not just on its profitability, but above all the satisfaction of its customers (be they occasional or loyal). Knowing how to provide quality and inclusive customer experience is the only way to guarantee happy, loyal customers. That in turn guarantees market leadership and real gains in an ever more complex and competitive world. Fiera Milano's success is born of its ability to create trade fair products, beginning with understanding its customers' needs and desires and meeting them as their habits and needs change over time. That is why within such a rich tapestry of trade fairs in Italy and the wider world, Fiera Milano has decided to put its customers at the centre even more, because they do not just use its services but also contribute to their success. Fiera Milano is a company with its eye on the market and the customer and is committed to providing excellent quality with competitive products and services. In short, at Fiera Milano it is the customer who guides the company's choices. They are the beating heart of the organisation. Quality plays the essential role of vehicle, or translator, of the customer's demands. The quality of service is therefore a priority for Fiera Milano at all stages of work. Specifically, in terms of managing property exhibitions, in order to maintain high quality standards, we have adopted a business model governing the relationships with various stakeholders, through dedicated teams that offer specific services at the various exhibition stages.

STAKEHOLDER	RESPONSIBILITIES		TYPE OF INVOLVEMENT		RELEVANT TOPICS
<ul style="list-style-type: none"> <li>Italian and non-Italian exhibiting companies</li> <li>Sector operators</li> <li>Category associations</li> <li>Agents</li> </ul>	<ul style="list-style-type: none"> <li>Commercial team for exhibitors, mainly in the phases of negotiation and space allotment</li> <li>Online platform, for exhibitors providing effective, efficient information and services</li> </ul>	<ul style="list-style-type: none"> <li>Call centre team for exhibitors and visitors, for assistance before and after fairs</li> <li>MyMatching platform for exhibitors and buyers to make it easier to match supply and demand and get quality contacts</li> </ul>	<ul style="list-style-type: none"> <li>Road show</li> <li>Round tables for strategic positioning of events</li> </ul>	<ul style="list-style-type: none"> <li>Survey of exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>Financial aspects</li> <li>International target markets</li> <li>Developing new products within the event</li> <li>Evolution of the distribution chain</li> <li>Definition of risk areas</li> <li>Study of competition</li> <li>Product variety and business opportunities</li> <li>Service quality</li> <li>Events outside districts</li> </ul>
<ul style="list-style-type: none"> <li>Hosted buyers</li> <li>Italian and non-Italian B2B visitors</li> <li>General local and Italian public</li> </ul>	<ul style="list-style-type: none"> <li>Team buyers for hospitality packets</li> </ul>		<ul style="list-style-type: none"> <li>Meetings and round tables during fairs</li> </ul>		
<ul style="list-style-type: none"> <li>Specialist and general publishing</li> </ul>	<ul style="list-style-type: none"> <li>Press team, marketing for communication and promotion</li> </ul>		<ul style="list-style-type: none"> <li>Press conference</li> </ul>		
<ul style="list-style-type: none"> <li>Institutions, public bodies, chambers of commerce</li> <li>Sponsors</li> <li>Foundations</li> </ul>	<ul style="list-style-type: none"> <li>Exhibition managers and teams</li> </ul>		<ul style="list-style-type: none"> <li>Projects with the municipal government of Milan, regional governments and government ministries</li> <li>Organisation of events in the local area in connection with exhibitions</li> </ul>		



## METHOD

A knowledge of the main metrics for satisfying exhibitors and visitors is fundamental to understanding what drives customers to choose certain exhibitions.

The ability to quickly intercept and understand changes in the market is essential to lending a competitive, stable and long-lasting advantage to every organiser and satisfying as well as possible their customers.

The quality of the service offered by Fiera Milano's Property Exhibition departments is measured by a structured Customer Satisfaction Survey. Fiera Milano studies the main trends in satisfaction among exhibitors and visitors, processing information from an external company that specialises in customer satisfaction surveys in the trade fair industry.

In January 2019 a structured, homogeneous process of assessment was introduced, done on all the exhibitions at the fieramilano and fieramilanocity districts after they end, in order to improve the quality of the exhibitions and in particular the services they offer. The process is coordinated by the Strategic Marketing department, which meets for a debriefing with all the functions involved in organising the exhibitions analysed. After this, a summary report is written, looking at the main quality problems encountered during organisation and exhibition. Best practices and suggestions for the future edition are also gathered. The last phase of the process involves sharing the report with the company functions and then taking improving measures, if needed.

Over the year, there were 37 debriefing sessions after exhibitions, involving 16 company departments. They covered the following topics:

- Management and maintenance of districts
- Set-up and assembly services
- Safety and security
- Digital services and entry systems
- E-Service and call centres
- Exhibition signs
- Eateries
- Set-up and design services
- Customer service
- District logistics
- Buyers: MyMatching, buyer quality, buyers' lounge
- Hostesses and welcome services
- Set-up services, pre-built and personalised
- Administrative services
- Destination management services (MiCodmc)
- Planning and checks
- Technical, audio and video services

Beginning in 2020, Fiera Milano will use the information from the Customer Satisfaction Surveys for its own exhibitions to do in-depth studies of customer satisfaction with the main services.

## FM INDEX

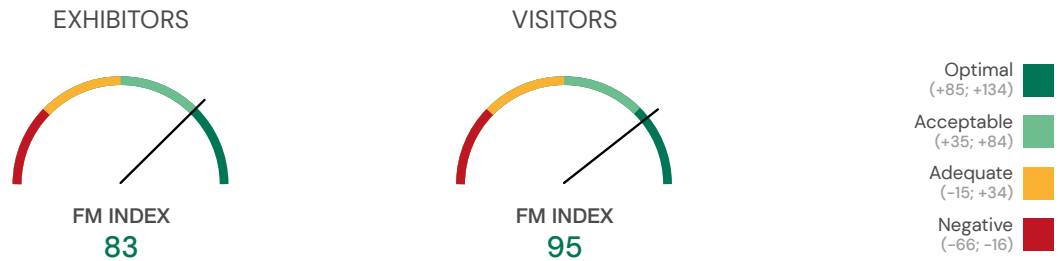
The metric used to define the quality of most of the property exhibitions was replaced in 2019 with a new, synthetic one, the FM Index. This index was developed by rethinking the main levels of brand equity. It combines different targets within single exhibitions, both across fairs and as they develop over time. The index was built on a weighted refiguring of research into four questions (original model: MPS – Evolving Marketing Research):

Satisfaction – Customer loyalty – Benchmark competitors – Recommendability

The index is explained numerically, on a scale of values between -66 and +134.

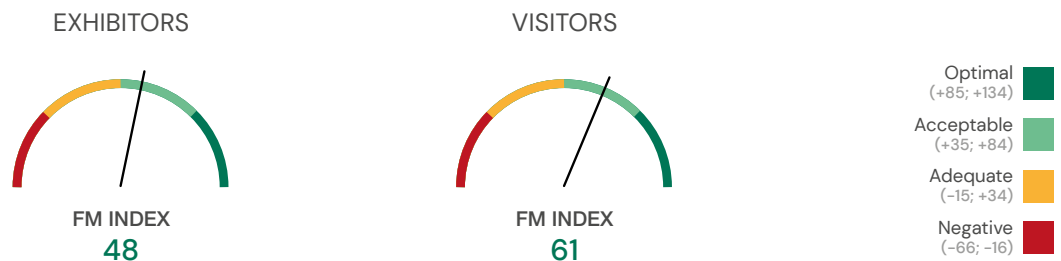
Below the synthetic FM Indexes for exhibitors and visitors at the main property exhibitions in 2019 are analysed.

## HOST



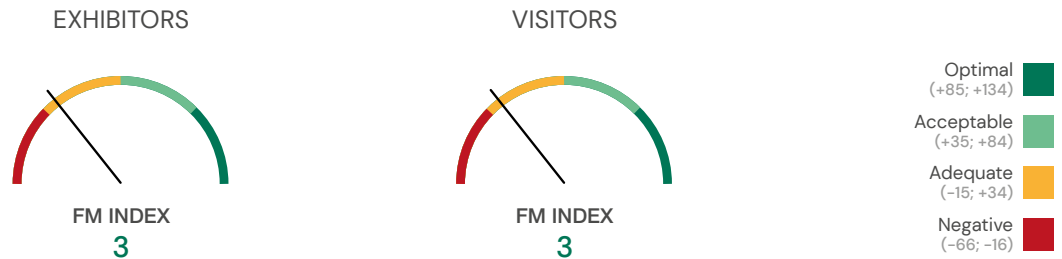
HostMilano is a world-leading professional hospitality fair, which every two years becomes a platform for trends, innovations and prototypes. The level of satisfaction among exporters confirmed that their expectations were fully satisfied. Companies saw not only an increase in visitors from around the world but also in quality, in all sectors. The variety and comprehensiveness of the product offer, together with the big international presence, fully satisfied visitors' expectations. Those same visitors breathed an air of sustainability and innovation over the five days, thanks to the smorgasbord of events and meetings put on in collaboration with specialist publishers and category associations. The exhibition wanted to maintain its role as a big international hub for hospitality, ensuring quality of information, training and discussion of the latest market trends, with a constant focus on innovation, thanks in part to the 'SMART Label – Host Innovation Award', given in collaboration with POLI.design and sponsored by Associazione per il Disegno Industriale (ADI), involving all the exhibiting companies before, during and after the fair.

## HOMI 2019



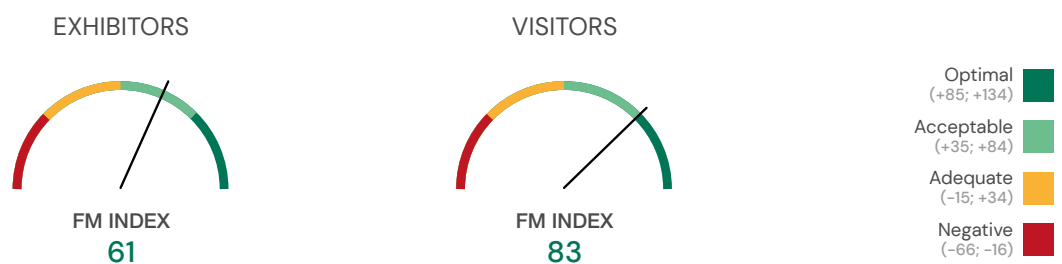
HOMI Il Salone degli Stili di Vita is an exhibition dedicated to the world of home design, decoration and furniture, held in January every year at Fiera Milano. The event boasts a wide assortment of products for contemporary living and looks to the dynamically evolving world of distribution, everything from specialist sales points to organised mass distribution, e-commerce to interior design. The 2020 edition focused on the richness of the products, organising them based on the individual features and size of each sales point and presenting an efficient, practical explanation of the exhibition's offer for visitors and buyers. This innovation will let them benefit from areas grouped by type of distribution, brand positioning and innovation, real platforms of offers for different profiles of buyer. An important place will be allocated to production, craft and industrial skills, which can generate new products, both contemporary and rich in tradition, building on local character and the Made in Italy brand. At the same time, a selection of international brands and designers will bring visitors new and inspiring offers, and host a series of meetings and conferences dedicated to the world of interior design, with an even greater commitment to complete ranges of furniture for both private houses and the world of home hospitality. Finally, a socially and environmentally conscious project to reuse production waste from companies for design was presented at the January 2020 edition. It will involve the exhibiting companies in an annual design competition, the results of which will be exhibited at the 2021 edition of HOMI. In 2019, HOMI had an overall Fiera Milano Index of 61 visitors and 48 exhibitors, showing ongoing confidence on the part of everyone at the event, as well as the usefulness of the event to companies in terms of promotion and the purchasing process.

### HOMI OUTDOOR HOME & DEHORS



HOMI Outdoor Home & Dehors is a September exhibition dedicated to the world of indoor and outdoor home design. In 2019, the first edition of the new exhibition project successfully brought together decoration, furniture and accessories for all settings, both indoor and outdoor. The fair has two distinct souls, both dwelling within the 'home' concept. They express themselves through an offer that boasts the best in the world of specialist distribution, interior and exterior design and home hospitality. The September edition is a key moment of realignment and integration for the small and medium distribution range, given the sales at the end of the year, as well as an exciting moment for anyone doing renovation and maintenance in the winter period, whether interior or exterior designers, private home owners or operators in the home hospitality business. To this end, the exhibition wants to become an opportunity for education and discussion on the relationship between indoor and outdoor spaces, something addressed at the event by the range of specialists and opinion formers (architects, designers and furniture designers) who provided new visions and creative thrusts to visitors to the event. Finally, HOMI Outdoor Home & Dehors 2019 also hosted a space displaying, for the first time ever, the winning projects from Design Competition Expo Dubai 2020. On show were prototypes in line with the theme of Expo 2020, 'Connecting minds, Creating the future'. Stars of the world expo at Dubai in 2020, they represented Lombard excellence in design and creativity.

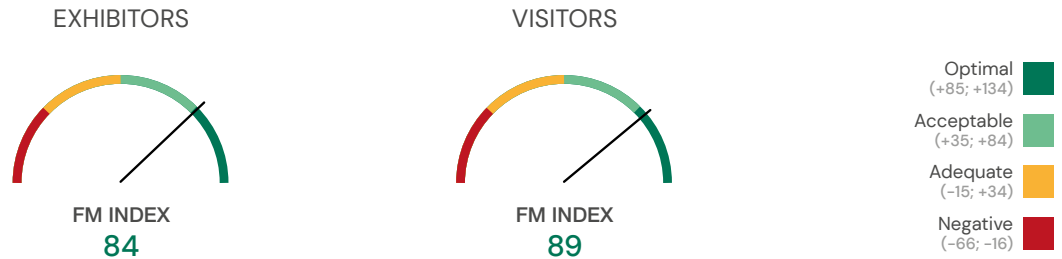
### TUTTOFOOD



TuttoFood is the international B2B fair dedicated to food. The event meets the needs of companies looking mainly at the Italian market as well as exporters. The level of satisfaction among exporters confirmed that their expectations were fully satisfied. Specifically, the suggestions in 2017 for more specialist visitors from both Italy and abroad were followed up with a series of actions to increase targets in terms of both quantity and quality. Visitors showed themselves totally satisfied with the variety and comprehensiveness of the product offers, above all when it came to Italian products. The huge raft of meetings and events was particularly appreciated, as it gave them an opportunity to get up to date on the latest trends and find out about new distribution channels. TuttoFood is one of the founding partners of Milano Food City, the bursting calendar of events all round the city that connects the exhibition with the local area and tells people about product innovation.



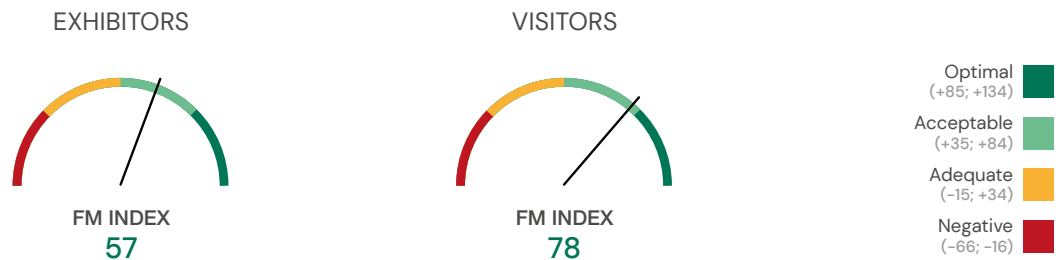
## SICUREZZA



Sicurezza is today recognised as a leading event in Italy in the security and fire prevention sectors. This professional event provides operators with a wide range of technologies, products and solutions in every field, from video surveillance to fire prevention, anti-burglary to passive safety, all the way to the latest innovations in cyber security and the Internet of Things.

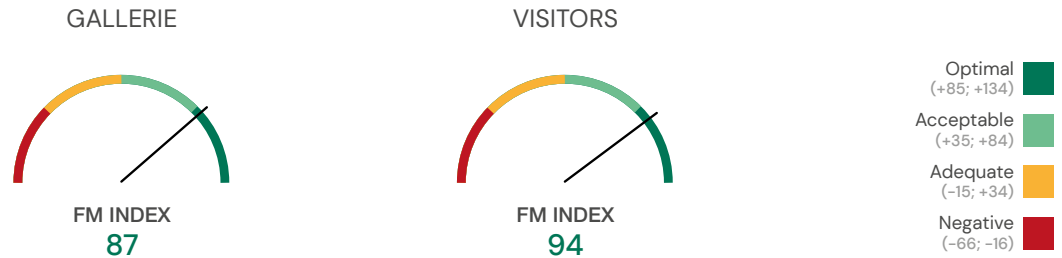
For exhibitors, Sicurezza is an important event in terms of communication strategies. The fair is somewhere to showcase products, solutions, technologies and new arrivals, and strengthen their brands. Visitors and buyers can marvel at the variety and breadth of the ranges on offer, the innovation of the products displayed and the chances for discussion and discovery. The events are organised in collaboration with magazines and associations in the sector, which brings them further added value. The index for Sicurezza 2019 was excellent. Loyalty and recommendability are the key aspects for exhibitors, visitors and buyers. Buyers and visitors were found to be excellent and exhibitors almost achieved the same.

## SI SPOSAITALIA COLLEZIONI



Si Sposaitalia Collezioni is viewed as the top exhibition for the Italian and international market in wedding and celebration clothes. It is an unmissable date where you can see the best products the sector has to offer. The exhibition hosts collections of the highest creativity and quality for weddings and other celebrations, including accessories, with an eye on trends, which give the buyer a huge and contemporary look at the latest arrivals in the sector. The satisfaction level of exhibiting companies increased since the previous edition. Suggestions made in 2018 were met in 2019. There was a new lay-out that made visits easier, more stylish installations in line with presentation of the brands, and a communication campaign exploiting all channels, with a particular focus on social media. The principle was to involve the city with events outside the district. The satisfaction level of visitors was higher than for exhibitors, because the brand offer was diversified not only by geography but also by product type and price, so visitors found what they were looking for but also new, emerging brands and established companies. The Si White Carpet by Sposaitalia Collezioni was particularly appreciated. For the second year in a row, two collections from young and upcoming designers went down the catwalk.

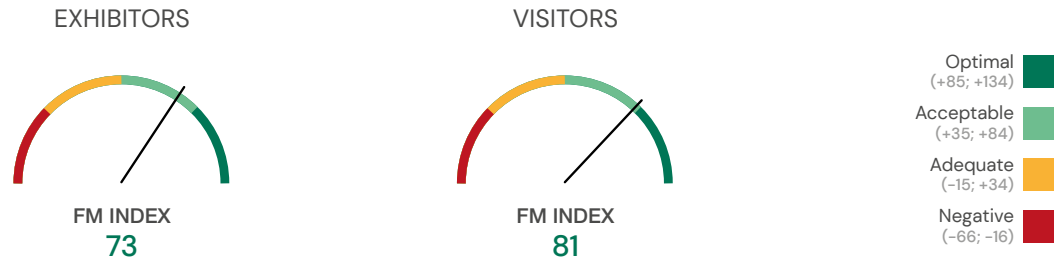
## MIART



Miart is the annual fair of limited-edition contemporary and modern art and design. It establishes a dialogue between the fields and explores the relationship between creativity in the past and creativity in the present. It also gives the public the widest possible range of art, ranging from the early 20th century to the latest generations. General satisfaction among exhibitors was constant with previous editions. It reflected how the exhibition can open discussions between exhibitors and their targets. The growing presence of collectors and professional international operators was one of the things most appreciated. The excellence performance in terms of visitor satisfaction reflects the choices made in the planning stage, when it came to the quality and international standing of artwork and galleries and the diversity and variety of the products. This mix of elements was responsible for the higher satisfaction. The representatives of international organisations sent to take part in the talks and juries particularly appreciated the comprehensive offer put on by the fair and the city itself for Milano Art Week. The common good was the theme of the talks put on in 2019, and was explored in all its angles: the depth of the concept and how it manifests itself, how it is created and protected and how it might be expressed in future. Together with the reporters, we went into depth on these topics in relation to the three main points of Miart, namely contemporary art, modern art and design.

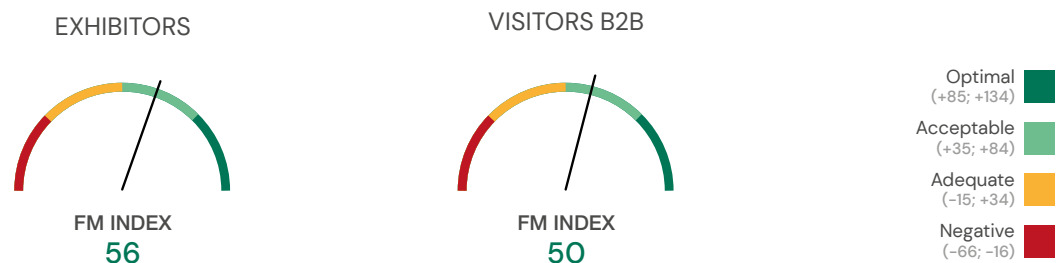
Miart 2020 will present a selection of about 180 international galleries as part of a dialogue between modern art, contemporary art and design, based on a concept that will see the fair transformed into a portrait of Milan and the city's cultural DNA. Milano will be a studio, as it has been since the opening decades of the last century, one where tradition has always been married with experimentation, one where exclusive design and architecture live side by side with the artistic avant-garde. In light of this vision, which rests on the need for productive dialogue between the disciplines, art galleries and design and decorative art galleries will for the first time ever not be divided in the layout for the fair in 2020. The common goal of the municipal council of Milan and the local department of culture is to promote Milano Art Week abroad, and Miart is very much the beating heart of the event. They want to make Milan more attractive and bring in more professional visitors from abroad, hence why they have planned two press conferences outside Italy, in New York in December and London in January.

## TRANSPOTEC



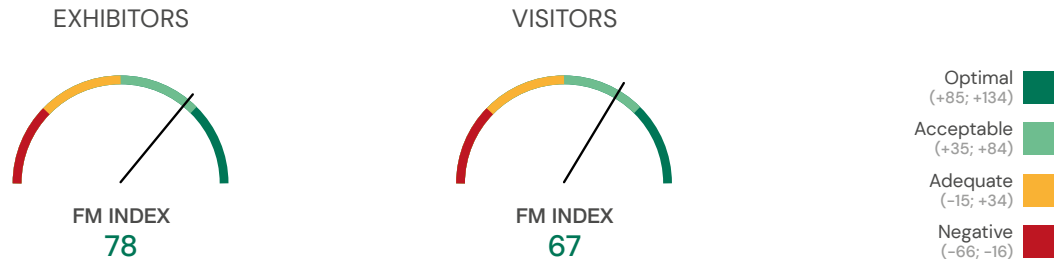
Transpotec is the fair held every odd year, dedicated to road transport and logistics. The level of satisfaction among its exhibitors is growing. Companies in all the sectors represented, saw a rise in visitors but also in quality. Market data provided in advance helped the transport logistics market develop. The presence of publishers in the sector and newspapers, and visits from government institutions, pointed to the growth of the exhibition and its importance in the sector. Thanks to diversifying the product offer in line with market demands, increasing the number of producers of heavy and light vehicles, and having logistics leaders and more installers present meant that visitors' expectations were well satisfied. The range of meetings held in collaboration with specialist publishers and category associations covered many aspects of this industry, with a focus on intermodality and sustainability, and acted as tools for professional updating and general information on the latest market tendencies.

## BIT



Borsa Internazionale del Turismo (BIT) is an annual exhibition held since 1980. It brings travellers and operators in tourism from around the world to the Lombard capital. BIT allows carefully selected decision makers, experts in the sector and buyers to meet, from the places in the world with the highest rates of growth and from all sectors in the supply chain. BIT is an event that also provides training, with more than 100 meetings and seminars on the latest sector trends. The satisfaction index for exhibitors remained constant. The choice of location in the city in 2017 was particularly appreciated and in line with the needs of the exhibition. The media coverage of BIT was one of the event's strong points. Exhibitors in particular felt the chances for meetings and interactions with specialist and non-specialist publishers, professional operators and local government bodies to be unparalleled. The assortment of meetings over the three days of the exhibition met the demands of the operators visiting for training and information. The programme took into account suggestions from the previous edition, without any overlaps, and made it easier to take part. The satisfaction index for visitors was slightly lower than for exhibitors, and reflects the average visitor's experience of seeing fewer foreign countries represented. Professional visitors, on the other hand, found a wide and varied incoming range, which satisfied their expectations. With a view to promoting Italy, in collaboration with ENIT, farm trips were organised for international buyers from Northern Europe and the US, to let them discover the regions struck by the earthquake in 2016.

## PROMOTION TRADE EXHIBITION (PTE)



PromotionTrade Exhibition (PTE) is the only annual event in Italy dedicated to the world of advertising, promotional material and personalisation technologies. The exhibition is open exclusively to intermediaries in the sector. It is a priceless opportunity to see specialist offers from producers, importers and distributors, meeting the demands of intermediaries, resellers and personalisers. The general satisfaction index for exhibitors went up in line with the previous edition. The actions taken led to an increase in buyers from Southern Italy and abroad, a target for exhibitors according to the customer satisfaction survey in 2018. This is the only event in Italy in this market. Visitors also showed a high level of general satisfaction. The range of continuous training seminars was once again greatly appreciated, as was the varied and comprehensive product offer. The development of the 2020 edition aimed to integrate the supply chain, involving the world of technology and innovation as a driver in developing personalisation offers at the exhibition. That is exactly why more space was given over at the exhibition to training and demonstrations of technologies, which allowed for greater participation in the event, always in line with sector demands. Furthermore, the 2020 edition saw a topical Green Path set up to highlight exhibitors of ethical products in terms of environmental sustainability, recycling and green consciousness, showing the commitment of companies in the advertising sector to the environment and the planet.

### Numbers from MyMatching 2019(\*)

**41,200**

users on My Matching

**+31,200** more than in 2018

**93,560**

meetings confirmed



**55,872**

conversations

**4.6** out of **5**

ranking for media  
meetings

**13** minutes

average time  
spent on the portal

**4.2** in 2018

**10** minutes in 2018

\* The data refer to the following exhibitions, at which the service was used in 2019: BIT, EICMA, HOMI Fashion & Jewels, HOMI I Semestre, HOMI Outdoor, HOST, SICUREZZA, SIMEI, Si Sposaitalia Collezioni, Transpotec, TUTTOFOOD, Versilia Yachting Rendez-Vous.

## CALL CENTRE

Fiera Milano's call centre is open to exhibitors, visitors and installers and provides assistance over the phone and by e-mail with certain services, namely:

- E-Service shop, selling services to exhibitors, collecting forms and checking entries for every exhibition
- Ticket-selling system for all exhibitions
- MyMatching service, virtual platform for organising meetings between exhibitors and buyers
- CRM for own events
- Customer service
- Digital catalogue of exhibitors
- Smart Catalogue service and development of the digital catalogue for exhibitions, streaming of official content from exhibitors' social media profiles
- Easy Service, interactive platform for exhibitors to do administration and use the E-Service shop last minute.

The team is made up of at least two, at most eight, multilingual (English, French, German and Spanish) operators who are always up to date on all the services.

The call centre works from Monday to Friday and during exhibitions, with uninterrupted working hours.

The level of service it provides is monitored by certain KPIs of quantity and quality, below:

INDICATOR	MONITORING ACTIVITY	MONITORING TOOLS	ASSESSMENT TIME
EFFICIENCY	Check on monthly percentage of calls missed (MAX 10%)	Report exported through data-tracing system	First day of the month
	Check on replies to e-mails within 24 hours of receipt	Check on e-mail inboxes	Daily
QUALITY OF SERVICE	Check on training level of operators	Written questionnaires	Before opening the E-Service shop for every exhibition
OPERATING PROCEDURES	Checking that the operating procedures are respected and properly applied	Reply e-mails and checks on content	Sample
EMERGENCY PROCEDURE	Checks on the presence of a formal plan to replace staff in case of unexpected absences, to guarantee the services run are continuous	Information in real time and sight checks	In real time
ATTENDANCE AND PUNCTUALITY	Checks on the presence of, punctuality of and respect for working hours by staff	Reporting on daily check-in by every staff member	Sample
SIZE AND LANGUAGES COVERED	Checks on the efficiency of the organisational structure for the overall exhibition, as defined by the parties	Staff plan and sight checks	By the end of every month



Table 24 – Number of incoming calls

	2019	2018	2017
ANSWERED	76,173	61,350	63,402
REFUSED	5,580	3,336	4,487
% MISSED	6.8%	5.1%	6.6%

Table 25 – Number of e-mails handled

	2019	2018	2017
E-Service e-mails	24,652	12,933	6,607
Ticket office e-mails	15,226	10,241	4,813

The number of calls in 2019 was greater than in the previous year, thanks to the biannual Host and Tuttofood exhibitions cropping up in the calendar, which pulled in more calls and e-mails. Also, since 2019, the call centre has been helping people add itineraries to the MyMatching platform.

## HEALTHY VENUE CERTIFICATION

In 2019, MiCo upgraded its Healthy Venue certification, bestowed by the World Obesity Federation, from "Silver" to "Gold". Having "Gold" level alongside "Bronze" and "Silver", means greater focus on catering and initiatives for employees, of which there were a range.

By way of example, two "healthy breakfasts" were put on at the main fairs in the sector, Imex Las Vegas in September and IBTM Barcelona in November. At the latter, the ENIT stand offered healthy breakfast to select buyers and visitors at the event and held a presentation on certification. The initiative attracted interest and involved many projects.

At the International Conference and Convention Association's (ICCA) conference, Hydration Host was sponsored, with branded flasks handed out to all 900 visitors and personalised water bottles.

Fiera Milano Congressi's work in honour of its certifications so far encompasses:

- healthy menus, buffet and standing lunches, replacing puddings with fruit, reducing fats and salt, providing free water around sites
- information on healthy food, nutrition and benefits
- leaving unhealthy food out of advertising for conference organisers
- signs on health within MiCo, promoting the initiative with constant but not intrusive messages, to attract attention to the dangers of sitting down too much and not eating healthily
- collaboration with suppliers of automatic distributors to get at least 75% of products healthy
- acquiring and installing bike racks to let visitors get to MiCo that way in total safety
- installation of a wellness lounge for both employees at certain times and above all visitors to the event
- a map of Bikemi stations and other places that can be downloaded from MiCo's site to promote exercise facilities around the conference centre, as well as hours and lines of public transport
- a stretching tool kit to for event planners
- ad hoc signs using the "balloon" concept
- medical insurance and check-ups by doctors for employees of Fiera Milano Congressi
- wellness lounge showers for employees
- flexibility of entry and breaks for employees

## Environmental management

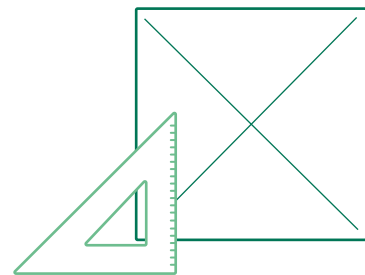
Energy costs for each square metre of the fieramilano district:

**2.73€**  
2019

**-7%** (2.92€)

2017

a comparable year  
in terms of the exhibition  
calendar



The management of environmental issues is a strategic factor for the Fiera Milano Group. There are a number of aspects that are of particular importance, on one hand there are the challenges associated with climate change and the socioeconomic pressures that impact on the macroeconomic context, most notably the energy sector, and on the other there are the needs related to the competitiveness of the exhibition sector, which isn't limited to a simple choice between different energy sources, but covers a whole range of other areas. Fiera Milano has 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 lines of action:

- to rigorously respect all environmental legislation;
- to ensure that all plant, machinery and equipment used at the exhibition sites is as energy efficient as possible;
- to prevent any pollution arising from its activities;
- to reduce the waste generated by its offices and to improve the efficiency of waste sorting so as to facilitate the recovery and recycling of waste generated by the exhibition activities;
- to promote certified management systems;
- to adopt a green procurement policy aimed at reducing pollution with particular attention on circular economy principles and on the costs of the entire life cycle of purchased products;
- to implement initiatives to support sustainable mobility, aimed at the Group's stakeholders, particularly in relation to essential assets;
- to implement initiatives to facilitate accessibility for disabled people and other special needs groups (Fieraccessibile, social mobility);
- to require that suppliers use vehicles and tools that promote sustainable logistics;
- to promote and improve the awareness of employees regarding their responsibility in protecting the environment and ensuring the safety of mobility by implementing information and employee training programmes.

Pursuant to the 231 Model, the Group's Italian companies employ a series of measures aimed at ensuring the prevention of environmental crimes. Specifically, several procedures are adopted in relation to the following issues:

- the discharge of polluting substances;
- the emission of ozone-damaging substances;
- waste management;
- document archiving.

In addition, Fiera Milano adopts energy-saving guidelines to activate hall lights and operate air-conditioning systems. These procedures enable the controlled and optimised management of plant, machinery and equipment by taking into consideration weather and seasonal conditions in order to minimise waste and inefficiencies.

The Sites department is responsible for overseeing the environmental management activities, it includes the following functions:

- Group Certifications, which oversees the maintenance of the existing certified Management Systems for Fiera Milano and Nolostand, and implements new management systems in accordance with current legislation.
- Programming, which coordinates the planning of all the department's activities and monitors their progress by evaluating to what extent those activities are in line with that which is defined within the project plans and the work schedule.
- Site Management, which manages the areas assigned to third parties, such as storage facilities, as well as supplier details.
- Facility Management, which manages the infrastructure at the various sites, in particular the running and maintenance, preventive, scheduled and corrective, of all the related plant, systems and services, such as building works, electrical, plumbing and heating systems, lighting systems, air-conditioning systems, special equipment, including for moving, and the management of green areas.
- Energy Management, which manages the energy commodities by maintaining oversight of energy consumption and ensuring its optimisation, and promoting activities aimed at improving energy efficiency and the use of renewable sources.
- Field Operation, which manages and coordinates activities related to site cleaning and technical services.
- Waste Management, this department was established in 2019 and is responsible for the procedures and methodologies used throughout the entire waste management process, from its collection right through to its treatment (recycling or disposal), whilst ensuring that all such procedures are compliant with current legislation.

Over the course of a year the environmental impact of the activities of Fiera Milano Group is partly variable, where it relates to the staging of exhibitions and conventions, and partly constant, where it relates to energy consumption in its offices, warehouses and buildings outside of exhibition periods.

In 2019, the cost per square metre of the fieramilano district was Euro 2.73, whereas it was Euro 2.46 in the previous financial year. This result, compared to the corresponding value for 2017 of Euro 2.92 per square metre, a comparable year in terms of the exhibition calendar, represents a reduction of 7% and is thanks to the energy efficiency projects that have been implemented in recent years and which are outlined here below.

These projects were implemented partly by Fiera Milano Group and partly by Fondazione Fiera Milano, the owner of the exhibition sites. The Group improved this performance over the course of 2019 by continuously monitoring energy consumption and by modifying and optimising procedures for the operation and management of systems and facilities both during exhibition periods as well as when no events were being held.

In addition to the above procedures for managing lighting and air-conditioning systems, the various initiatives that have been implemented over the years to measure and manage energy consumption at the two exhibition centres include replacing the light fittings with new LED lights, installing light-reflective film on the southern facades of office buildings and modifying the air-conditioning systems to incorporate inverter motors and high induction ducts.

Right from its planning, one of the principal ideas behind the exhibition centre in Rho was for it to be designed so as to minimise the consumption of drinking water by drawing groundwater from seven purpose-built wells to be used for activities not requiring drinking water, such as irrigation, air conditioning, technical plant and equipment and toilets.

With regard to environmental management, Nolostand, a subsidiary that does installations, has signed a declaration of intent and values, which involves an undertaking to reduce the environmental impact of its activities. The subsidiary adopts, among other things, procedures pertaining to the following areas:

- the management of atmospheric emissions;
- waste management;
- the management of environmental issues deriving from the assembly and disassembly of exhibition stands;
- the management of environmental aspects deriving from the use of storage facilities by suppliers.

In order to conduct its activities, Nolostand requires the use of a storage facility located in Arese, which is within a 10-kilometre radius of the Rho site. Currently, the principal environmental impacts of this storage facility are connected with the management of waste.

## CERTIFICATIONS

The subsidiary Nolostand adopts an integrated management system that provides for the following certifications: ISO 9001:2015 – Quality Management System; ISO 14001:2015 – Environmental Management System; OHSAS 18001:2007 – Occupational Health and Safety Management System; ISO 20121:2013 – Event Sustainability Management System.

During 2019, Fiera Milano started the process for gaining the ISO 20121:2013 certification, particularly in relation to the planning, management and staging of events and for extending the ISO 9001:2015 quality management system's current field of application to cover the entire range of services provided, so as to ensure the continuous improvement of the company's performance, including from an environmental, social and financial standpoint. We plan to obtain this certification in 2020.

The service centre, convention centre and office towers at the Rho exhibition site are certified "Silver" by LEED.

In relation to the subsidiary Fiera Milano Congressi, the upgrade to the energy reading system following the installation of the new facility, completed last summer at MiCo and connected to the district heating system, resulted in a delay to the consumption monitoring required for attaining the LEED certification, which was initially expected to occur by the end of 2019. This certification is now expected to be successfully obtained during 2020.

## ENERGY

For exhibition-related activities, the principal form of energy consumed is electricity: motive power, lighting the exhibition areas and heating for the internal spaces. A proportion of the electricity consumed by the service centre at the Rho exhibition site is produced using renewable sources and is purchased with the relevant guarantee of origin certificates.

In 2019, the heat generated by the Silla 2 waste-to-energy facility provided 99% of the Rho fair district's total heating requirement, with a consequent reduction in the consumption of fossil fuels.

**Table 26 – Quantity of energy consumed by source type (GJ)**

	2019	2018	2017
Electricity	181,836	187,047	176,086
Natural gas	15,389	23,470	20,113
fieramilano district heating	35,531	35,246	38,994
<b>Total</b>	<b>232,756</b>	<b>245,763</b>	<b>235,193</b>

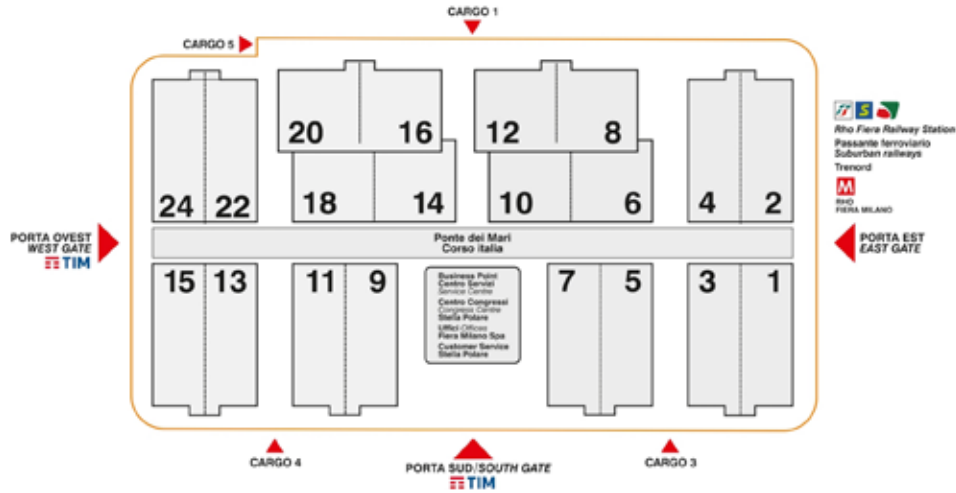
Note: The percentage of purchased electricity produced using renewable sources depends on the various national electricity mixes.

The reduction in the consumption of heat energy during 2019 is principally attributable to the favourable weather conditions that were experienced during that period.

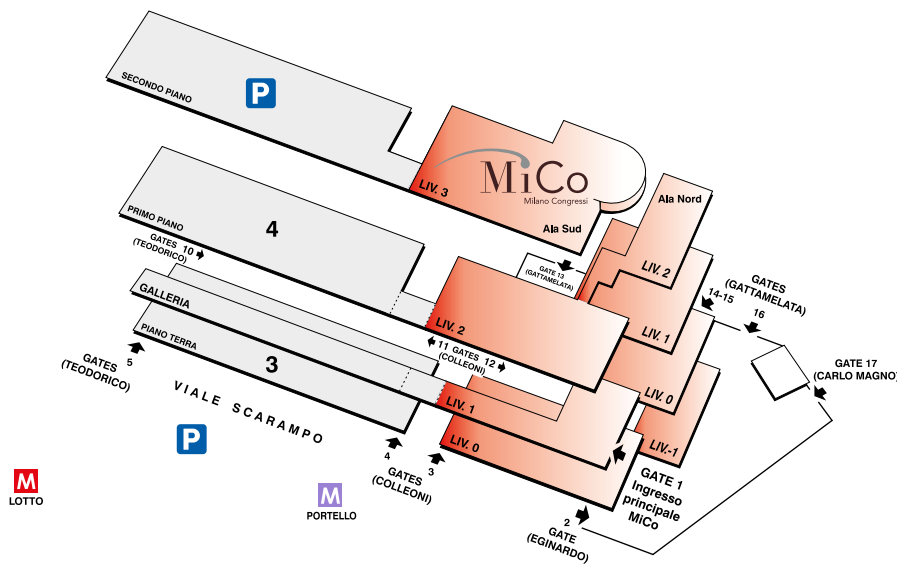
In addition, in 2019 Fiera Milano was able to consolidate the savings in electricity consumption it accomplished by re-lamping the light fittings, this involved replacing the existing fittings which used 400 W metal-iodide lamps with new LED light fittings. This process was carried out on all the single-storey pavilions and the ground floors of all the two-storey pavilions in the fieramilano district, the fieramilanocity district and the MiCo congress centre.

A similar replacement process is planned for 2021. It will involve the high two-storey pavilions (pavilions 8, 12–16 and 20) in the fieramilano district and will result in both exhibition sites being equipped with LED lights.

Table 27 – Map of exhibition sites



fieramilano



fieramilanocity

Table 28 – Summary of energy savings achieved at the fieramilano district in 2019 (kWh)

Total energy consumed at pre-existing plant (KWh)	Total energy consumed at new plant (KWh)	Energy saved (KWh)	Percentage saving	Saving in thousands of Euro
7,872,175	2,852,225	5,019,949	64%	About 710

During the summer of 2019 Fiera Milano also installed inverter units on the air-handling unit (AHU) motors in the odd-numbered pavilions on the east side of the fieramilano district: the savings, estimated to be around Euro 13,000 per year, will be monitored during the course of 2020.

In 2020, work will begin on installing inverter units on the AHUs in the even-numbered pavilions at the fieramilano district and on replacing the climate control system with pulsion technology in the reception areas of pavilions 5–7 and 9–11; the new system will become operational quicker and thus make the area more comfortable.



During 2019 Fiera Milano, with the support of Fondazione Fiera Milano, developed preliminary plans for the creation of one of the largest rooftop photovoltaic systems in Europe. The photovoltaic plant's total power will be more than 10.15 MWp (peak megawatts), 8.2 MWp of which will be installed on the roofs of pavilions 1–3, 5–7, 9–11, 13–15 and 22–24. Specifically, work was undertaken on the first batch of rooftops (9–11, 13–15 and 22–24). It involved their complete re-roofing, including improvements to the state of the existing insulation, as well as reinforcing the structure to enable it to support the new photovoltaic panels. Once the re-roofing process and the necessary upgrades to the electrical panels have been completed, the work to install the photovoltaic system will begin. The work is scheduled to be completed by 2021.

Once the work is finished it is estimated that Fiera Milano, thanks to the above-mentioned system, will be able to supply 20% of its own electricity requirements.

In line with the planned time schedule, in the summer of 2019 the fieramilanocity district and the MiCo congress centre were connected to the district heating network, this network was tested in December 2019. The use of the district heating network will enable, starting from 2020, direct CO<sub>2</sub> emissions deriving from methane gas used for heating the fair district to be reduced to zero, resulting in a financial saving that's currently estimated at Euro 38,000.

The development of an absorption system is planned for 2020, this system will be powered by the district heating facility and will provide refrigerated water to the fieramilanocity and MiCo pavilions; the system will contribute to reducing the consumption of electricity for climate control purposes, as well as improving the energy efficiency during the spring and autumn seasons. Work on installing light control devices in all the MiCo conference rooms was also completed, these make it possible to modify the lighting arrangement according to specific needs by only turning on the lights when and where they are required.

As of 2020 MiCo will only use electricity produced from renewable sources, resulting in a significant reduction in Scope 2 CO<sub>2</sub> emissions, calculated using the market-based method.

**Table 29 – Fuel consumed by the company vehicle fleet (GJ)**

	2019	2018	2017
Diesel	2,592	2,746	2,866
Petrol	4	1	12
Natural gas	0	6	11
<b>Total</b>	<b>2,595</b>	<b>2,753</b>	<b>2,889</b>

## EMISSIONS

Emissions directly deriving from Fiera Milano Group activities in Italy, during 2019, amounted to 20,921 tonnes of CO<sub>2</sub> equivalent and are attributable to the consumption of electricity, natural gas, district heating and fuel for the company vehicle fleet. In comparison to the CO<sub>2</sub> emissions figures for 2018, the emissions generated in 2019 represent a reduction of 5% and 3% respectively on the previous two years.

**Table 30 – Emissions (tonnes of CO<sub>2</sub> equivalent)**

	2019	2018	2017
Direct emissions (Scope 1)	1,052	1,515	1,336
Indirect emissions (Scope 2) <sup>4</sup>	19,869	20,427	20,247
<b>Total</b>	<b>20,921</b>	<b>21,942</b>	<b>21,583</b>

<sup>4</sup> The indirect emissions provided in the table were calculated using a location-based approach. Carrying out the same calculation using the market-based method gives a total amount of Scope 2 emissions of 23,899 tonnes of CO<sub>2</sub> and total CO<sub>2</sub> emissions of 24,951 tonnes. For the previous two-year period, Scope 2 emissions, calculated using the market-based approach, totalled 24,575 tonnes of CO<sub>2</sub> in 2018 and 23,307 tonnes in 2017.

## WATER

Despite it having a limited impact on the company's costs, Fiera Milano monitors and looks to reduce water consumption in the same way that it does for the other utilities. The water supply for the fieramilano exhibition site is provided by two distinct sources: through the municipal water supply network, for all drinking purposes, and by withdrawing water from seven groundwater drainage wells, owned by Fondazione Fiera Milano, for all other uses where drinking water is not required, such as heat pumps, irrigation systems, sanitary water, fire-fighting systems, ornamental tanks and air-conditioning system filling.

Obtaining the LEED certification has also contributed to the implementation of certain initiatives, starting in 2016, at the fieramilano district to reduce water consumption, these include:

- reducing the flow time on the timed-flow taps;
- adding aerators to the taps;
- reducing the quantity of water in toilet cisterns from 12 to 9 litres.

However, the fieramilanocity exhibition site and the Nolostand buildings only use water from the local water network.

**Table 31 – Water consumption (m<sup>3</sup>)**

	2019	2018	2017
Local water network	268,326	278,751	330,921
Groundwater	2,040,120	1,836,416	1,938,925
<b>Total</b>	<b>2,308,446</b>	<b>2,115,167</b>	<b>2,269,846</b>

The annual variation in water consumption is largely due to the work sites present at the exhibition sites to carry out energy efficiency improvement activities, maintenance and to re-roof the initial batch of pavilions that are due to have the photovoltaic systems installed.

## WASTE

In 2019, Fiera Milano embarked on an ethical path of progressive improvement in terms of its waste management processes. To this end, in May 2019 the company established a new role dedicated to waste management: Group Waste Manager.

After doing a specific assessment of waste, the company formulated an operating plan for it, to manage the most important issues related to waste management at its exhibition sites, in particular: *in situ* sorting of waste at the fair district, the problem of waste being abandoned by the stand fitters and/or exhibitors, the establishment of company practices/procedures for optimising waste management flows and satisfying any documentation compliance requirements.

One of the principal objectives set by Fiera Milano is the implementation of a **waste sorting** model for each of the individual waste fractions produced by all of its activities, this is a move away from the previous approach whereby the waste was collected into one multi-material group and sorted downstream at the waste disposal site. The waste sorting is now based on the sorting of waste produced in the offices, at bars and restaurants, in the exhibition pavilions and its collection in specific individual containers (bags or bins). Sorting waste in this way enables specific pathways to be identified for the recovery and recycling of each particular category of waste. In so doing, the key principles of waste sorting are satisfied, which are to reduce the quantity of waste being sent for disposal and to facilitate the use of recovered materials, thus reducing the recourse to natural resources. Furthermore, the implementation of waste sorting practices also helps to reduce waste management costs.

The project to implement the waste sorting practices was launched in February 2019, and the number of people and areas involved have been progressively broadened, with the eventual objective being to ensure that everyone working within the exhibition sites is involved in the various activity phases. The Operating Plan also includes the reorganisation/designing of the waste collection points at the exhibition sites, with the creation of dedicated collection areas for sorted waste, for which the technical and economic feasibility study is currently underway.

The majority of the waste generated within the exhibition sites consists of waste that's similar to municipal waste: organic, plastic, paper and cardboard, glass and aluminium, and the residual unsorted fraction, all of which are collected and sent to facilities authorised by the public waste collection organisation. Depending on how the service adopted by the local authority is organised, either the different fractions can be sorted or the waste can be received by the facility using a "multi-material" approach, whereby the different types of waste are sorted at the facility. To aid the implementation of the waste sorting practices, the Fiera Milano Group has produced information booklets and encouraged meetings between the various stakeholders to improve the management of waste.

With respect to the **fight against dumping waste**, action is being taken at the sites on the fronts of prevention and detection, by developing an operating procedure involving relevant departments from right across the company. With a view to preventing inappropriate conduct, activities have been stepped up to raise the awareness of all relevant stakeholders (organisers, exhibitors and stand fitters), these activities include sending information dedicated to the issue of waste and its correct management. The detection activities involve strengthening security arrangements and checks at the sites to raise the awareness of exhibitors and stand fitters and to monitor their activities. To this end, a formal process has been prepared to regulate the flow of information between the functions involved and to establish any potentially applicable sanction systems.

In addition, the Fiera Milano Group needs to manage the transfer to waste facilities of any waste that's been left by exhibitors/stand fitters and for which it becomes the "owner". This is special waste, both hazardous and non-hazardous, which cannot be sent to the public waste collection facilities, but which needs to be handled by specialised transport and recovery/disposal service providers. This relates to, for example, paints, construction materials and, sometimes, electrical and electronic devices.

Certain types of waste deriving from the site's management activities or office-related waste can also be added to this, such as toner, water used to clean paint brushes, etc.

The exhibition documentation has been gradually updated during the course of the year **to regulate the issue of waste management**, providing concrete evidence of the Fiera Milano Group's commitment to managing waste. Furthermore, company verification practices have been formalised to monitor the necessary waste compliance documentation.

During 2019, with a view to optimising the management of waste and reducing the impacts of pollutants deriving from its activities, the Fiera Milano Group launched the "plastic-free" pilot project at both the MiCo congress centre and the fieramilanocity exhibition site. Specifically, the project is aimed at adopting the guidelines established by the Italian Ministry of the Environment in the "plastic-free" #IoSonoAMBIENTE campaign, with the exception of those relating to plastic bottles. These guidelines are listed below:

- eliminating single-use plastic items such as cups, spoons, straws, plastic stirrers and plastic bottles;
- limiting the sale of products with excessive packaging (snacks, biscuits, fruit juice);
- providing employees with or inviting them to bring their own cup or flask for drinking hot and cold beverages;
- not using single-use plastic items during company events and/or meetings;
- promoting actions to raise awareness among employees regarding the importance of reducing plastic pollution.

Fiera Milano Congressi intends to implement the plastic-free programme during 2020.

With the same objective in mind, a collaboration project has been launched along with Ministry approved consortiums, to collect, via a controlled chain, PET plastic water bottles sold at the exhibition sites. PET plastic, which is collected separately from the other types of polymers and sent to specific recovery facilities, can generate the secondary raw material R-PET, which can be used to produce drinks packaging without introducing further plastic onto the market. The project, during the early months of 2020, includes a plan to install three compactors along the central axis of the fieramilano exhibition site which will be used to collect PET plastic bottles.

During 2019, single-use plastic was completely eliminated from the Fiera Milano Congressi offices and from the fieramilano district canteen. In February 2020, the bottled water dispensers at the fieramilano offices were replaced with dispensers supplying microfiltered water. All Fiera Milano Group employees in Italy have therefore been given a water bottle for them to use.

Following a series of meetings held during 2019 with the bar and restaurant managers at the fieramilano district, an agreement was reached for the gradual substitution of single-use plastic with biodegradable or reuseable materials, this process should be completed by the end of 2020.

## A first step towards the circular economy

With respect to the carpet hire service used during the exhibitions, since July 2017 the Group has been using a carpet supplier that not only supplies the carpets but also handles their disposal.

This supplier has obtained the CSI ecological product certification for the carpets it uses, based on the application of circular economy principles which include their hire, laying and recovery, transport, transformation and their re-use for other products.

Of the carpet collected in 2019, weighing 620,370 kg and covering 1,363,000 m<sup>2</sup> in total, 75% was recycled and approximately 150,000 kg was sent for disposal. The percentage of carpet recycled in 2019 represents a 5% increase on the quantity recycled in 2018.

## Waste produced by Nolostand

The waste produced at the Nolostand storage facility in Arese consists principally of:

- Wood deriving from the disposal of damaged stand-fitting materials that cannot be recovered and reused;
- Mixed packaging materials;
- Plastic packaging;
- Metals;
- Glass;
- Paper and cardboard.

When purchasing new materials for stands, aspects concerning their subsequent disposal are also taken into consideration, with particular priority given to materials with a lower environmental impact (for example, honeycomb panels rather than polystyrene panels). Indeed, after each event, Nolostand recovers all the potentially reusable material and uses it for its stands, and during the design phase it favours, wherever possible, the use of reusable materials (for example modular panels). Water-based paints are used for painting wooden stands.

Whereas waste deriving from activities carried out within the storage facilities is temporarily stored in dedicated areas where the waste is generated, it is then divided by type and identified with appropriate signs (EWC code and description). Such waste is registered in the company's loading/unloading register and is entered into the environmental declaration form that's required each year by law.

If possible, the waste is sent for recycling, otherwise it is sent for disposal through third-party suppliers who transport it to the duly authorised facilities. All the entities involved in the entire waste management chain are subjected to rigorous checks by the appropriate personnel, with careful examination of the relevant authorisations and of the vehicles used for transport. The stand-fitting activities undertaken by Nolostand at the exhibition sites are entirely entrusted to third-party companies, who must independently manage the waste generated by their activities and for which they are considered its "producer": waste such as paints, scrap materials and packaging.

At the end of the event the stand materials and furniture are returned to the storage facility where, if necessary, any materials which are not suitable for reuse are selected for disposal. At such time those materials are considered to be waste, they are then stored in the temporary storage areas and subdivided by type.

The principal applicable indicator is the ratio between the percentage of sorted and unsorted waste, which measures the improvements Nolostand makes in terms of its waste management. The same company has set itself the objective of implementing a waste sorting process that limits the amount of waste that's classified as unsorted.

The management of the waste generated by Nolostand at the offices in Rho is handled as part of the service provided by the contracted cleaning company, which also empties the office bins. The waste generated is considered to be similar to municipal waste and is handled by the local public waste collection organisation.

During 2019, following the acquisition of specific professional competences, the EWC allocation approach for waste products was modified in order to optimise the management cycle. In fact, flows of waste generating activities were re-assessed from scratch, and production cycle characteristics were established from which the classification of each waste product derives.

The trends in the total amount of waste generated by Nolostand over the last three years shows a reduction for 2019 with respect to 2018, which signified a return to the levels generated in 2017. The increase in the quantity of waste generated in 2018 is principally attributable to the increased floor space of exhibitions (which naturally results in a greater amount of waste produced when assembling and disassembling stands) and to the transfer of the Nolostand storage facility from Vittuone to Arese, during which any old material which could no longer be used was sent to the waste facility. The reduction in the total production of waste in 2019 is the result of the improved optimisation of the management flows, but has evolved differently for the different types of waste produced. The quantity of metal and plastic packaging fractions have decreased significantly, but those relating to mixed packaging, paper and cardboard, and wood have generally remained consistent with the 2017 levels.

In addition, the sorting of organic waste is planned for 2020, this has already been implemented for bars and restaurants which are the major producers of this type of waste.

### Waste produced at Fiera Milano Congressi's MiCo

During 2019, a process was launched at Fiera Milano Congressi aimed at improving waste management and implementing the Group's environmental policy. The company organised discussions with the main suppliers involved in the process in order to identify an effective and shared approach for the collection and management of the waste produced within the congress centre. This process enabled a new, suitable waste recycling point to be established at MiCo and which, starting from February 2019, has made it possible to carry out waste sorting directly on site.

The collected fractions are organised according to the model adopted by the municipality of Milan.

Table 32 – Total weight of waste by type (kg)

NON-HAZARDOUS WASTE	2019	Destination of waste	2018	2017
Wood and wood packaging	3,923,870	Recovery/recycling	7,664,990	5,918,370
Mixed packaging materials	2,843,300	Recovery/recycling	4,517,200	4,468,380
Water-based suspensions	193,010	Disposal	157,220	140,320
Iron and steel	89,450	Recovery/recycling	115,420	46,840
Paper and cardboard and paper and cardboard packaging	20,100	Recovery/recycling	21,630	61,900
Plastic and plastic packaging	23,110	Recovery/recycling	20,950	80,940
Unsorted urban waste	3,108,441	Recovery/recycling	3,660,840	2,418,910
Unsorted urban waste	-	Disposal	-	509,840
Bulky waste	65,500	Recovery/recycling	11,060	8,280
Other	53,994	Recovery/recycling	17,930	43,090
Other	-	Disposal	1,030	-
<b>TOTAL NON-HAZARDOUS WASTE</b>	<b>10,320,775</b>		<b>16,188,270</b>	<b>13,696,870</b>
<b>HAZARDOUS WASTE</b>				
Paint	125,810	Disposal	115,580	69,980
Other	1,610	Recovery/recycling	4,870	200
Other	-	Disposal	200	-
<b>TOTAL HAZARDOUS WASTE</b>	<b>127,420</b>		<b>120,650</b>	<b>70,180</b>
<b>TOTAL WASTE</b>	<b>10,448,195</b>		<b>16,308,920</b>	<b>13,767,050</b>

The figures provided by the table exclude waste generated at the premises in Rome, since in the context of the overall Group their relatively small size is not considered significant.

The table details the total waste generated by the exhibition sites, MiCo and the Nolostand storage facility, it also shows the destination of that waste as well as how much of it was hazardous, the majority of which was attributable to paints. 99% of waste produced in 2019 was non-hazardous, and 97% of it was sent to recovery plants. It should be noted that recovery activities include recovery for use with fuel or other means to produce energy.

An analysis of the trends over the last three years shows an increase in the quantity of waste generated in 2018 compared to 2017, due to a different exhibition calendar, whilst 2019 recorded a substantial drop, with a significant reduction in the individual fractions with respect to 2017. The reduction on the previous year was 36%, most of which was attributable to wood and wood packaging, mixed packaging materials, with less significant contributions from other types of waste. Also worth noting is the increase in the quantity of decommissioned devices and bulky waste that are partly attributable to the disposal of materials by Fiera Milano during 2019 and to situations whereby waste was left at the exhibition sites by third parties.

## SUSTAINABLE MOBILITY

The environmental impacts of mobility derive from the particular characteristics of the different phases of an event's life cycle. During the organisation and set-up phase of an event, the environmental impact is largely related to the provision of goods and equipment; during the event the environmental impact is connected with the transport of exhibitors and visitors to and from the fair district; on the conclusion of the event, those responsible for disassembling and removing the materials used for the exhibition stands represent the primary source of environmental impact. The impact of the Fiera Milano Group's employees should be considered as falling across the entire spectrum of the various phases. The Security department is responsible for overseeing the activities, which are listed below.

### Pre-event

During the pre-event phase, planning work was done on the services provided by the local and traffic police on the basis of historical data for the previous edition of the event. In addition, coordination meetings are held with law enforcement personnel and key mobility players to discuss the scale of services required and to plan preventative and/or corrective actions on the basis of predicted traffic flows and the necessary standards of security. If requested by the organisers, a shuttle service is planned and arranged. The existing work sites and potential strikes are also monitored.

### Event in progress

Control systems for incoming/outgoing exhibitors and visitors, as well as a monitoring and parking management support system are employed at all events. A system of information panels directs vehicles towards the car parks with the highest number of available spaces or towards the less congested site exits.

For high or very high attendance events, the Coordination and Traffic Control Centre is activated, involving local police and traffic police officers and patrols to manage the flow of traffic to and from fieramilano. In addition, through the infomobility system, real-time news is broadcast. In 2020 we plan to integrate real-time mobility information on the Fiera Milano District app and Digital Signage platform.

An event log is compiled which collects information on incidents occurring during the flows of exhibitor and visitor traffic as well as mobility data (vehicle occupancy coefficients, car park occupancy assessments by time period, peak parking levels, peak parking times and daily aggregate vehicle numbers/totals).

During the evening disassembly phase, the activities and checks are planned by the exhibition security personnel and by the local police and/or traffic police.



## Post-event

During the period following the event, logistics data is collected and checked, event debriefings are written and any necessary corrective/improvement actions are implemented.

The Group adopts a series of initiatives aimed at reducing any environmental impacts connected with mobility.

## Mobility management

Specific services are implemented by the local police and/or traffic police aimed at preventing or limiting traffic congestion (as well as the consequent increase in emissions) in the vicinity of the exhibition sites.

## Product transport

The logistics management within the exhibition sites is provided by a third-party supplier which uses forklifts. A plan was implemented during 2019 to replace the traditional diesel-powered forklifts with hybrid forklifts (diesel + electric). Of the 58 forklifts currently in operation, 24 are hybrids (diesel + electric).

Product transport includes the transport of materials required for setting up the stands and of the exhibited products.

In the case that an exhibitor uses Nolostand's stand-fitting services, the material transport is managed by the Group. The transfer of Nolostand's storage facility from Vittuone to Arese, in 2018, has enabled the optimisation of the material transport processes. The material labelling process using RFID technologies and the installation of a WiFi network within the storage facility to assist with the movement of the stored material and with the material management procedures carried out by personnel, have resulted in an improvement with respect to material management and order preparation.

In the case that an exhibitor uses a third-party supplier, the transport of stand-fitting materials is the responsibility of the individual stand fitter/exhibitor. The transport of the exhibited products is, in all cases, the responsibility of the exhibitor.

The following paragraphs summarise those mobility-related activities which are organised on behalf of exhibitors, visitors and employees.

## Exhibitors

- Agreement with ATM (Azienda Trasporti Milanese) for the provision of discounted transport passes
- Car sharing (six vehicle spaces with two electric vehicle-charging stations at Porta Est and three vehicle spaces at Porta Sud for endothermic engine vehicles)
- At certain events, car sharing can be made available at the organiser's request
- Possibility to recharge electric vehicles near the exhibition pavilions

## Visitors

- Car sharing (as above for exhibitors)
- At certain events, car sharing can be made available at the organiser's request
- Possibility to recharge electric vehicles in the multi-storey car parks and at MiCo

## Employees

- Car sharing for work-related trips of short duration/distance (as above for exhibitors)
- Company car pooling for work-related trips of medium to long duration/distance. The company plans to install electric car charging stations in 2021 to enable the replacement of the current diesel-powered vehicles in the car pool with electric and hybrid vehicles.
- Company agreement for the provision of discounted annual season tickets for public transport services.
- Availability of company bicycles for use within the exhibition sites. A revision to the operational arrangement for the assignment of company bicycles is planned for 2020, which is the first step towards launching a bike sharing system within the exhibition sites.

Table 33 – Car sharing and car pooling

Means of transport [km/year]	2019	2018	2017
company car sharing (work to work)	875	928	851
car sharing for private use through company scheme	196	189	235
company car pooling (work to work)*	163,745	12,684	n.d.
<b>Total/year</b>	<b>164,816</b>	<b>13,801</b>	<b>n.d.</b>

\*During 2019, the fleet of cars dedicated to company car pooling was increased by 4 vehicles.

Number of vehicles for assembly/dismantling entering the sites (thousands)


fieramilano			
	2019	2018	2017
	187	179	167

fieramilanocity			
	2019	2018	2017
	8	10	7

Number of cars entering the sites (thousands)

Exhibitors	fieramilano		
	2019	2018	2017
	114	106	104

Visitors	fieramilano		
	2019	2018	2017
	396	402	412

Exhibitors and Visitors	fieramilanocity		
	2019	2018	2017
	22	29	15

Number of cars/minivans entering the districts (thousands)

Suppliers and Employees	fieramilano + fieramilanocity		
	2019	2018	2017
	400	386	350



The trends in the total number of vehicles at the exhibition sites varies significantly depending on whether or not there are biennial and/or triennial events in the exhibition calendar. The data does not include conventions managed by Fiera Milano and Fiera Milano Congressi.

## Home-work travel plan: mobility for Fiera Milano Group employees

Since 2003 the Fiera Milano Group has included the role of company Mobility Manager, whose responsibility it is to optimise the regular travel arrangements of employees, which are monitored every two years through a home-work travel questionnaire. The conclusions and information gleaned from these questionnaires have contributed to the development of the home-work travel plan, which suggests initiatives and ways for reducing the use of private vehicles in favour of public or collective transport solutions, thereby reducing the environmental impact and contributing to the improvement of road safety.

The most recent survey carried out on the home-work travel habits of Fiera Milano Group employees was conducted in December 2018. These questionnaires revealed that 73% of Milan and Rho site employees live in the province of Milan and, of these, 60% live in the municipality of Milan. Furthermore:

- 84% of employees said they own a car (above the national average of 64.5%, source ISTAT 2017, but lower compared to the previous survey carried out in 2016)
- 27% own a second car (compared to the national average of 36%, source: Nielsen survey 2015)
- 20% have a subscription to a car sharing service, a 7% increase on the 2016 survey
- 38% have a public transport season ticket (ATM and/or Trenord and/or Trenitalia) – a 3% increase on 2016 – and of these, 56% acquired their season ticket via the company scheme

Regarding the means of travel used for home-work-home travelling, private vehicles are comfortably the most popular means (83%, essentially unchanged with respect to the 2016 survey) compared with public transport or green transport, despite the fact that few employees make a stop during the journey to/from work (approximately 15%, the majority of whom do so to go shopping or pick up/drop off children). Furthermore, 96% of those who use private vehicles are the driver and only 14% carry one or more passengers.

The results of the 2018 Home-Work travel survey confirm that the means of transport preferred by the majority of Fiera Milano Group employees remains their private vehicle, mainly because it gives them greater flexibility in terms of their working hours. For this reason, during the two-year period 2019–2020, a number of training activities and initiatives are planned to raise the road safety awareness of employees: a road safety course with Polstrada, brief road safety information bulletins on the company intranet, information point and focus groups to provide training and information on sustainable mobility at work and at home, organisation of/ participation in sustainable mobility events, such as car-free days and bike challenges.

## NOISE MANAGEMENT

In addition to the factors that are strictly environmental, the demand for mobility generated by exhibitions and events can also have a social and economic impact: for example, noise generated that could disturb residents of nearby urban areas, or reduced residual capacity in local transport, or problems for the transport services when the demand for mobility is meets or, as is often the case when big events are held, exceeds the capacity offered by the infrastructure.

Noise pollution activities are not monitored by Fiera Milano Group, since they relate to a relatively small number of events and/or they are connected with operations run by third parties.

## Fieraccessibile

At the end of 2012, the Fieraccessibile project was launched to optimise and ensure the safe movement of disabled people or people with reduced mobility within the fieramilano fair district. In particular, disabled people can park their vehicles free of charge in the fieramilano car parks and have their parking tickets written off at any Fieraccessibile Desk – located in one or more reception areas depending on the event layout – by presenting their ID card and disabled car parking badge. Alternatively, through the presentation in advance of the above-mentioned documents, disabled people can register with Fieraccessibile on the portal <http://fieraccessibile.fieramilano.it/> and get a Fieraccessibile card – valid for two years – which lets them park their vehicle in the car parks free of charge, simply by showing their card at any of the dedicated desks.

**Table 34 – Number of disabled parking tickets written off and Fieraccessibile cardholders at fieramilano**

	2019	2018	2017
Disabled parking tickets written off	1,464	1,493	1,728
Fieraccessibile cards issued	126	116	62

The Fieraccessibile procedure is valid for the fieramilano exhibition site only. Whereas for fieramilanocity, free parking is available in the covered parking area at pavilions 3 and 4 for vehicles displaying a disabled parking badge and with a disabled passenger or driver inside.

A dedicated e-mail address is available for further assistance: [fieraccessibile@fieramilano.it](mailto:fieraccessibile@fieramilano.it).

On the company website there is a section dedicated to mobility, containing, among other things, all the key information that may be of use to disabled people, including:

- How to request a Fieraccessibile card.
- A collection of FAQs in both Italian and English, with questions and answers to the most common questions asked at the e-mail address [fieraccessibile@fieramilano.it](mailto:fieraccessibile@fieramilano.it).
- Fieraccessibile leaflets in both Italian and English, dedicated to each specific event exhibition and providing, in addition to locations and dates, information on whether the event is open to the public or reserved only for sector operators and organisations, which car parks are best to use, the procedure for writing off parking tickets for disabled people and where to find the Fieraccessibile desk in order to collect the card.
- Instructions on hiring mobility scooters at a cost or hiring traditional wheelchairs for free to assist disabled people or people with reduced mobility.
- Tactile paving surfaces and maps.

**Table 35 – Number of mobility scooters and wheelchairs hired at fieramilano**

	2019	2018	2017
Mobility scooters hired	475	451	494
Wheelchairs hired	260	228	243

The exhibition pavilions are completely accessible for disabled people and/or people with motor disabilities. The Emergency and Evacuation Plan includes provisions to ensure that evacuation personnel assist people in difficulty during evacuation operations. A specific procedure exists for the potential evacuation of the Fiera Milano offices, which are situated in high-rise buildings, there are also internal fire-safety personnel who are trained to use the manual chair to enable the evacuation of disabled personnel or those with reduced mobility via the emergency stairwells.

The fieramilano exhibition site was designed and built in accordance with the provisions of the prevailing legislation with respect to 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). Furthermore, the fieramilano district meets the standards for the main indicators set out in the EMECA study "Ease of access – ease of success" carried out in 2007, done to establish a benchmark standard by analysing the accessibility of infrastructure present at Europe's major exhibition sites.

# Principal risk factors associated with sustainability

This paragraph describes the principal risks, either generated by the Group or to which the Group is exposed, linked to sustainability issues, identified through the following types of materiality analysis:

- environmental
- social
- related to personnel
- related to human rights
- related to fighting active and passive corruption
- deriving from the Group's activities, its products, services or business relationships, with potential negative repercussions in these areas.

Sustainability risks refer to those risk events which may compromise the achievement of the Group's sustainability objectives in the five areas: environmental, social, personnel, human rights and the fight against corruption, and which could, moreover, result in negative consequences for the whole community. For each relevant risk factor, the related management methods adopted by the Group, in terms of organisational, procedural or other types of measures, are described, these are known as risk response measures.

During 2019, the identification of sustainability-related risks, with potential environmental, health and safety, social and reputational impacts, was integrated into the more general Enterprise Risk Assessment (ERM) process adopted by the Fiera Milano Group. Such integration is intended to enable the more structured and proactive management of ESG (environmental, social and governance) risks, with positive consequences in terms of safeguarding the Group's sustainability objectives.

## ENVIRONMENT

### Risks associated with climate change

The increased global attention on the impact of climate change with a broad range of expected repercussions for ecosystems, the world economy, and human health and well-being, also forces companies to assess the potential impacts on their business that they may have to tackle over the medium/long term. Extreme weather events and natural disasters expose the Group to asset and infrastructure damage, which could potentially undermine the proper running of exhibition events and conventions, forcing the Group to suspend or interrupt its activities, with negative repercussions for the Group's finances and assets as well as for its reputation. During 2019, the Group undertook an assessment of the potential impact on its infrastructure of extreme natural events such as floods, earthquakes, heavy snowfalls, etc., which revealed that the Group's overall exposure to such risks is low. In any case, to tackle any possible events of the type described above, in 2019 the Group implemented a crisis management system managed by a cross-functional Crisis Team which provides for operational countermeasures to be adopted in the event that such an extreme crisis situation should occur, including the management of internal and external communications.

Furthermore, the Group has arranged suitable insurance cover, such as property damage and business interruption (PDBI) as part of the Group's "All Risks Property" policy.

### Risks associated with non-compliant waste water management

The risks connected with non-adherence to the applicable regulations and authorisation permits with respect to the management of facilities which generate waste water and monitor its discharge are considered to be limited, principally because the waste water generated by the two exhibition sites at Rho and Milan is classified as domestic waste water or similar.

The related risk management approaches adopted by Fiera Milano comprise the following types of measures: (i) organisational, in that within the organisation roles have been established with specific environment-related responsibilities and capabilities (“environmental organigram”), (ii) procedural, in that specific procedures (rainwater, sewage, spills) regulate the control of waste water discharge and (iii) insurance, in that the current civil liability insurance policy includes coverage for damage caused by sudden and accidental pollution. This coverage also includes damage caused to third parties as a result of air or soil contamination from the emission of substances or spills following the breakdown of facilities and/or burst pipes. The 231 Model includes a special section on environmental crimes.

### **Risks associated with the emission of pollutants into the atmosphere**

The atmospheric emissions deriving from the Fiera Milano Group’s activities do not include particular pollutants, since there are no industrial processes taking place at the sites and, with respect to the fieramilano district at Rho, the only emissions derive from a natural gas-fuelled heating facility, which is used as a back-up facility for the district heating system, and from company vehicles or those used by third parties at the sites. As a result, any exposure to the associated risks is considered negligible.

The risks connected with non-adherence to the applicable regulations and authorisation permits with respect to the management of facilities that produce atmospheric emissions, and the monitoring of those emissions, are assessed as being low.

The related risk management approaches adopted by Fiera Milano comprise the following types of measures: (i) organisational, in that within the organisation roles have been established with specific environment-related responsibilities and capabilities (“environmental organigram”), (ii) procedural, in that there exists a specific environmental monitoring procedure for the heating system’s combustion process (iii) insurance, in that the current civil liability insurance policy includes coverage for damage caused by sudden and accidental pollution. This coverage also includes damage caused to third parties as a result of air or soil contamination from the emission of substances or spills following the breakdown of facilities and/or burst pipes.

Furthermore, with respect to the staging of exhibition events there are also environmental impacts linked to mobility, attributable both to the assembly and disassembly phases of the events as a result of heavy goods vehicles (suppliers, stand fitters) moving in and out of the site, as well as during the events with exhibitors and visitors entering and leaving the fair district.

A number of initiatives have been implemented aimed at reducing the environmental impact of aspects related to mobility, these include:

- (i) the transfer, in 2018, of the Nolostand stand materials storage facility from Vittuone to Arese, in close proximity to the Rho site, which has made it possible to optimise logistics flows and therefore the emissions deriving from the transport of the materials;
- (ii) the use, for the site’s internal logistics requirements, of a fleet of hybrid forklifts (diesel+electric);
- (iii) the implementation of specific services provided by the local police and/or traffic police aimed at preventing or limiting traffic congestion (as well as the consequent increase in emissions).

### **Risks associated with the emission of greenhouse gases**

The emission of greenhouse gases deriving from the Fiera Milano Group’s activities are either direct (scope 1, deriving from boilers, the company vehicle fleet and the air-conditioning systems), or indirect (scope 2, deriving from the consumption of electricity and from the district heating system).

The risks related to this specific issue, given that Fiera Milano doesn’t typically engage in industrial or particularly energy intensive activities, are considered negligible in comparison to other performance indicators.

The related risk management approaches adopted by Fiera Milano comprise the following types of measures: (i) organisational, in that within the organisation roles have been established with specific environment-related responsibilities and capabilities (“environmental organigram”); (ii) procedural, in that there exists a specific environmental management procedure for ozone depleting substances; (iii) insurance, in that the current civil liability insurance policy includes coverage for damage caused by sudden and accidental pollution. This coverage also includes damage caused to third parties as a result of air or soil contamination from the emission of substances or spills following the breakdown of facilities and/or burst pipes.



## Risks associated with the abandonment of waste stand materials and the disposal of special waste

The waste managed by the exhibition sites principally comprises special waste which is considered to be similar to municipal waste. It belongs to two categories, (i) mixed packaging materials and (ii) unsorted municipal waste. Such waste is sent to the local public waste collection service (ASER in Rho and AMSA in Milan).

Any special waste generated by the exhibition activities, and which cannot be sent to the public waste collection facility, includes special waste (for example, building materials, wood and paints) that's been left by the stand fitters and exhibitors, and which the company has to manage as "owner", and other special waste, for example, water used to clean paint brushes, which the company has to manage as "producer". These types of waste are collected and stored in temporary storage areas before being sent to authorised third-party facilities. Then there are other types of waste deriving from ordinary/extraordinary maintenance activities (e.g. toner), the management of which is entrusted to a third-party supplier, who is considered the producer of the waste and must therefore independently manage the storage and recovery/disposal of it

The risk factors connected with the management of waste therefore relate to the issue of third parties leaving behind materials used for exhibition stands at the end of the event and the disposal of special waste (e.g. water used to clean paint brushes, toner), the related management and mitigation actions for which are described hereinafter.

During 2019, Fiera Milano launched a waste management operating plan to manage a number of aspects, including, (i) the in-situ sorting of waste at the fair district (ii) the fight against the abandonment of waste by the stand fitters and/or exhibitors (iii) the establishment of company practices/procedures for optimising waste management flows iv) any documentation compliance requirements.

The implementation of this plan also included the establishment of the role of Waste Manager, whose responsibility it is to define the procedures and approaches for the entire waste management process for waste generated at the exhibition sites, from its production through to its final destination via the collection, transport and treatment (recycling or disposal) phases, all in accordance with current legislation.

With respect to the fight against the abandonment of waste, action is being taken on two fronts, prevention and detection. To help prevent such inappropriate conduct, activities have been stepped up to raise the awareness of organisers, exhibitors and stand fitters, these activities include sending information dedicated to the issue of waste and its correct management. The detection activities, on the other hand, consist of strengthening the security activities at the sites to identify inappropriate behaviour by the operators and to apply penalties if considered necessary.

Finally, from an insurance standpoint it is worth noting that the current civil liability insurance policy includes coverage for damage caused by sudden and accidental pollution. This coverage also includes damage caused to third parties as a result of air or soil contamination from the emission of substances or spills following the breakdown of facilities and/or burst pipes.

## SOCIAL

### Risks associated with the cancellation and/or suspension of events as a result of the spread of the COVID-19 virus

The COVID-19 (also known as coronavirus) epidemic, which struck China in January 2020 and, right from the first few weeks, showed itself to be particularly virulent, most of all in Wuhan and the province of Hubei, has forced the Chinese authorities to adopt extreme measures in order to contain the spread of the virus, including severe restrictions on the movement of people and transport.

The epidemic then reached Italy with numerous cases being reported, particularly in Lombardy, from the second half of February 2020, prompting the competent authorities to issue restrictive measures to contain the virus and protect public health.

Although the spread of the epidemic in Europe and other Western countries is less than in Asian ones, the travel restrictions placed on China's people could have a serious impact on the participation of Chinese businesspeople (exhibitors, buyers, visitors, convention participants) in events held in Europe (e.g.: the cancellation of the Mobile World Congress in Barcelona).

With respect to the exhibition and congress sector in Italy, the Group's calendar of exhibition events and conventions has already been subject to a number of changes, with the suspension and postponement of certain events in the calendar to later dates. It is therefore impossible to ignore the potential economic and financial impact of this situation, the extent of which is currently very difficult to evaluate. Regarding the aspects that are more specifically related to the health and safety of the Group's employees and those who, for different reasons, visit the exhibition and congress sites, right from the outset the Group has followed the preventative recommendations of the health authorities, instituting a series of both informative and preventative measures.

### **Risks associated with market demands for the possession of sustainability certifications**

The Group is exposed to the risk that in the current or future market context, certain types of client (mainly exhibition and congress organisers and exhibitors), from sectors which are particularly concerned about and sensitive to environmental sustainability matters, may prefer exhibition companies with better or higher profile credentials, in terms of the ESG certifications they hold, than Fiera Milano.

In order to tackle this potential risk, the Group has taken action on a variety of fronts. The Group currently holds the LEED ("Silver") certification for its service centre, congress centre and office towers at the Rho fair district.

During 2019, the MiCo congress centre, managed by the Fiera Milano Congressi subsidiary company, obtained an upgrade of its Healthy Venue certification from the World Obesity Federation, from "Silver" to "Gold"; "Gold" level is awarded to companies that pay extra attention to catering, to the promotion of initiatives and to their employees.

The subsidiary Nolostand, which provides stand-fitting and construction services, adopts an integrated management system which includes the following certifications: (i) ISO 9001:2015 – Quality Management System; (ii) ISO 14001:2015 – Environmental Management System; (iii) OHSAS 18001:2007 – Occupational Health and Safety Management System; (iv) ISO 20121:2013 – Event Sustainability Management System.

Finally, during 2019, activities were commenced to enable Fiera Milano to gain the ISO 20121:2013 certification and to extend the quality management system's current field of application (ISO 9001:2015) to cover the entire range of services provided during the planning, management and staging of events, so as to ensure the continuous improvement of the company's performance, including from an environmental, social and financial standpoint. We plan to obtain this certification in 2020.

### **Risks associated with non-adherence to personal data protection legislation (privacy)**

In the course of carrying out its activities, the Group processes the personal data, including that of a sensitive nature, of natural persons (e.g. employees, clients, suppliers, etc.) and, therefore, is required to comply with the provisions of EU Regulation 679/2016 ("GDPR"), as well as all other applicable Italian and/or EU provisions on privacy, including obligations laid down by the competent authorities for the protection of personal data. The Group is therefore exposed to the risk that procedures implemented and measures adopted for the protection of personal data prove not to be fully sufficient and/or that the privacy measures necessary in the different areas of work are implemented incorrectly at the organisational level, circumstances that could potentially lead to a breach of the GDPR's provisions and the subsequent application of the sanctions provided for by the legislation: (i) administrative pecuniary sanctions of up to Euro 20,000,000 or up to 4% of total worldwide annual turnover of the preceding financial year, whichever is higher; (ii) the risk of possible restrictions on data processing methods which could impact on the ordinary management of the company (e.g. data blocking); and (iii) the risk of possible criminal sanctions handed out in accordance with Italian privacy legislation. The Group has implemented its own privacy rules based on the regulations stipulated by the GDPR, adopting the documentation requested by the said legislation. With respect to procedural controls, Fiera Milano has adopted a data breach procedure, a personal data protection policy, it has appointed a Data Protection Officer (DPO) and appointed Privacy Representatives in the various company functions, who have been given specific responsibilities regarding the processing of personal data within their function. In addition, work has been undertaken to map the personal data processing that's carried out in order to satisfy the data processing recording requirements set forth by art. 30 of the GDPR. Finally, training courses were provided to employees on the basic concepts of the regulations, along with ad hoc sessions on the obligations of people in charge of privacy.

## Risks associated with the protection of intellectual property rights

In the course of carrying out its activities, the Group uses many brands in relation to the events that are promoted and organised by the Group. The protection of the Group's brands and of other intellectual property rights is fundamental to the success and the positioning of those brands in the relevant market. In the case of an infringement of third-party property rights, the Group could be deprived, entirely or partly, from owning and using one or more of its rights, with the possible suspension in the use of those rights with potential negative consequences from a financial and/or reputational standpoint. The Fiera Milano Group manages this risk via an organisational unit which is dedicated to managing its brands and domains, and oversees the registration of its intellectual property rights. The overall exposure to this risk is considered low, owing in part to the fact that there have been very few cases of it occurring in the past.

## Cyber security risks

The increasingly widespread use of internet-based technologies and business models which enable the transfer and sharing of sensitive information via virtual environments (e.g.: social media, cloud computing) contributes to a rise in IT vulnerability and hence cases of cyber crime, which are becoming increasingly more frequent and sophisticated including in relation to advances occurring in this field. Such attacks can result in a slowdown in the conduct of business activities, temporary or extended interruption in business activities, a loss of data, and breaches in personal data confidentiality with subsequent compensation claims, with damaging consequences for the finances, assets and image of the business.

The Group has developed a series of measures to tackle these issues, these measures are described below. A number of physical means are employed to aid prevention and protect the network, these include firewalls, IDSs (intrusion detection systems) and daily backups of all data. The Group's IT Security function systematically carries out vulnerability assessments and penetration tests on the systems that are considered to be most critical, so as to prevent possible breaches and, in collaboration with the Group's ICT function, it has launched a series of cyber security improvement projects aimed at protecting the network, digital identities, logical accesses, data, e-mail accounts and endpoints. There are plans to build a security control centre in 2020, managed by a team of cyber experts, to provide dedicated cyber security support.

The Group has also adopted a series of IT security policies and procedures, including a cyber security management policy, data breach procedure, data security management policy for relationships with third parties, and information classification and management policy.

From an organisational perspective, in 2019 the Group implemented a crisis management system managed by a cross-departmental crisis team, which provides for operational countermeasures to be adopted in the event that an extreme crisis situation should occur, including the management of internal and external communications.

Finally, specific training courses are held periodically for the Group's employees, including tips on the subject of phishing, with the objective of improving the ability of company personnel to recognise this type of cyber attack.

From an insurance perspective, in the first half of 2019 an insurance policy was taken out to cover cyber risks.

## PEOPLE

### Risks from terrorist attacks

The exhibition and congress centres managed by the Fiera Milano Group are considered to be possible targets for terrorist attacks, considering the high number of people that may be present during certain major events and the subsequent media attention that such an attack would attract. The potential negative repercussions are considered to be high in terms of damage to buildings, to people, and the fact that it would be impossible to continue operations, whilst the probability of such an attack is considered to be low.

To this end the Group has, for some time, established an effective security system for managing the access points; in particular, following the instructions of and in cooperation with the competent authorities, it has increased the level of security and access control in the exhibition areas by introducing airport-style security

checks (baggage scanners and metal detectors for people at the access points), preventative clearance measures conducted in all areas in collaboration with the law enforcement agencies, and protection of the pedestrian areas using road blocks and new jerseys to prevent vehicle access.

In addition, with respect to insurance cover, damage to insured items as a result of a terrorist act is covered under the current "All Risks Property" insurance policy. The policy also includes a section on "Indirect Damages – Business Interruption", which covers a loss of income resulting from a malevolent act of the type mentioned above.

### **Risks associated with the provision of food and beverages**

This concerns the potential poisoning risk deriving from the provision of any spoiled food and beverages by catering facilities operating at the fair district, which might have a negative impact on the health of consumers, whether they be visitors, exhibitors, employees or any other category of site user.

As such, it's worth underlining the fact that the provision of food and drinks services is outsourced to external companies, therefore the related civil product liability rests with the third-party operator; in any case Fiera Milano has for several years conducted monitoring activities, through inspections carried out by independent, qualified personnel, to ensure that third-party catering facilities at the exhibition sites are correctly applying good hygiene (HACCP) practices, therefore the aforementioned risk is considered to be negligible.

Finally, from an insurance standpoint, the Group's current civil liability insurance policy includes coverage for damages caused by the third-party provision and sale of products.

### **Risks associated with the applicable health and safety regulatory framework**

The activities undertaken by the Group, particularly those at the exhibition and congress centres, and the large numbers of people (employees, suppliers, exhibitors, visitors, convention participants, stand fitters, etc.) that pass through and work in those centres, expose the Group's Companies to the risk of accidents or breaches of workplace health and safety regulations (Consolidated Law 81/2008). Such breaches, should they occur, may expose the Group to the application of substantial sanctions or, in the event of an accident, to legal proceedings with negative repercussions for the Group's finances and assets as well as for its reputation.

In addition, the Group also uses many suppliers for the provision of exhibition-related services, for which specific procurement legislation is applicable. Although the Fiera Milano Group has no direct relationship with the personnel of contracting companies, the Group's companies may be held jointly liable, together with the contracting companies, in relation to workers involved in executing the contract should any irregularities arise with respect to the correct payment of social security contributions. As a result, the Group is exposed to the risk of administrative sanctions (including pursuant to Legislative Decree no. 231/2001) and the suspension of operations as a result of breaches of the relevant regulations, including those relating to health and safety at work, to the regular payment of contributions and wages by contractors and to any unauthorised sub-contracting.

To mitigate the potential negative impacts of the aforementioned risk factors, the Fiera Milano Group has adopted, in addition to contractual protection mechanisms, a series of different procedural and organisational controls, these include:

- monitoring the supplier selection assessment process, with verification of the technical and professional suitability and attention paid to aspects relating to workplace health and safety;
- preparing the *Documento Unico per la Valutazione dei Rischi da Interferenze* (combined risk recognition and interference assessment report, *DUVRI*) and updating the related procedures to ensure compliance with the provisions of Legislative Decree no. 81/2008;
- regularly updating the Organisational Model in accordance with Legislative Decree no. 231/01, which includes the Special Section on Workplace Health and Safety;
- preparing and updating the *Piano di Attività per la Sicurezza, la Salute e l'Ambiente* (health, safety and environment action plan, *PASSA*), which includes the measures considered appropriate or necessary to ensure continuous improvements in levels of health and safety;
- adopting and providing suppliers and exhibitors with the "Technical Regulations for Exhibitions", which includes the rules that stand fitters and suppliers must respect whilst undertaking their activities;

Finally, it is also worth mentioning that, in June 2019, Fiera Milano signed a "Guidelines for the organisation of workplace health and safety at exhibition events taking place within Fiera Milano S.p.A. exhibition sites" document with Milan's Prefecture and ATS (Health Protection Agency), which provides for, in addition to the obligations set forth by Legislative Decree no. 81/08, a series of further commitments on the various parties, including on Fiera Milano in its capacity as site manager, organiser, client and contractor.

### **Risks associated with third-party civil liability**

During the course of the Group's activities, things or people present at the Group's exhibition sites may incur unexpected damage or injury. The concurrent presence of large numbers of people with varying contractual relationships with the Group (employees, directly contracted external suppliers and/or sub-contractors of other operators, etc.) may make it more difficult to understand where the liability for damage to persons or things lies, with potential repercussions, amongst other things, for the business and its corporate image.

From an organisational and procedural standpoint, it is expected that each function, with responsibility for managing activities which potentially impact on health and safety, fulfils its duties in this regard for the relevant work phases (e.g. drawing up contracts, maintenance operations, monitoring of fair district areas, training employees, assignment of spaces, etc.). Fiera Milano has also established an internal unit (Exhibition Safety), which is responsible for coordinating the various internal and external parties involved in exhibition safety, ensuring that all current procedures are fully adhered to. Finally, it's also worth mentioning that the insurance aspects are covered by specific civil liability insurance policies.

### **Risks associated with the dependence on key personnel and with change management**

The Group depends, to a significant degree, on the professional contribution of certain key personnel and highly specialised individuals, specifically (i) the members of top management and (ii) the exhibition directors who are responsible for the organisation of the events, by virtue of their specialist professional expertise and skills gained in the markets for which the exhibition events are organised; the Group is therefore exposed to the risk of not being able to retain or attract suitable personnel with the necessary skills and expertise to conduct its activities and support the Group's strategies, or of the current professional relationships ending as a result of these key figures leaving the organisation.

In addition, with respect to the process of digital transformation that is currently underway and the growing importance of digital aspects in the Group's growth strategies, there is the potential risk of an inadequate change management process, i.e. lacking the ability to manage the organisational change, with negative repercussions when it comes to achieving set objectives, as well as insufficient knowledge, in terms of inability to develop and acquire the necessary skills, knowledge and technical expertise to create value for the Group.

To manage any potential critical issues deriving from these risk factors, the Group has introduced the performance and leadership management (PLM) system to evaluate the competencies of personnel: the purpose of the system is to facilitate the achievement of strategic business objectives and to evaluate the expected performance of personnel against the Fiera Milano Group's representative leadership model. The related incentive mechanisms have been designed to enable the Group to appreciate and retain personnel and their key competences, ensuring improved coordination/interchangeability between employees and better knowledge sharing.

Furthermore, a medium/long-term Incentive Plan has been adopted which is structured on a mixed cash and performance share basis, the purpose of which, among others, is to link the incentive process of the Group's managers and key personnel to the company's results and to develop policies aimed at attracting and retaining talented professionals. In addition to the Executive Directors and Managers with strategic responsibilities, the plan is also aimed at certain other key managers.

A succession & management continuity plan that provides for the identification of potential successors to key figures within the Group was introduced in 2019. This plan involves identifying individuals with great potential to replace those responsible for certain strategic areas for the Group in the future, including through training and skills development plans.

Finally, with respect to change management, during 2019 a voluntary redundancy before retirement scheme was implemented, the objective of which is to facilitate a generational shift and to promote the introduction of new competences into the organisation, including digital skills to support the digital transformation process, and is to involve the entire Group in terms of technologies to support business processes and the company's operations. To achieve such objectives requires a continuous effort, so as to source and attract the best professional talents, both in terms of their specific competences (their "fit" for the role in question), as well as in terms of their suitability and cultural "fit" (in order to facilitate the change). Change and the need for re-skilling will also require significant investment in training, in line with the company's objectives.

## HUMAN RIGHTS

### Risks associated with undeclared working practices used in the Group's supply chain

The types of suppliers that the Fiera Milano Group employs to provide its services include companies operating in sectors which have a high number of workers (e.g. cleaning, stand fitting, security, catering) with a medium/high level of risk of being exposed to undeclared working practices.

However, the probability of employing suppliers with illegal employment issues is considered to be low, since there are numerous organisational and procedural measures taken by the Group, which has developed and implemented controls both (i) during the supplier assessment process, to evaluate their reputation and technical and economic suitability, with their subsequent inclusion in the Group's supplier register, and (ii) on-site, during physical on-site access checks (access documentation checks conducted by the Security function) and during the work execution phase (first-level checks by the function requesting the work and second-level checks by the Supplier Quality function).

It should be noted that (i) the Fiera Milano Group's Code of Ethics includes core policies to prevent the use of illegal employment practices and under-age workers (ii) the current 231 Model includes a special section regarding employment offences involving foreign people without the correct residency permits and a special section regarding offences involving illegal recruitment practices and worker exploitation, the purpose of which is to prevent and control such offences.

During 2019, Fiera Milano implemented additional entry pass document control measures for those suppliers employing large numbers of workers on site, this was done via an entrance database managed by the Security function, the aim of which is to ensure that the on-site presence or otherwise of authorised sub-contractors is in line with the supply and/or service contract agreed with the company holding the contract.

Furthermore, in June 2019 Fiera Milano signed a memorandum of understanding with the prefecture of Milan and a number of social partners regarding prevention and worker protection within the Fiera Milano exhibition sites: continuing the process that the Group has already embarked upon, the aim of the Protocol is to tackle the issue of illegal and undeclared working practices through a process of sharing that strengthens intervention and prevention capabilities, including through the establishment of a permanent monitoring unit which was set up in February 2020 to expand the adoption of legal employment practices.





## FIGHTING ACTIVE AND PASSIVE CORRUPTION

### Risks associated with the potential repercussions of a lack of transparency in relationships with counterparties

There is the potential risk that a lack of transparency in relationships with counterparties may give rise to illegal conduct, for example corruption, thus compromising the reputation and integrity of the Group, particularly in light of the media attention it attracts.

To protect itself against such risk and the potential negative impact on its reputation and integrity, the Group has developed and implemented an extensive system of procedural and organisational measures with respect to active and passive corruption.

With respect to procedural measures, the Code of Ethics prohibits corrupt practices, unlawful favours, collusion, solicitation, either direct or through third parties, personal benefits or career-related advantages either for oneself or for others. In addition, the current 231 Model allots two special sections to the issue of corruption, one relating to offences committed in relationships with Public Authorities and the second relating to corruption between private parties, both of which detail the possible types of offence along with the related control protocols that are in place to combat these sensitive issues. These control protocols are then adapted to suit specific company procedures, taking on particular significance in all aspects relating to the area of Procurement. Moreover, each client and supplier, and all third parties in general, are informed regarding the 231 Model and the Group's Code of Ethics, since specific clauses are included in every contract that oblige the counterparty to comply with the principles contained within Legislative Decree no. 231/2001 and the Code of Ethics.

The Group has also adopted a procedure to manage gifts, donations and sponsorships.

Regarding foreign subsidiaries, during 2019 a series of anti-corruption guidelines and a Compliance Programme were issued for application by foreign subsidiaries, these were adopted by the Brazilian subsidiary CIPA, and by the South African subsidiary Fiera Milano Exhibition Africa. In the first half of 2020, a risk assessment will be done by the responsible functions, to see whether there is a need for further provisions in foreign subsidiaries' processes to ensure they fully abide by the above guidelines.


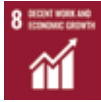


To strengthen the independence of buyers in the Procurement function, current procedures enable the employment of a rotation mechanism for buyers, according to the importance of the managed product or services, on new and diverse classes of goods and services. A similar job rotation mechanism was introduced for staff in company functions dealing with suppliers providing classes of goods and services considered to be medium/high risk, applying different periods of rotation depending on the seniority of the employees involved, with rotation periods being longer for managerial staff than they are for operational staff.

In addition, training courses covering these issues, both classroom based and e-learning courses, have been held for employees.

Finally, whistleblowing procedures provide a framework for the receipt, analysis and processing of reports, including those made anonymously or in confidence, by third parties or employees of Group companies. The procedure provides for a dedicated internal committee (Reporting Committee), whose responsibility it is to carry out investigations into any allegations of unlawful practices and/or conduct. This committee performs the tasks for which it is responsible in conjunction with the Supervisory Body in the event of any reports concerning significant offences pursuant to Legislative Decree 231/2001.

The table on the following page shows the CSR risks and the related mitigation actions.

Area	ESG risks	Mitigation action	
Environment	Risks associated with climate change	<i>Crisis Management Plan</i> All Risks Property insurance policy (Type PDBI - Property Damage and Business Interruption)	
	Risks associated with non-compliant waste water management	Environmental organigram Waste water discharge control procedures Civil liability insurance policy to cover damage caused by sudden and accidental pollution	
	Risks associated with the emission of pollutants into the atmosphere	Environmental organigram Procedure to monitor the heating system's combustion process Civil liability insurance policy to cover damage caused by sudden and accidental pollution Transfer of the Nolostand stand materials storage facility from Vittuone to Arese Use of hybrid forklifts Implementation of specific services provided by the local police and/or traffic police	
	Risks associated with the emission of greenhouse gases	Environmental organigram Environmental management procedure for ozone depleting substances Civil liability insurance policy to cover damage caused by sudden and accidental pollution	
	Risks associated with the abandonment of waste stand materials and the disposal of special waste	Waste management operating plan Establishment of Waste Manager role On-site security patrols Civil liability insurance policy to cover damage caused by sudden and accidental pollution	
Social	Risks associated with the cancellation and/or suspension of events as a result of the spread of the COVID-19 virus	<i>Crisis Management Plan</i> Informative and preventative recommendations from the health authorities	
	Risks associated with market demands for the possession of sustainability certifications	"Silver" LEED certifications for the service centre, convention centre and office towers at the Rho fair district "Gold" Healthy Venue certification for the MiCo congress centre, managed by Fiera Milano Congressi Integrated Management System for Nolostand with Quality, Environment, Health & Safety and Sustainability certifications	 
	Risks associated with non-adherence to personal data protection legislation (privacy)	Data Breach Procedure Appoint DPO Personal data protection policy GDPR training courses for employees	
	Risks associated with the protection of intellectual property rights	Organisational unit dedicated to the management of brands and domains	
	Cyber risks	Physical means to aid prevention and protect the network (firewalls, IDSs, backups) System vulnerability assessments and penetration tests Cyber security improvement projects Cyber security policies and procedures Cyber security training courses for employees <i>Crisis Management Plan</i> Insurance policy to cover cyber risks	

Area	ESG risks	Mitigation action	
People	Risks from terrorist attacks	Access checks with scanners and metal detectors Preventative clearance measures in all areas in collaboration with the law enforcement agencies Protection of pedestrian areas using road blocks and new jersey barriers	
	Risks associated with the provision of food and beverages	Monitoring inspections to check the application of HACCP practices by catering facilities Civil liability insurance policy to cover damage caused by the third-party provision and sale of products	
	Risks associated with the applicable health and safety regulatory framework	Monitoring of supplier selection assessment process, with verification of technical and professional suitability <i>Documento Unico per la Valutazione dei Rischi da Interferenze</i> (combined risk recognition and interference assessment report, <i>DUVRI</i> ) and procedures in accordance with Legislative Decree no.81/08 Systematic updating of the special section on health and safety at work in the 231 Model Preparation and updating of the <i>Piano di Attività per la Sicurezza, la Salute e l'Ambiente</i> (health, safety and environment action plan, <i>PASSA</i> ) Adoption and provision to suppliers and exhibitors of the Technical Regulations for Exhibitions Guidelines for the organisation of workplace health and safety at exhibition events taking place within Fiera Milano S.p.A. exhibition sites protocol, signed with Milan's prefecture and local health authority	
	Risks associated with third-party civil liability	Coordination of exhibition safety aspects by a dedicated function Specific civil liability insurance cover	
	Risks associated with the dependence on key personnel and with change management	Performance & Leadership Management (PLM) Medium/long-term Incentive Plan for the Group's key managers Succession plan & management continuity Change management plan based on a generational shift and the introduction of new digital and business competences	
Human rights	Risks associated with undeclared working practices used in the Group's supply chain	Procedure to evaluate the reputation and technical and economic suitability of suppliers Code of Ethics and policies to prevent illegal employment practices and under-age workers 231 Model, special section regarding employment offences involving foreign people without the correct residency permits and special section regarding offences involving illegal recruitment practices and worker exploitation Access control and accreditation procedure Second-level audits carried out by the Supplier Quality function Memorandum of understanding regarding prevention and worker protection at Fiera Milano exhibition sites, signed with the Prefecture of Milan and a number of social partners	
Fighting active and passive corruption	Risks associated with the potential repercussions of a lack of transparency in relationships with counterparties	Code of Ethics 231 Model, special section on relationships with public administration and special section for corruption between private parties Procedure to evaluate the reputation and technical and economic suitability of suppliers Procedure for the management of gifts, donations and sponsorships Anti-corruption guidelines and compliance program for foreign subsidiaries Job rotation for buyers in the Procurement function and for staff in company functions dealing with suppliers of at risk classes of goods and services Training courses for employees Whistleblowing procedure	



# GRI Content Index

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<b>General Disclosures</b>			
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	102-3 Main headquarters	8;10-11	
	102-4 Number of countries in which the organisation carries out its operational activities, and countries in which the organisation has activities or in which the activity carried out has a specific relevance to the material elements that appear in the Report	8-11	
	102-5 Ownership structure and legal form	8-11	
	102-6 Markets covered (including geographical coverage, business sectors and types of customers and recipients)	8-11	
	102-7 Size of the organisation	52-69	
	102-8 Information regarding employees and other workers	52-69	
	102-9 Description of the organisation's supply chain	46-51	
	102-10 Significant changes that have occurred in the reference period in terms of the size and structure of the organisation, or in the supply chain.	11	
	102-11 Methods of application of the precautionary principle or approach It should be noted that the FM Group does not adhere to the precautionary principle in environmental matters.	It should be noted that the FM Group does not adhere to the precautionary principle in environmental matters	
	102-12 Adoption of codes of conduct, principles and charters developed by external bodies/associations with regard to economic, social and environmental performance.	42-45	
	102-13 Membership of national or international associations or organisations which promote sustainability.	24-25	
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	102-15 Description of the main impacts, risks and opportunities.	20;98-109	
	102-16 Values, principles, standards and rules of conduct adopted by the organisation.	6;42-45	
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102-43 The organisation's approach to the concept of stakeholder engagement, including frequency of involvement by type and group of stakeholders and indications regarding engagement activities and interactions in the reporting process	16;22-23;74		
102-44 Relevant issues raised through stakeholder engagement and the way in which the organisation responded, including the drafting of the report. List of stakeholder groups that have raised the issues that are subject to analysis	16;22-23;74		

GRI Standard	Disclosures	Page number	Omission
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	102-46 Process for defining the boundaries and limitations of reporting	26-29	
	102-47 Material topics identified in the process of analysis designed to establish the reporting boundaries	16	
	102-48 Changes to information included in previous reports and the reasons for these changes	16;26-27	
	102-49 Significant changes in the objectives and limitations compared to the previous reporting period	16;26-27	
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	102-51 Date of last report (if available) The Report is published annually	The Report is published annually	
	102-52 Frequency of reporting (annual, biennial)	26-27	
	102-53 Useful contacts and addresses for asking for information regarding the financial statements	120	
	102-54 Specify the GRI Standards compliance option chosen by the organisation	26-27	
	102-55 GRI content index	110-113	
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	103-3 Evaluation of the management approach	53-55	
GRI 401: Employment 2016	401-1 New hires and employee turnover	52;61;66	
	401-2 Benefits provided for full-time workers and not provided for part-time and fixed-term workers divided by main activities	55-58	

GRI Standard	Disclosures	Page number	Omission
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# Independent Auditor's Report



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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 n. 20267 of 18<sup>th</sup> January 2018 (Translation from the original Italian text)

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

We have been appointed to perform a *limited assurance engagement* pursuant to Article 3, paragraph 10, of Legislative decree 30<sup>th</sup> December 2016, n.254 (hereinafter "Decree") and Article 5 of Consob Regulation adopted with Resolution 20267/2018, 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 31<sup>st</sup> December 2019 in accordance with Article 4 of the Decree approved by the Board of Directors on 10<sup>th</sup> March 2020 (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 by GRI - Global Reporting Initiative (hereinafter "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 not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in the 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.

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### Auditor's 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.

### 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 "IASAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle 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 matters 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 matters indicated in the article 3 of the Decree;
  - o policies adopted by the Group related to the matters indicated in the 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 regard 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 with the personnel of Fiera Milano 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 of 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 preformed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For the Rho Fiera exhibition site 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 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 Fiera Milano Group for the year ended on 31<sup>st</sup> December 2019 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.

Milan, 24<sup>th</sup> March 2020

EY S.p.A.  
Signed by: Federico Lodrini, Auditor

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



**FIERA MILANO S.p.A.**

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**March 2020**

This document can also be viewed on the website [www.fieramilano.it](http://www.fieramilano.it)

Graphic design and layout  
Sunday, Turin





**FIERA MILANO**