

2018

Sustainability Report

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

Sustainability

Report



FIERA MILANO

This document contains a faithful translation into English of the original report in Italian "Report di Sostenibilità 2018 - 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 2018 - Dichiarazione consolidata di carattere non finanziario ai sensi del D.Lgs. 254/2016" shall prevail upon the English version.

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FIERA MILANO

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MESSAGE TO STAKEHOLDERS

The Fiera Milano Group is fully aware of the key role played by sustainability and regards it as an essential element of our organisation's strategy. The decision to adopt sustainable policies, which take into account social, environmental and economic aspects, is based on the awareness of the need to better interact with all Stakeholders and enhance the area in which we operate. This document illustrates the activities implemented by the Group in 2018 within the areas identified as significant for Fiera Milano and its Stakeholders.

2018 was crucial for speeding up the process of cultural, technological and organisational change, allowing Fiera Milano to increase its competitiveness. Following the approval of the 2018-2022 Strategic Plan, in May 2018, a new and more coherent organisational structure was implemented which promotes effective business management and makes the most of the Group's synergies. The new organisation also encourages the empowerment of resources and enhancement of internal skills, which are essential for achieving the goals through the involvement of individuals. In 2018, a new Performance Leadership Management - PLM system was consistently implemented. It initially involved the Group's executives and part of the company's workforce and will be extended to the entire workforce within 2020. The system promotes the achievement of strategic business objectives and evaluates performance on the basis of a leadership model which fully captures the essence of Fiera Milano Group.

The renewal of the supplementary contract of the Parent Company, in January 2019, and of the subsidiary Nolostand, in February 2019, marked an important step in aligning second-level contracts, and is also envisaged for the remaining subsidiaries. The new supplementary contract is the cornerstone of the process of change and includes, among other things, greater work flexibility, remuneration-based welfare and other social/assistance instruments aimed at ensuring a better quality of life.

Furthermore, a succession & management continuity plan will be started in 2019 designed to identify resources capable of replacing the managers of strategic areas for the Group.

The Group's current strategy gives greater focus on customers. As a consequence, the functions dealing with customer care and with the operational management of buyers have been centralised at the service of all directly organised events. In order to maintain a high standard of quality, a business model has also been adopted that cultivates relationships with the various Stakeholders, through dedicated teams which offer specific services for the various stages of an exhibition. Analysis of the Customer Satisfaction Survey showed that most of the events directly organised during the year recorded a summary index of satisfaction higher than the trade-fair benchmark used internationally.

Even the enormous effort made by the subsidiary Fiera Milano Congressi to promote services increasingly focused on quality and on participants' well-being, made it possible to obtain the Healthy Venue Silver level certification in 2018.

The activities of the Fiera Milano Group are crucial for sustaining the business of SMEs and contribute to economic development by generating a significant impact throughout the region. The exhibition and congress business, in fact, contributed to the generation of value (including direct, indirect and induced effects) estimated at Euro 8.1 billion¹. For Italian SMEs, attending an exhibition is fundamental for exporting their products. A research conducted by the Fondazione Fiera Milano's Research and Development Service confirms that Fiera Milano exhibiting companies that export a share of their turnover amount to 93% of the total, compared to 22% at national level, as regards manufacturing companies.

Fiera Milano is also committed to social responsibility towards the environment. It has adopted an environmental policy focused mainly on energy and water efficiency of the exhibition sites, building efficiency, green procurement, waste disposal optimisation and the introduction of initiatives aimed at sustainable mobility linked to exhibitions.

During 2018, the energy cost per square metre of the exhibitions held at the **fieramilano** site was reduced by 16% and the project to replace almost all of the traditional lighting fixtures with new LED technology fixtures in the pavilions of the exhibition sites and of the MiCo congress centre was completed. The structural interventions for achieving LEED certification at the MiCo, scheduled for the end of 2019, were completed in 2018.

Fondazione Fiera Milano's investments are also important because they allow Fiera Milano Group's infrastructures to reduce environmental impact. Starting from 2019, the investments will lead to the digitisation of the **fieramilano** site, the creation of a new system for connecting the **fieramilanocity** and MiCo sites to the district heating network, as well as the installation of a photovoltaic plant in the **fieramilano** site, which is expected to be completed by 2020.

With a view to optimising waste collection, in the early months of 2019, the Group launched initiatives aimed at improving the waste process and a working table for the implementation of the "plastic free" project at the MiCo and **fieramilanocity** site according to the guidelines provided by the Ministry of the Environment.

In order to help achieve the objectives to integrate environmental and social aspects into the business, from 2019, at least one sustainability goal consistent with those of the Group will be assigned in the individual performance plan of managers holding key positions within the Group.

In the coming years, we will continue to give importance to spreading the awareness of a culture of sustainability within the Group's workforce as an integral and essential part of our business strategy, aimed at creating lasting economic value for the Group, our Stakeholders and the area in which we operate.

Happy reading

Chairperson

Lorenzo Caprio

Chief Executive Officer

Fabrizio Curci

¹ Source: "Study of the socio-economic impact, Fiera Milano" - March 2019 KPMG, on 2017 figures.

MISSION



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



It contributes to economic growth.



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

To be among the leading international exhibition companies

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

ITS MISSION IS:

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

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

BUSINESS PRINCIPLES



ONE GROUP
a single integrated group



MARKET FOCUS

to seize all the opportunities coming from the market



PEOPLE ENGAGEMENT

aimed at promoting the involvement of the company workforce, strengthening accountability and rewarding best performance

THE NEW PRINCIPLES DEFINED IN THE 2018-2022 STRATEGIC PLAN WHICH THE GROUP TAKES INSPIRATION FROM ARE:



EXECUTION EXCELLENCE

for perfect and responsive performance, greater operational efficiency through strict cost control and effective organisation

In May 2018 the Company implemented a new organisational structure based on principles seeking primarily to create an integrated group made up of people who take active part in a process of development, change and sharing.

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 exhibition sector. It is active in all the phases of the value chain: it plans and manages exhibitions, makes available equipped exhibition space, provides value added services and organises and manages exhibitions and congresses.

In Italy, the Group, through Fiera Milano S.p.A. (“Fiera Milano” or the “Parent Company”) manages the two exhibition sites of **fieramilano** at Rho (Milan), the leading exhibition site in Italy with indoor exhibition space of 345,000 gross square metres and 60,000 of outdoor space, and **fieramilanocity** in Milan, a city-centre site of 54,000² square metres of gross exhibition space. 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 congress centre, located in the Centro Servizi of the Rho exhibition site, as well as MoMec - Montecitorio Meeting Centre in Rome.

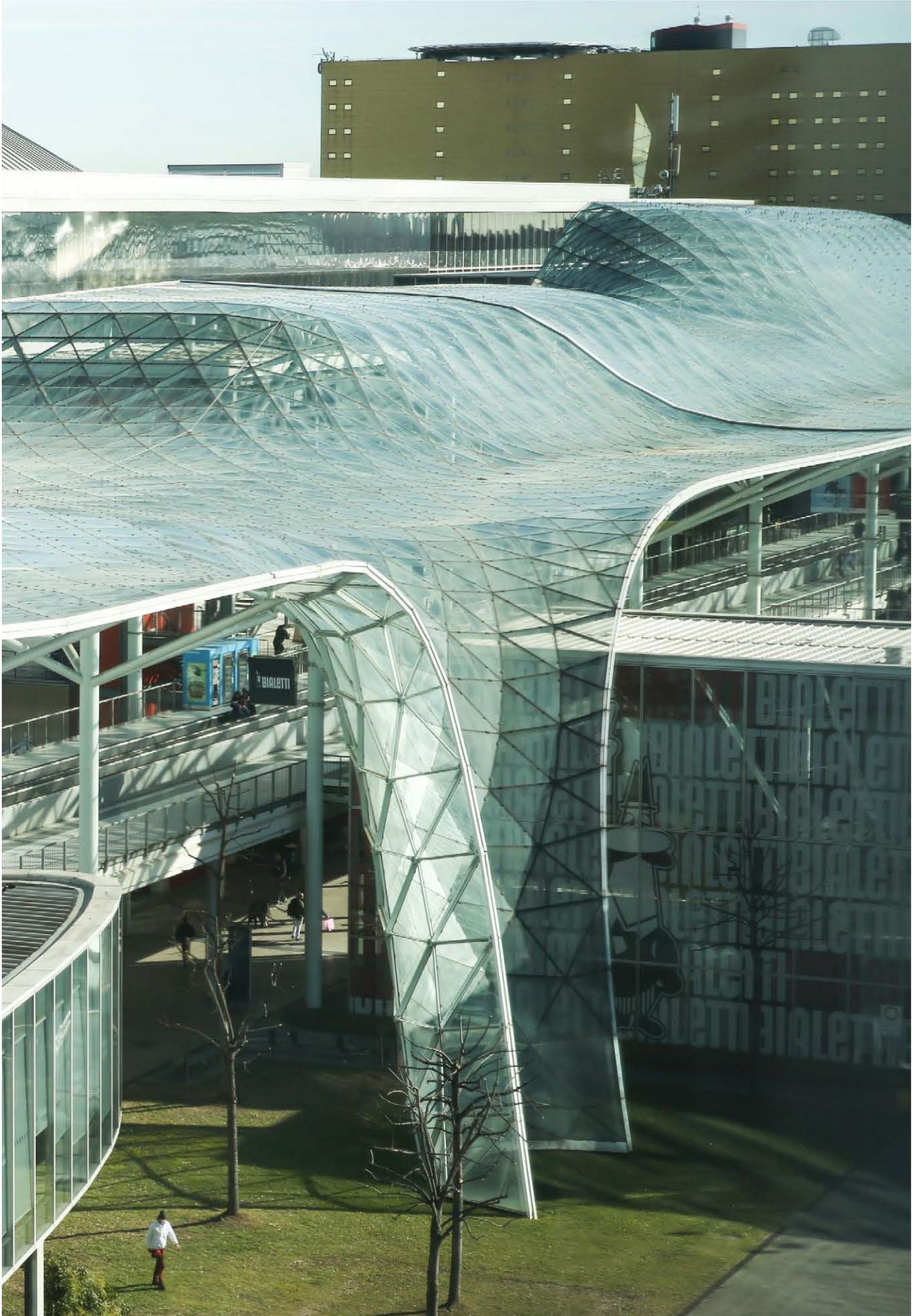
Outside Italy, the Group operates directly or through joint ventures mainly in China, Brazil and South Africa.

Fiera Milano is the only listed Italian exhibition company. Specifically, the Company’s securities are traded on the STAR segment reserved for small and medium-sized companies that meet high corporate governance and corporate information 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 exhibitions while leading the Milanese exhibition and congress system to become increasingly modern and pertinent, as well as more competitive at an international level. It is a not-for-profit private law foundation that operates in the general interest and supports, promotes and expands the organisation of exhibitions and events both in Italy and abroad. It owns all the exhibition and congress assets used by the Fiera Milano Group: the **fieramilano** and **fieramilanocity** exhibition sites and the MiCo Congress Centre which occupies the pavilions that were formerly the old exhibition centre in the city-centre of Milan.

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

One of the strategic objectives of Fondazione Fiera Milano is to strengthen the role of the Fiera Milano Group, through a series of investments aimed at enhancing the company’s competitiveness at both the international and national levels as well as the sustainability of the exhibition and congress infrastructures. Fondazione Fiera Milano, in parallel with its support for the exhibition activity, endeavours to enhance value in the local area through its initiatives in specific areas such as: social involvement, accessibility and mobility, renewable energy, technology and ICT, innovation and R&D, art, culture, sport and tourism. Fondazione Fiera Milano has implemented an inclusive venture philanthropy model designed to increase the competitiveness of the local area and to reduce inequalities. It supports social, cultural and economic growth throughout the local area by designing and implementing actions either directly and independently or through partnerships and sponsorships.



THAT IS FIERA MILANO

OVER **4** MILLION VISITORS



TENS OF THOUSANDS OF EXHIBITING COMPANIES



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 an unparalleled platform for business and internationalisation thanks also to the high quality of services that it can provide.

EXHIBITION ACTIVITIES



Fiera Milano is large scale B2B exhibitions, unmissable international appointments for key economic sectors. 79³ exhibitions took place during 2018 (of which 27 abroad) some of which were directly organised events. 35,615³ exhibiting companies participated (of which 7,750 were foreign). These exhibitions represent ideal, affordable tools of communication for companies to reach target customers and markets which would otherwise require extremely expensive commercial activity. Fiera Milano is active in several industrial sectors. Fashion, publishing, interior design, real estate, mechanical engineering, tourism, professional hospitality, food, industrial plant and energy, construction, art and sailing are just some of the sectors represented. Fiera Milano also signifies specialised services for exhibition and congress activities. Through its subsidiary Nolostand S.p.A. ("Nolostand") the company can offer technical services for exhibitions, personalised or standard fittings, and experience that can be expressed in figures: over 360,000 square metres per year on average including common areas, pre-arranged solutions and event space in more than 50 events per year, among which congresses, exhibitions and sports events, which facilitate the offer of advantageous, premium quality solutions. The Group also offers technical lighting plant, gantries, panelling, platforms, carpeting and fixtures and fittings. It also assures exhibitors of dedicated and continuous assistance which extends, if requested, to activities that the exhibitor may wish to conduct outside the Milan exhibition sites.

CONGRESSES



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

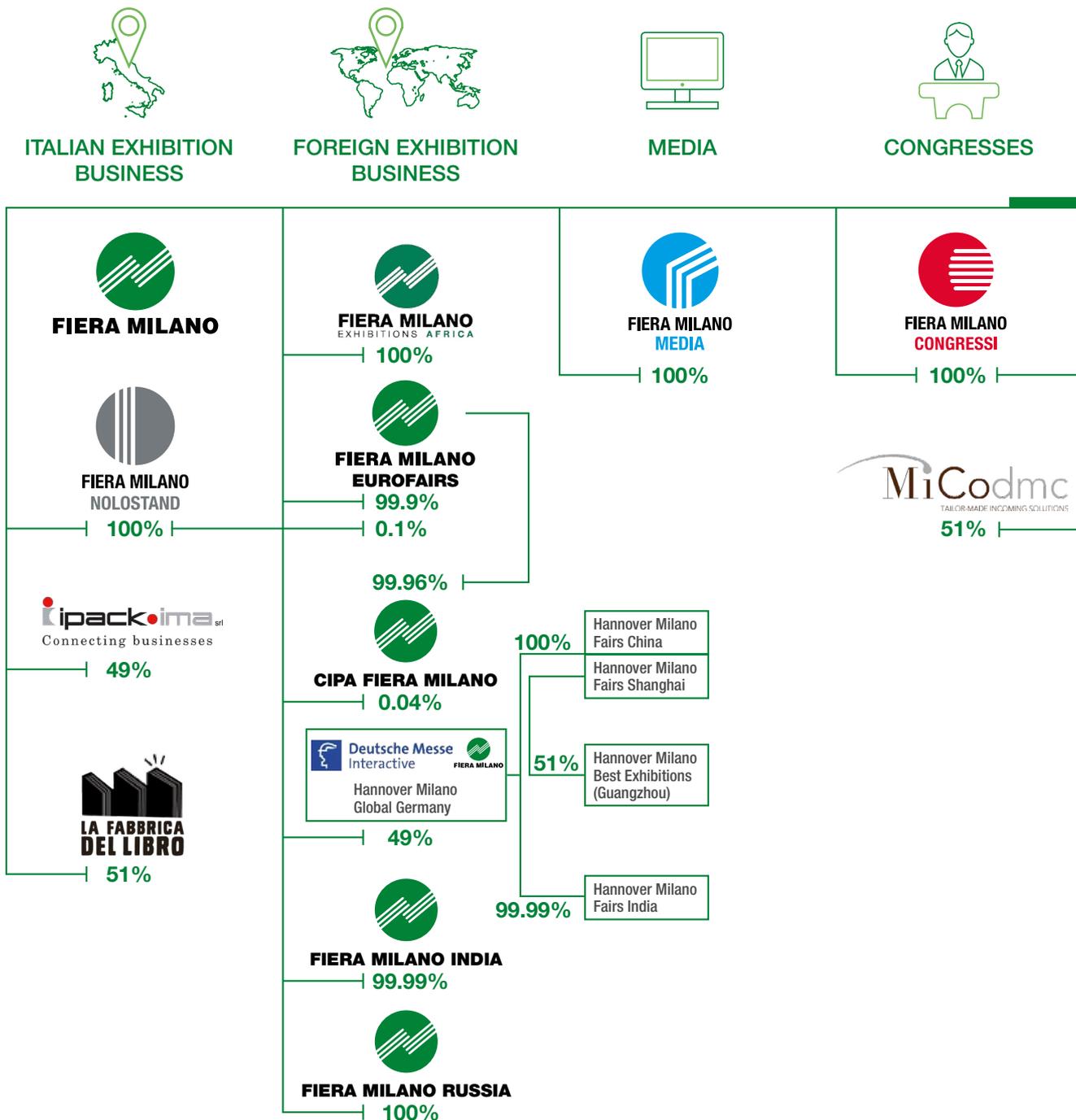
MEDIA



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

³ The figure refers to exhibitions held during 2018 at Group level, including exhibitions managed in Joint Venture.

STRUCTURE OF FIERA MILANO GROUP AS AT 31/12/2018



The subsidiary Ipack-Ima S.p.A., wholly owned by Fiera Milano, was merged by incorporation into the Parent Company on 14 December 2018 with accounting and tax effects as of 1 January 2018. This transaction is part of the reorganisation of the chain of companies belonging to the Group aimed at rationalising its structure and optimising operating, administrative and corporate synergies.

As part of its strategic line for international expansion, the Group strengthened its presence in China with the joint venture Hannover Milan Best Exhibitions (Guangzhou), organiser of LET China, an important event for logistics and transport systems. The event takes place in Guangzhou, Guangdong, one of China's most industrialised regions, and highly appreciated by Italian companies.

STRATEGY

Fiera Milano presented its Strategic Plan 2018-2022 to the market on 23 May 2018.



A yearly consolidated net profit is expected throughout the period of the plan regardless of the typical seasonality of the business

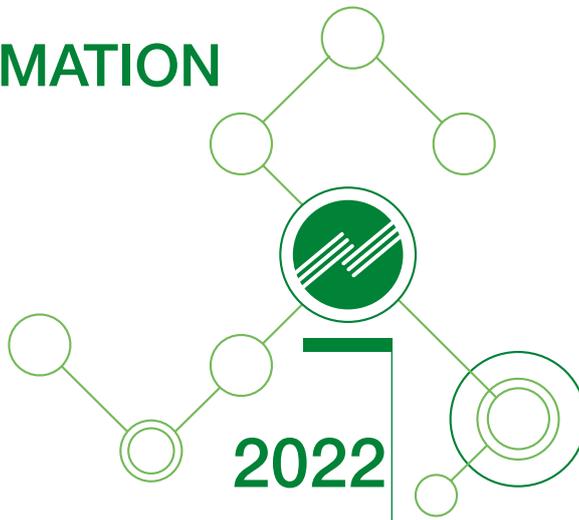
The Group seeks to attract new exhibitions that are leaders in their reference sectors and/or have strong potential, and similarly to attract large international congresses, while, at the same time, supporting the organisers in further developing the events. Services will be enhanced through greater 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 the events. Destination management services will be further extended to Italian and international exhibitors, as well as foreign buyers and visitors. The Group will strengthen directly organised exhibitions such as: HOST, the international event on professional hospitality, TUTTOFOOD (food) and HOMI (lifestyle and interior design which in January 2019 announced its repositioning with two new appointments focusing on Fashion & Jewels and Outdoor) which will increase penetration in their product sectors and/or will add to the product categories they cover whilst also increasing the number of participating international exhibitors and buyers. With regard to the expansion of international business, the Group expects to develop the geo-cloning of leading proprietary exhibitions also through agreements with leading local partners and a strengthening in the sale of services.

In support of this strategy, the Group will be able to draw on an investment plan totalling Euro 70 million - supported by Fondazione Fiera Milano, the owner of these assets - for the 2018-2020 period, which will make the MiCo and Rho exhibition site even more appealing. The investment programme includes the development of a Smart District for the **fieramilano** site and environmental sustainability projects, particularly the project regarding the installation of a photovoltaic system.

DIGITAL TRANSFORMATION

2018

2022



SMART DISTRICT

Fiera Milano is developing a Smart District at the Rho exhibition site.

In 2018, the infrastructure at the base of the Smart District was completed, providing radio coverage of the site's indoor and outdoor space. The infrastructure comprises 1,620 low-emission sensors designed to create an innovative/integrated platform based on new technologies (IoT, Data analytics, Cloud, Mobile App). The technology used, Bluetooth 4.0, includes a "Bluetooth Low Energy" (BLE) mode that allows energy optimisation also thanks to its low emissions, since being the most frequently used technology in IoT systems with high concentration 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. Safety and Security levels will be improved.

The development of the Smart District is part of a large digital transformation strategy that will provide all-round solutions also with regard to

- People & Workplace, by encouraging innovation in the way people work through the promotion of a digital culture and digital tools,
- Business Application, by transforming technological architecture in support of business and corporate operation processes.

For further details, please refer to paragraphs Our personnel, Customer satisfaction, and Security at pages 57, 65 and 71, respectively.



PREPARATION OF THE REPORT

Fiera Milano Group's 2018 Sustainability Report, Consolidated disclosure of Non-Financial Information pursuant to Legislative Decree No. 254 of 30 December 2016, as subsequently amended (hereinafter also "Decree" or "Legislative Decree 254/2016")⁴ 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 has been drawn up in accordance with the Procedure for the preparation of the disclosure of non-financial information approved by the Board of Directors on 13 March 2018, adopted on the same date, and reviewed on 17 December 2018. The procedure formalises the process for collecting and approving the non-financial information being reported.

As required by Legislative Decree 254/2016, Fiera Milano Group has identified the material topics within the scope of the 2017 Consolidated disclosure of Non-Financial Information which are necessary to ensure a full comprehension of its business activities, its trends and results and the environmental impact of these activities. In 2018, the issues of significance for the Fiera Milano Group were updated as a result of the Strategic Plan 2018-2022. This update was carried out through interviews with top management including the Chief Executive Officer, together with the Chief Executives of the Italian subsidiaries Nolostand, Fiera Milano Congressi and Fiera Milano Media. The material issues were then shared and validated by the Chief Executive Officer.

Specifically, the matrix of materiality was integrated with the topic "Development of corporate culture" within Personnel and with the impact on the region, thus expanding the topic "Contribution to local economic development" within Social.

With the aim of further strengthening the Group's commitment to sustainability, during interviews with the persons directly reporting to the Chief Executive Officer and the Managing Directors of the Italian subsidiaries, objectives, actions and targets were identified for each area of Legislative Decree 254/2016 and then shared during the plenary meeting and with the CEO.

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 the present Report with regard to one or more categories of Legislative Decree 254/2016, and the related reasons are reported below.

Compared to the 2017 Report, areas relating to Personnel and to the Fight against corruption of the subsidiary Fiera Milano Exhibitions Africa were included. In this way, these areas are reported for all of the foreign companies included in the period of consolidation.

⁴ Cf. art.5, paragraph 1 of Legislative Decree no. 254 of 30 December 2016, as subsequently amended and supplemented.

Company	Revenues as percentage of Group	Criteria utilised to exempt the Company from the report				
		Environmental category	Social category	Anti-corruption category	Personnel management category	Human rights category
Ipack-Ima S.p.A.*	0%	The company is not operationally active	The company is not operationally active	The company is not operationally active	The company has no employees	The company is not operationally active
Fiera Milano Exhibitions Africa Pty Ltd	0.3%	Size of the company; business purely organisational (no venues managed)	Size of the company; business purely organisational (no venues managed)	<i>No exclusion. These topics are reported in the present document</i>		Size of the company; organisation of just one single event (no exhibition areas managed) and consequently limited amount of outsourced services
Eurofairs International Ltda**	0%	The company is not operationally active	The company is not operationally active	The company is not operationally active	The company has no employees	The company is not operationally active
Fiera Milano Russia***	0%	The company is not operationally active	The company is not operationally active	The company is not operationally active		The company has no employees
Fiera Milano India***	0%	The company is not operationally active	The company is not operationally active	The company is not operationally active		The company has no employees
CIPA Fiera Milano Publicações e Eventos Ltda	3%	Size of the company; business purely organisational (no venues managed)	Size of the company; business purely organisational (no venues managed)	<i>No exclusion. These topics are reported in the present document</i>		Size of the company; business purely organisational (no exhibition areas managed) and consequently limited outsourcing of services

* The company was merged by incorporation into Fiera Milano on 14 December 2018 with accounting and tax effects as of 1 January 2018.

** The merger of Eurofairs International Ltda into CIPA Fiera Milano Publicações e Eventos Ltda was resolved in February 2019.

*** Liquidation of the company was resolved upon during 2018.

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 assessment of risk. In addition, the topic regarding protocols agreed by international and supranational organisations regarding social/personnel issues was not considered relevant to the business model.

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

The 2018 Sustainability Report (Consolidated disclosure of Non-Financial information pursuant to Legislative Decree 254/2016, as subsequently amended and supplemented) 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 2018 unless otherwise indicated. Where possible, a comparison of the quantitative information is shown for the period under review with data for the two years 2016-2017.

The present 2018 Sustainability Report (Consolidated disclosure of Non-Financial information pursuant to Legislative Decree 254/2016, as subsequently amended and supplemented, of Fiera Milano Group was approved by the Board of Directors of Fiera Milano on 12 March 2019 and published on the website www.fieramilano.it.

MATERIALITY ANALYSIS

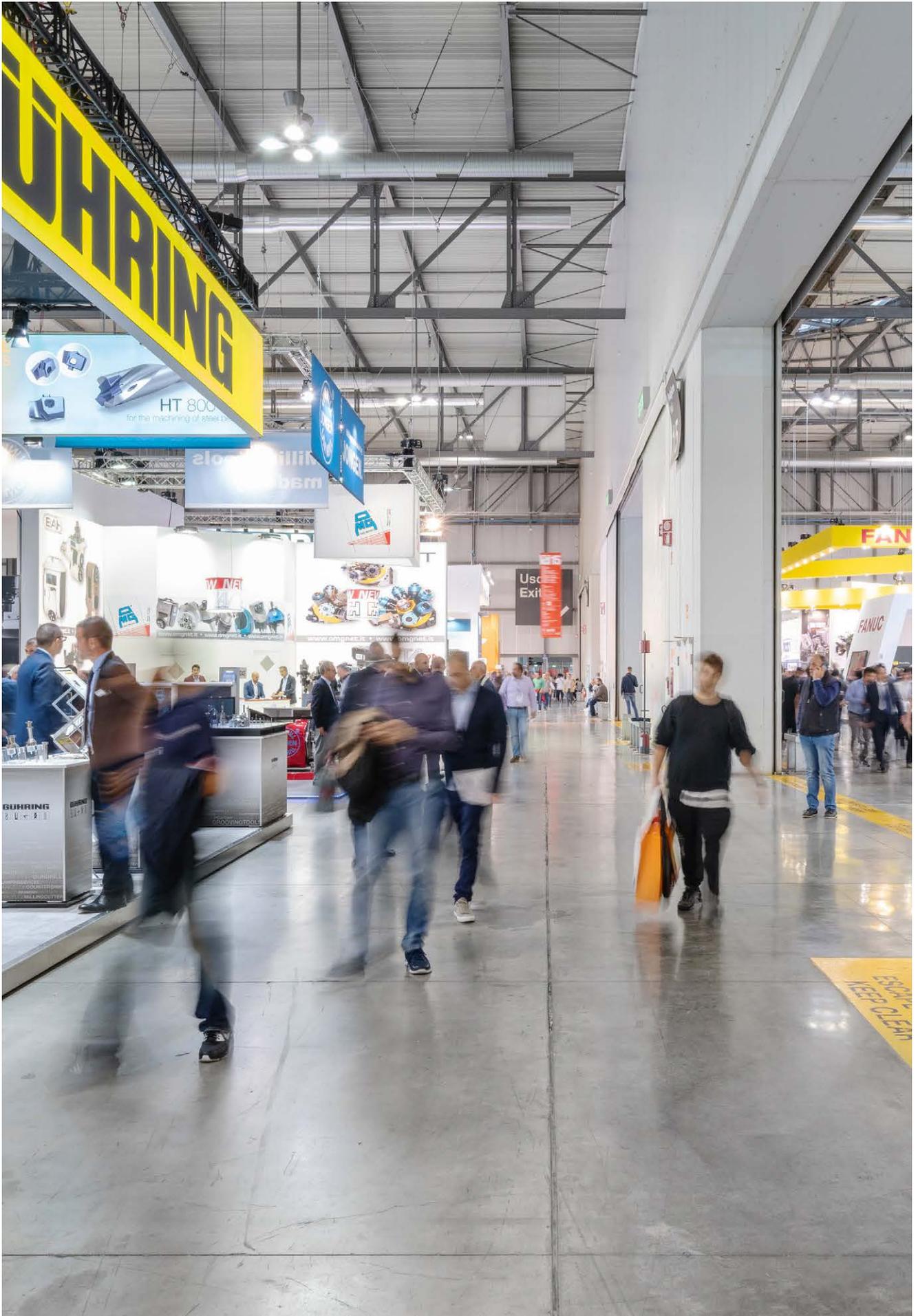
The following table illustrates the material aspects identified in accordance with Legislative Decree 254/2016, the related GRI indicators and the correlation between aspects and topics of the GRI Sustainability Reporting Standards, indicating for each of these the reporting scope, whether internal or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

Legislative Decree 254/2016	Material aspect	GRI Indicator	Internal Scope	External Scope	
	Responsible utilisation 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 waste management	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	
	Security	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	X	
		Professional development of employees	102-7	Scale of the organization	X
			102-8	Information on employees and other workers	X
			102-41	Collective bargaining agreements	X
			401-1	New employee hires and employee turnover	X
	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	Programs for upgrading employee skills and transition assistance programs	X	
	Development of corporate 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 countermeasures against undeclared work)	102-9	Supply chain	X	
		102-10	Significant changes to the organization and its supply chain	X	
		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	X	
	Countermeasures against active and passive corruption	205-2	Communication and training about anti-corruption policies and procedures	X	
		Business ethics	102-16	Values, principles, standards, and norms of behavior	X
			419-1	Non-compliance with laws and regulations in the social and economic area	X

* Also relating to the Social category.

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

*** Reporting does not include offices of the Business International department and the MoMec in Rome and of the Stresa congress centre, as these are not considered significant within the dimensions of the Group. It should also be noted that the subsidiary Fiera Milano Congressi sent its notice of termination of the concession contract for the Stresa congress centre with effect from 1 November 2018. With particular reference to energy consumption 302-1, central-heating gas consumption in the Rome and Stresa offices (not relevant) is not included.



THE 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
Personnel 	<p>Meetings with Group workforce to share results and strategies (at least 4 per year)</p> <p>Contact with and involvement of employees through periodical 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-departmental and inter-managerial committees</p> <p>Corporate welfare plan</p> <p>Relations with trade unions for the renewal of the supplementary contract</p> <p>Health and safety related activities</p>	<p>Information about the Group's economic-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 livelier community among Group Companies</p>
Suppliers and Commercial Partners 	<p>Regular contacts</p> <p>Suppliers portal (Register)</p> <p>Market surveys</p> <p>Freephone number and technical support email 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>
Organisers 	<p>Dialogue on a daily basis</p> <p>Customer satisfaction surveys following each event</p> <p>Specific meetings for sharing the Strategic Plan 2018-2022 and Smart District</p>	<p>Improvement and development of services</p> <p>Promotion of win-win initiatives</p> <p>Information about the Group's strategies</p>
Exhibitors 	<p>Direct contacts</p> <p>E-service platform</p> <p>My Matching (interface for organising meetings with Buyers)</p> <p>Call centre</p> <p>Corporate website</p> <p>Newsletter</p> <p>Social networks</p> <p>Customer satisfaction questionnaires following each directly organised event</p>	<p>Improvement and development of directly organised exhibitions</p> <p>Expansion of the range of services offered and quality</p> <p>Congress and convention activities during exhibitions</p> <p>Development of new product areas for directly organised exhibitions</p> <p>Development of new sales and export channels (e.g. e-commerce)</p>

Stakeholder	Communication channels, contact and engagement	Stakeholder expectations
Visitors 	Corporate website App My Matching Call centre Fieraccessibile Social 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 reach the fieramilano and fieramilanocity sites
Local Administrative Entities 	Direct contacts Committees Technical tables Corporate website Newsletter Social networks	Implementation of projects and events in the region in conjunction with directly organised exhibitions Integrated mobility solutions Protection of the local area and security Shared initiatives on the prevention and fight against 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 sites and related parking areas
Shareholders 	Shareholders' Meeting Roadshows Dialogue on a daily basis 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-financial results Creation of value Prompt dissemination of exhaustive information Dialogue
Fondazione Fiera Milano 	Periodical meetings on the investment plan to support the exhibition sites and the 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 exhibition sites managed Growth and internationalisation tool for exhibiting companies Promoting socio-economic improvement in the region
Local Economic Entities 	Collaboration on a daily basis Organisation of committees and round-tables Corporate website	Partnerships Direct and indirect economic impact

To develop its network and meet best practices in the exhibition sector, Fiera Milano Group took part in seminars and workshops organised by UFI, the Global Association of the Exhibition Industry. Fiera Milano also took part in working groups during EMECA, the association of the main exhibition sites in Europe.

Depending on the specific nature of each single business, the companies of the Fiera Milano Group are members of various national and international trade associations.

IN 2018, THE PARENT COMPANY WAS A MEMBER, INTER ALIA, OF THE FOLLOWING ASSOCIATIONS:



FIERA MILANO MEDIA WAS A MEMBER OF:



FIERA MILANO CONGRESSI IS REGISTERED WITH:



NOLOSTAND IS A MEMBER OF:



NOTES ON INDICATORS

With regard to the chapter on environmental management, the consumption data are 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 and Stresa locations as these are not considered significant within the dimensions of the Group.

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

With specific reference to the section on mobility, the figures for visitor vehicles are provided by corporate partners involved in public transport and parking site operators. The figures regarding the cars and vehicles of exhibitors, suppliers, fitters and employees are taken from “LogisticainFiera”, the platform used for accrediting people and vehicles and for access management purposes. These figures are rounded and do not include exhibitions and congresses organised by the subsidiary Fiera Milano Congressi.

Energy costs per square metre for the **fieramilano** 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, to the buildings of the central area and to the heating plants.

The National standard parameter table produced by the Italian Environment Ministry and the DEFRA (Department of Environment) database for the relevant years were used as conversion factors for the calculation of transport diesel and natural gas energy consumption.

The emission factors in the “National standard parameter tables produced by the Environment Ministry” for the relevant years were used to calculate emissions of CO₂ equivalent deriving from 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 CO₂ 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 **fieramilano** 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.

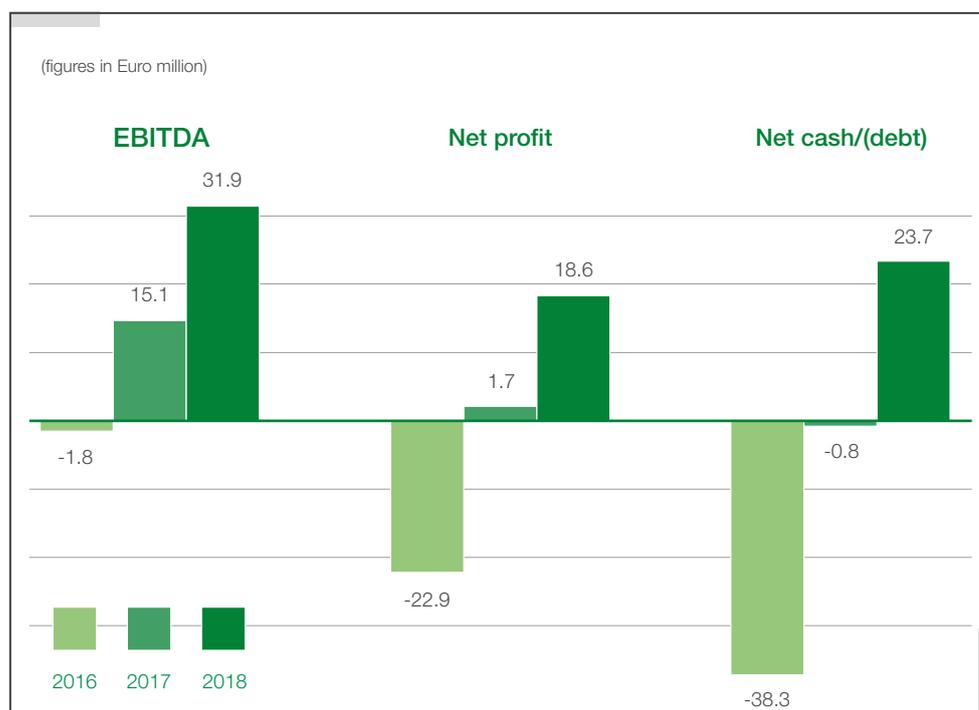
The injury frequency index is the relationship between the total number of injuries and the total number of hours worked, multiplied by 1,000,000.

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



The 2018 financial year ended with a strong increase in its results compared to previous years, despite a less favourable exhibition calendar, resulting from a general positive trend in the exhibition market and the achievement of significant management efficiency.

Consolidated revenues in 2018 totalled Euro 247.2 million compared to Euro 256.3 million in 2017. This variation is mainly attributable to the less favourable exhibition calendar due to the absence of two important biennial exhibitions organised directly, HOST and TUTTOFOOD, and to the destination management services for the ERS Congress.

EBITDA in 2018 totalled Euro 31.9 million compared to Euro 15.1 million in 2017. This growth reflects the effect of cost-reduction actions as well as the good performance of the exhibition and congress business.

The EBIT was Euro 25.1 million compared to Euro 5.4 million in 2017, recording an increase of Euro 19.7 million.

The result for the year was Euro 18.6 million increasing compared with Euro 1.7 million in the previous year.

The Group's net cash as at 31 December 2018 totalled Euro 23.7 million compared to net debt of Euro 0.8 million as at 31 December 2017. The increase is due to the positive operating cash flow.

In 2018, also thanks to readmission of the Company's shares to the STAR segment, the stock achieved 78% appreciation, among the highest in the Italian stock market listings, compared to the performance of the FTSE Italia All-Share and FTSE Italia STAR indexes, both standing at -17%.

TABLE 1 - BREAKDOWN OF ECONOMIC VALUE GENERATED AND DISTRIBUTED BY THE GROUP*

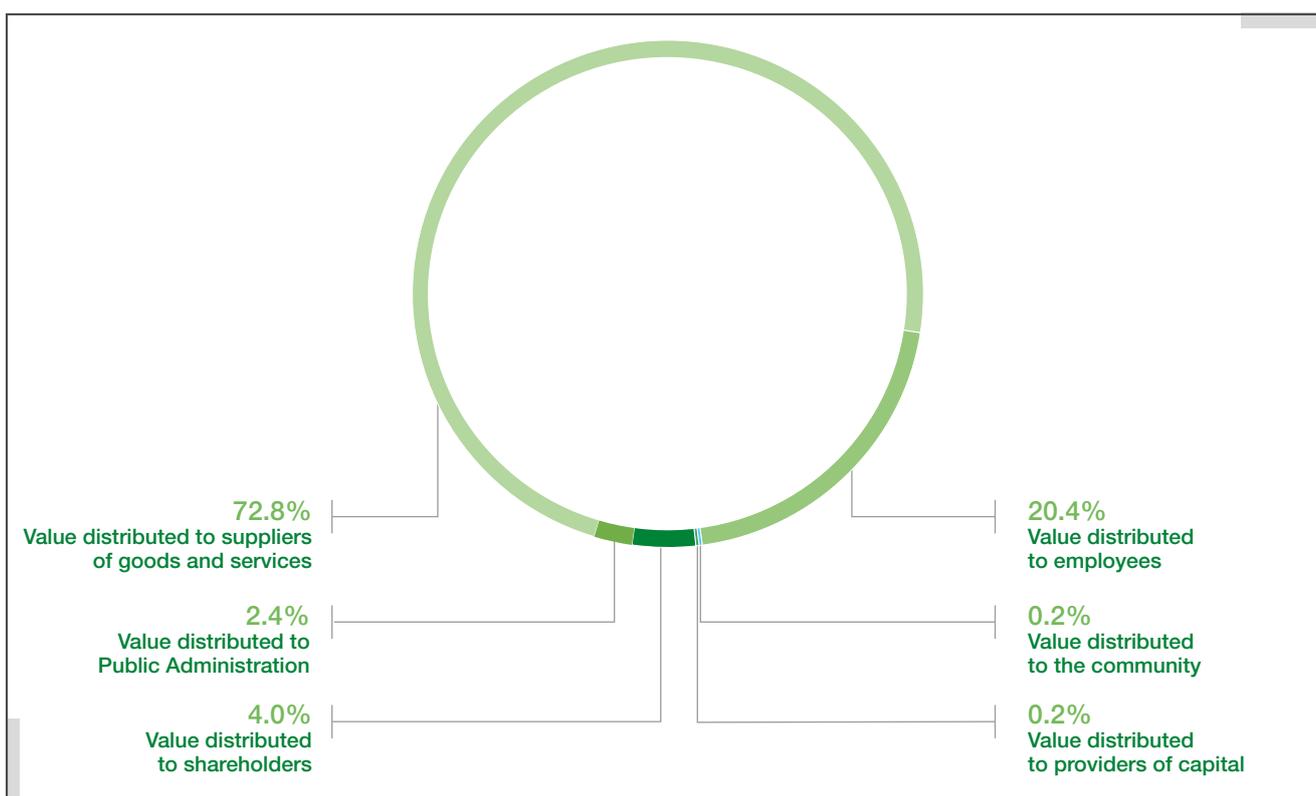
(euro thousands)	2018	2017
Economic value generated (A)	255,875	278,018
Economic value distributed (B)	230,949	258,481
Value distributed to suppliers of goods and services	168,269	191,498
Value distributed to employees	47,037	48,860
Value distributed to providers of capital	402	1,203
Value distributed to Public Administration	5,587	4,601
Value distributed to shareholders**	9,227	-
Value distributed to the community	428	12,319
Economic value retained (A-B)	24,526	19,537

* In line with the Consolidated Financial Statements of Fiera Milano Group at 31 December 2018, 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 effects 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 thousand, Economic value distributed Euro 243,502 thousand, Value distributed to suppliers of goods and services Euro 176,519 thousand.

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 of 2018 is estimated on the proposed dividend.



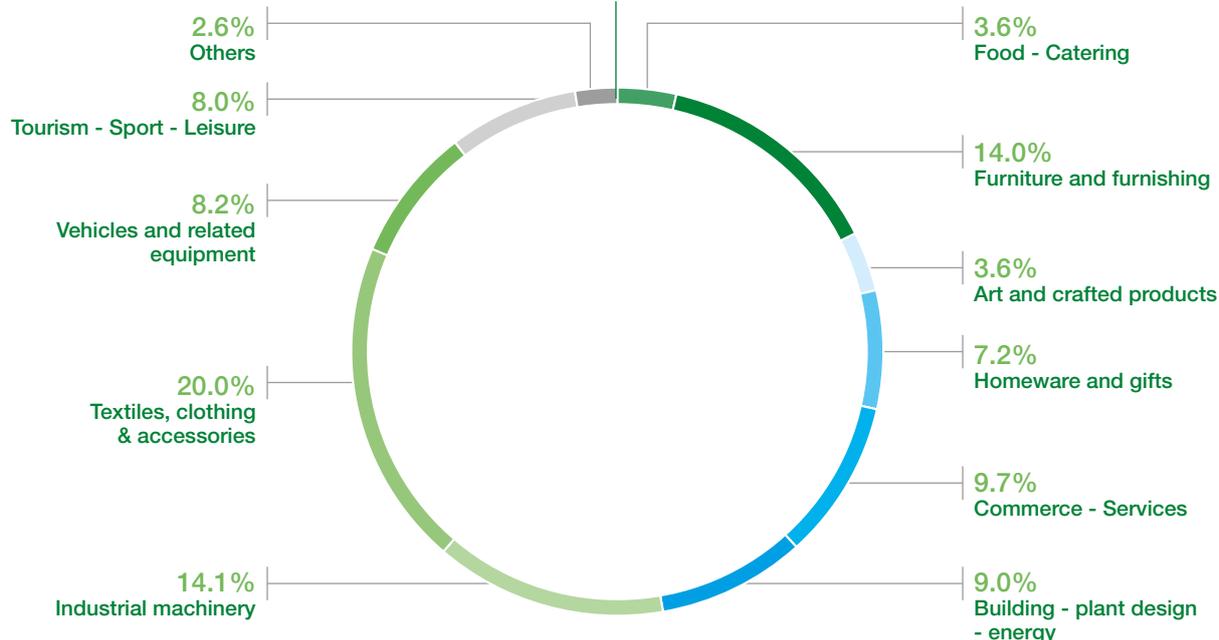
GROUP ACTIVITIES

AVERAGE FOR THREE-YEAR PERIOD 2016-2018 IN ITALY:

OVER 50 EXHIBITIONS PER YEAR

81% 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 2018

52
EVENTS

1,442,890 NET SQUARE METRES OF EXHIBITION SPACE
24,150 EXHIBITORS

of which directly organised by the Group

12
EVENTS

211,995 NET SQUARE METRES OF EXHIBITION SPACE
4,335 EXHIBITORS

EXHIBITIONS IN ITALY	2018	2017	2016
Net Sq. Metres of exhibition space	1,442,890	1,465,160	1,234,830
Exhibitors	24,150	24,865	20,975
of which from Italy	66%	67%	68%
of which from abroad	34%	33%	32%
Visitors *	4,048,628	3,919,711	3,608,286

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

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

In 2018, all exhibition business indicators, number of visitors, exhibitors and net square metres of exhibition space, recorded an increase compared to the previous two financial years. Of note is the success of the first edition of THE INNOVATION ALLIANCE, which brought together five specialised exhibitions covering the entire industrial mechanics supply-chain. A wide range was offered to all professional operators in just one single event: from processing to packaging (IPACK-IMA and MEAT-TECH), from the processing of plastics and rubber (PLAST) to commercial and industrial printing and graphic customisation, from packaging to labels (PRINT4ALL), through to storage and fine-line handling systems (INTRALOGISTICA ITALIA).

EXHIBITIONS ORGANISED ABROAD				
	2018	2017	2016	
Visitors	173,294	135,039	166,043	
Exhibitors	1,065	670	79	
Net Sq. Metres of exhibition space	49,290	21,445	41,130	

Note: Following the change in the scope of this document, in 2018 the data also includes the Cape Town Art Fair event that took place in South Africa, in addition to those regarding events that took place in Brazil.

In 2018, seven exhibitions were held in Brazil and one in South Africa. The 2018 exhibition calendar was more favourable compared to the previous year as a result of the biennial exhibitions Fisp and Fesqua. The Cape Town Art Fair was held in South Africa in 2018. There was an increase in exhibition space because the event was expanded and included a new “SOLO” section, dedicated to individual presentations of the works of emerging or established local and international artists.

TABLE 2 - CONGRESS ACTIVITY

Location	2018		2017		2016	
	no. events	Participants	no. events	Participants	no. events	Participants
MiCo – Milano Congressi	108	245,545	102	315,312	102	261,509
Stella Polare – Rho	16	18,970	9	15,890	18	40,550
Stresa Convention Centre	12	5,941	12	7,150	11	3,800
MoMec	33	790	42	1,160	31	870
TOTAL	169	271,246	165	339,512	162	306,729

Fiera Milano Congressi managed important events in 2018, including ESHG (Annual European Society of Human Genetics Congress), the Italian Fencing Championships and the Summit of the Organisation for Security and Co-operation in Europe (OSCE).

Several corporate conventions were held, primarily involving the banking and insurance sectors and relating to ICT.

TABLE 3 - SUMMARY OF FIERA MILANO MEDIA OUTPUT

	2018	2017	2016
Periodicals	10	10	10
Copies	570,000	580,000	680,000
Publishing portals	12	10	10
Training events	127	114	110
Annual conventions*	19	24	12
Participants	5,800	5,800	6,220

* Including exhibitions incorporating conventions

As a result of the new Group structure, the main mission of the subsidiary Fiera Milano Media is to enhance the role of Fiera Milano as a real media packed with information and data, and as an extraordinary platform for observing and reporting on productivity and innovation in Italy and the world.

In the second half of 2018, a process for revisiting the entire publishing production (both offline and online) was launched at Fiera Milano Media. The process envisaged aligning paper advertising among the exhibitions and raising the quality of the print media graphic design in line with the market.

New products were also promoted during the year in the Business International division in order to reposition it on the market in some key segments and to raise its profile. Specifically, the following were launched: (i) the Artificial Intelligence event in which the highly attractive setting and space where the event was held were highlighted; (ii) "Ideas gym", a new training format aimed at renewing the way we acquire knowledge; (iii) Ceo Awards, a high-standing event in collaboration with Forbes.



CONTRIBUTING TO THE DEVELOPMENT OF ECONOMY

SOCIAL AND ECONOMIC IMPACT GENERATED

Fiera Milano generates a significant impact on the local area.

The exhibition and congress business of the Fiera Milano Group contributed to the generation of an overall value estimated at Euro 8.1 billion, according to the results of the “Study of the socio-economic impact” drawn up by KPMG in March 2019, referring to 2017 figures.

The effect generated, including the direct, indirect and induced impact of Fiera Milano is estimated at Euro 6.6 billion, deriving from the effect of purchases from suppliers, investments, salaries and expenses incurred by visitors and exhibitors for attendance at exhibitions.

The method used made it possible to estimate the contribution to the public budget through taxes as totalling Euro 1.5 billion.

The Fiera Milano Group activities as well as those of the parent company Fondazione Fiera Milano were included when evaluating the impact generated.

The elements of analysis on which the assessment was based were the following:

- Purchases from suppliers and investments made in the Group during the year;
- Salaries paid to Group employees;
- Expenses incurred by exhibitors and visitors;
- Taxes.

With reference to purchases from suppliers and investments, wealth and job creation along the supply chain were valued, taking into consideration the direct, indirect and induced impact. Furthermore, the effects of the increase in national consumption through the salaries of employees and their impact on the various sectors were considered. The expenditure incurred by event exhibitors and visitors includes direct, indirect and induced impact in terms of wealth and job creation. Lastly, the contribution to public budgets was assessed through the duties, taxes and contributions paid and generated by the activity.

The assessment conducted on the basis of the previous elements should also include further social and economic impacts which were not analysed, such as the creation of infrastructures (transport and telecommunications), as well as the effect of improvements in other sectors such as tourism.

INSTRUMENT FOR SMEs

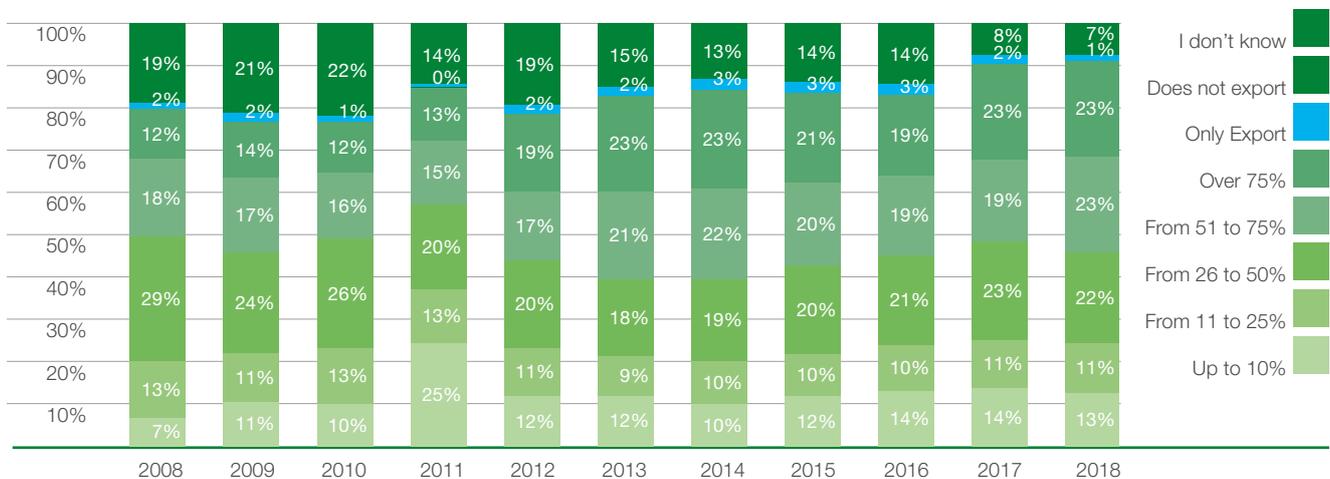
Supporting the business of companies, in Italy and abroad, is one of the principal characteristics of Fiera Milano Group's mission and one which nourishes its business.

Since 2002, the Fondazione Fiera Milano's Research and Development Service has carried out an annual survey on the structure, the strategy and the sentiment of Italian companies exhibiting in the Fiera Milano sites. This now amounts to a database of 4,000 interviews each year with exhibitors at the leading exhibitions 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; 89% of the exhibitors interviewed in 2018 stated that they launch new processes and products on the market every year. The research also reveals that over 50% of the Italian exhibitors interviewed state that their companies had introduced new products following participation in an event at Fiera Milano's exhibition sites. These companies have not only acquired new contracts through contact with Fiera Milano but have also found inspiration, improvement possibilities and new solutions. The capacity to spread corporate culture and innovation is another value given by exhibitors as a reason for their participation at exhibitions.

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

TABLE 4 - EXPORT SHARE OF REVENUES OF EXHIBITORS (2007-2018)

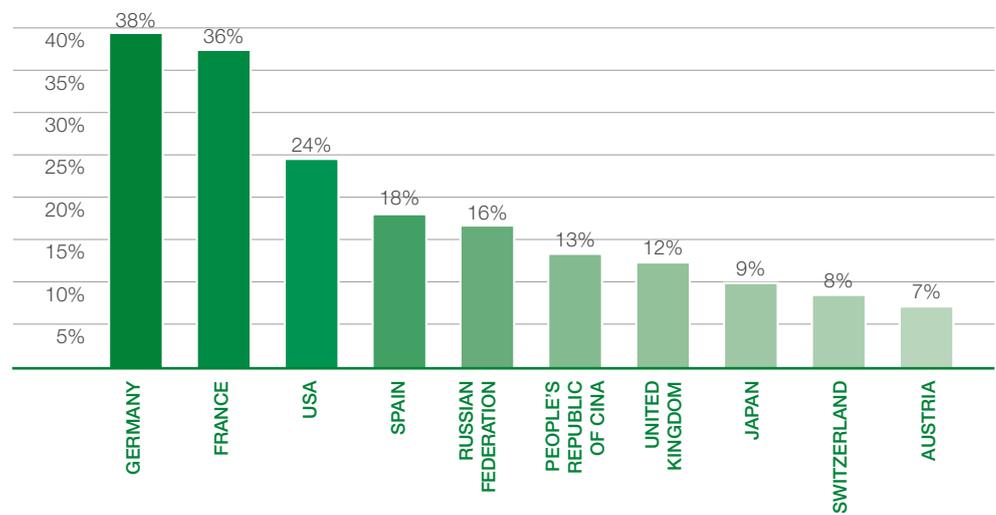


Source: Research and Development Service, Fondazione Fiera Milano.

The proportion of companies that generate more than 50% of their revenues from exports is constantly growing, and in 2018 reached 47% compared to 44% in 2017 and 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 22% on average, while the proportion of exporters amongst companies exhibiting with Fiera Milano is 93%.

In 2018 the average number of countries with which the Italian exhibitors had commercial relationships did not change (three on average), whilst destination countries remained practically unchanged. Specifically, the leading positions continued to be held by Germany and France respectively with 38% and 36% of exhibitors generating a proportion of their revenues in these countries, slightly on the rise compared to 2017. They were followed by the USA (24%) and Spain which recorded a 2 percentage point increase, whilst the Russian Federation confirmed its position as a good foreign business partner with 16% of exhibitors declaring that they export to this country. They were followed by China rising to 13% and the United Kingdom dropping down to 12%.

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 2018, 8% of the companies interviewed were businesses established within the preceding 60 months.



RELATIONSHIP WITH THE LOCAL AREA

EVENTS IN THE LOCAL AREA CONNECTED WITH DIRECTLY ORGANISED EXHIBITIONS

The exhibition is a great pole of attraction and an incredible engine for the development of local economy. A vital and unique relationship bonds the exhibition site with the city in which it operates.

Important opportunities for growth and sustainable development have been seized over time by listening and dialoguing to the local community and institutions. Shared actions strongly bond the Fiera and the city: the local area experiences renewed growth thanks to new activities, and the Fair, with its welcoming surroundings full of services, increases its competitiveness for people coming from every part of the world. This is all thanks to an open, accessible exhibition, which spreads outwards and turns into a tool for the growth of the region hosting it. Not a barrier, but a centre around which life and urban quality revolve.

In 2018, Fiera Milano promoted a number of special projects that were connected with the events it directly organised. Specific initiatives were implemented to support and integrate the events within the city.

These included HOMI in Città, which brought the lifestyles also into the heart of Milan. A series of events were designed to tell the stories and present the leading characters of HOMI to the general public. The exhibition "Conviviando, l'Arte della Tavola tra passato e futuro" (Conviviando - the Art of the Table between Past and Future) was staged in January at Milan's Palazzo Reale. The event celebrated the art of setting the table over three centuries of history, taking inspiration from unforgettable films. Every room of the Palazzo hosted a table set according to the taste and fashion of a specific historical period: a fascinating journey on the history of setting the table and the Art of Hosting throughout the centuries.

HOMI also played a leading role outside Lombardy, with La Magnifica Forma, a project conceived and organised by architect Anna Del Gatto, who represented a journey into the forms of beauty at Santa Severa Castle, just outside Rome. An exhibition on household objects created by designers and producers from Lazio who proposed objects inspired by Etruscan monuments, paintings, sculptures, landscapes and history, revisited according to their own free interpretation.

During MIART, Fiera Milano took part in the organisation of the Milan Art Week - under the direction of the Municipality of Milan; this programme, full of events, inaugurations and extraordinary openings of museums and public institutions livened up Milan during the week dedicated to Contemporary art. Miartalks were staged during the exhibition: cultural conversations featuring a dense calendar of meetings and in-depth talks on various art topics.

The Milano Food Week was held in May. The event was promoted by TUTTOFOOD together with the Municipality of Milan, Chamber of Commerce, Coldiretti Lombardia, Confcommercio and Fondazione Giangiacomo Feltrinelli. A week of appointments in Milan dedicated to food, allowing visitors to discover the Italian agro-food sector through specific thematic routes.

Two events sponsored by HostMilano were also staged in Milan in May: the first edition of Milano Coffee Festival, an event dedicated to the culture of Italian espresso coffee held in the BASE space in via Tortona in Milan; World Pastry Stars, the fifth edition of the international pastry congress. These moments of growth and exchange allowed Italian and international excellences to bring their experiences to the sector and its operators, with a view to mutual enrichment and growth.

The Bakery 3.0 event was held in October, a congress dedicated to the bakery business and conceived by Italian Gourmet with the partnership of HostMilano, which was staged both in Milan (fifth edition) and Bari - for the first time - in October. Focusing on the three pillars of production, organisation and communication in the bakery business, Bakery 3.0 is a permanent national observatory, designed to actively stimulate the bread sector business and deal with every aspect of it in detail.

The art of Italian fine living was also the main theme of the convention organised by HostMilano and TUTTOFOOD in Dubai during the month of October. The "Innovation and Excellence to Support the Growth of the Food & Hospitality Sector in the Gulf" event involved around 40 selected business community representatives from the region (including around 25 buyers belonging to the two sectors), as well as representatives from the United Arab Emirates, Kuwait, Oman, Saudi Arabia and Bahrain; representatives of local Chambers of Commerce and trade associations and international press also attended.

Print4All devoted considerable attention towards the professional updating of its key community; it presented itself as a real "home of content", with 29 events organised with the scientific coordination of Business International, divided by topic, duration and style. "The future of" cycle offered concise, vertical intensive seminars and meetings with sector experts capable of predicting the near future. Special attention was given to young people. The Print4All project for schools offered educational and learning paths to allow students access the event and learn about the history and value of paper, see how old printing machines worked and then visit some of the stands with a guided tour. The project involved school students from the AIMSC, ASSOCARTA and ENIPG circuits. The event also hosted the XXVI Pellitteri's day, the inter-school event that awarded fifty students from schools in the printing, graphics, communication and multimedia sectors, recommended by the same number of schools and training institutions.

IPACK-IMA turned the spotlight on the fight against food waste by bringing the Save Food project to Milan with an International Conference. Save Food was created by FAO and Messe Düsseldorf for promoting issues related to the improvement of crops and their transformation, packaging and delivery, with the aim of increasing the shelf-life of products, reducing food waste and so improving food-related culture. These issues are deeply felt across the entire globe but have ethical and social and industrial policy implications in developing countries. Focus was placed on them in a dedicated area during the event, in order to show that packaging solutions are a tool for preventing food waste, especially in emerging countries.

During this edition, IPACK-IMA also hosted the Ceremony for Awarding the Best Packaging, an event organised by Istituto Italiano Imballaggio which awards the best packaging designed or marketed in Italy. The focus for 2018 was on innovation and design.

SOCIAL ACTIVITIES

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

In the first half of 2018, Fiera Milano continued the “Salame Milano” project: an initiative started in September 2017 in support of deprived children and seeking to contribute to the campaign against waste of food. Every “Il Panino del Banco” sandwich purchased during each day of the event, contributed to a virtuous cycle of donation: one Euro is the cost incurred by the Banco Alimentare della Lombardia for the recovery and distribution of fourteen meals each of 500 grams of food, to distribute to nutritionally deprived children in Milan. Thanks to this initiative, which involved both exhibition sites, between January and May 2018 the Banco Alimentare della Lombardia received a donation of Euro 15,431 allowing it to distribute 216 thousand meals to nutritionally deprived children and adolescents in Milan.

The blood donation day, in collaboration with Avis Milano was organised on 20 November 2018, at the **fieramilano** site.

A charity “swap party” was organised by some employees in December 2018 to support Dynamo Camp, the only recreational therapy facility in Italy. It opened in 2007 in the province of Pistoia and in 2018 alone hosted over one thousand children suffering from serious and chronic diseases.

In December 2018, the subsidiary Fiera Milano Congressi organised a Christmas dinner involving the “Il Balzo” Association for family support - a cooperative that specialises in providing support for the disabled. In addition, bottle caps were collected to support both the Niguarda Foundation for Blood Diseases, which deals with biological and genetic research in the haematological field, and the Amici della Sequoia Foundation which supports family members and residents at “La Sequoia” Disabled Health Residence, located inside the former ILA City Park and managed by the Don Gnocchi Foundation. Even Nolostand continued to support the Niguarda Foundation for Blood Diseases in 2018 through the collection of bottle caps.

In March 2018, Fiera Milano Congressi sponsored the “Stramilano” event with the aim of gaining visibility in the city and of complying with the provision of the World Obesity Federation according to which certified Healthy Venue facilities must undertake to promote healthy practices for the well-being not only of their guests but also their employees and in general of the community. Ten Fiera Milano Congressi employees took part in the event in 2018.

From 21 November 2018 to 7 January 2019, the Group made 5,000 gross square meters of exhibition space of **fieramilano** site available at the Food Bank for the temporary storage of goods donated by citizens pending their distribution to the those in need.

GOVERNANCE AND BUSINESS ETHICS

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

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

The Company has adopted a corporate governance system that complies with prevailing law and regulations and with the Corporate Governance Code of Listed Companies of Borsa Italiana S.p.A.. ("Corporate Governance Code").

The mandate conferred on the current Board of Directors was approved by the Shareholders' Meeting of 21 April 2017 and will expire on the date the Shareholders' Meeting approves the financial statements for the year ended 31 December 2019. The Shareholders' Meeting of 21 April 2017 determined that the number of Board Directors be eight. Subsequently, the Shareholders' Meeting of 25 July 2017, increased the number of Board Directors to nine members.

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

The Company's policy on diversity regarding the composition of the administrative, management and control bodies reflects the specific provisions incorporated in the Company's Articles of Association. In particular, the composition of the Board of Directors must guarantee - and it does so in the light of the self-assessment process carried out during 2018 - the gender balance required by law. In addition, the composition must also reflect an appropriate degree of diversification in terms of ability, experience, age, gender and international representation.

Furthermore, the Company is provided with "Regulations of the Board of Directors of Fiera Milano", which were prepared in accordance with the prevailing laws and the Corporate Governance Code, which defines - amongst other things - further requirements which Directors must possess in addition to those required by law. To that end, certain specific fields of competence have been identified as essential for the members of the Board of Directors, including:

- knowledge of the exhibition sector and methods for managing the risks associated with the running of the business;
- experience of entrepreneurial management and/or corporate organisation gained through long-standing experience of administration, management or control in businesses or groups of similar dimensions;
- expertise in reading and interpreting Financial Statements gained through long-standing experience of administration and control in business or in professional practice or teaching at university level;

- proficiency in corporate governance (audit, legal and corporate affairs, etc.) gained through long-standing experience in auditing or management control within large-scale companies or professional practice or teaching at university level;
- international experience and knowledge of foreign markets gained through long-standing entrepreneurial or professional activity acquired in internationally oriented businesses or groups;
- knowledge of remuneration packages (i.e. added by decision of the Board of 13 December 2018 among the competences that the Board must have in its entirety);
- management of business risks (i.e. added by decision of the Board of 13 December 2018 among the competences that the Board must have in its entirety).

The Board of Directors of Fiera Milano is composed of 9 people, of which 4 are female and 5 are male as illustrated in the following table. For further detail, please refer to paragraph 4.2 of the 2018 Report on Corporate Governance and ownership structure "Composition (pursuant to art. 123-bis, paragraph 2, letters d) and d-bis), Consolidated Law on Finance)".

TABLE 6 - COMPOSITION OF THE BOARD OF DIRECTORS OF FIERA MILANO

Gender	Age range	2018	2017	2016
Male	30 - 50 years	1	2	0
	Over 50 years	4	3	6
Total Male		5	5	6
Female	30 - 50 years	0	0	1
	Over 50 years	4	4	2
Total Female		4	4	3
Total		9	9	9

Two internal committees have been set up within the Board of Directors which have roles and responsibilities that meet the standards of the Corporate Governance Code and with corporate governance best practice.

This Appointments and Remuneration Committee carries out advisory, proactive and investigative activities for the Board of Directors regarding remuneration and corporate appointments.

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

The Board of Statutory Auditors of Fiera Milano was appointed by the Shareholders' Meeting of 23 April 2018.

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

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

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

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

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

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

In consideration of the significance of the ERM for the Group, the Company is provided with a Risk Management department, which has the responsibility to guarantee the planning, design and implementation of a global process of corporate risk management; The process of systematic identification, evaluation, management and reporting of Fiera Milano Group's corporate risks is regulated within a specific procedure approved by the Board of Directors in March 2018. 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:

- avoiding: the risk identified is avoided (for example, credit risk in relation to politically unstable countries is not assumed: internal control measures are designed and applied to identify and block sales that are not guaranteed by pre-payment);
- mitigating: the risk identified is accepted within a specific maximum loss tolerance, then actions are taken to reduce the likelihood or impact of the risk, or both (for example, internal control measures are designed and applied to identify and block sales exceeding a pre-established monetary threshold);
- transferring/sharing: the risk identified 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);
- accepting: the risk identified is fully accepted, it is deliberately chosen not to take actions 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.

With a view to greater integration of ESG (Environmental Social and Governance) risks into the general ERM process, starting from 2019, the Group intends to expand the range of risks within the process by including sustainability risks.

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

In the course of 2018, the Organisation, Management and Control Models pursuant to Legislative Decree 231/2001 ("Models 231") of some of the companies within the Fiera Milano Group were adapted to the new system of operating rules and codes of conduct governing the activities of the Company and to the further control mechanisms adopted by the Group to counteract different types of crimes. Furthermore, at year-end in December 2018, the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 ("Model 231") of Fiera Milano was updated, with particular focus on the special part regulating crimes on the protection of workplace health and safety. The Models 231 of certain Subsidiaries are expected to be updated in 2019.

The Corporate and Legal Affairs Division, through the Corporate Secretariat, Governance and Compliance Department, constantly monitors the compliance levels of the procedures and policies adopted by all Group companies, in order to ensure the highest levels of compliance with current legislation and with the indications of national and international reference organisations. Specifically, the above department is in charge of monitoring and supporting the compliance of group corporate activities with internal organisational rules (manuals, policies, procedures, codes of conduct) and with external regulations, in order to ensure appropriate alignment with the best practices recommended within the reference sector. Compliance activities are regulated by a Compliance Manual which is approved by the Board of Directors of Fiera Milano and includes a specific annual plan.

During the year, an important project was started aimed at further improving privacy compliance. More specifically, for the purposes of the adjustments to meet the provisions of EU Regulation 2016-679 (General Data Protection Regulation - GDPR), which has been applied in Italy since 25 May 2018, the following main activities were carried out, with the support of an external legal expert:

- Preparation of the Register for processing operations; this activity was preparatory to completing the Data Processing Register, which is required to be held by all Italian companies of the Group pursuant to art. 30 of the GDPR
- Contract updating
- Adjustment of company documentation; by way of example, business supporting documentation and documentation relating to workers and other categories of interested parties
- Adjustment of policies/corporate procedures.

Two training courses were held on this topic, one for management and the other for all Group employees in Italy.

Fiera Milano Group received no significant penalties for regulatory non-compliance in 2018, either on a corporate or economic basis.

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

- ISO 9001:2015 – Quality Management Systems for Fiera Milano up to September 2018 and its subsidiaries Nolostand and Fiera Milano Media – International Business Division
- ISO 14001:2015 – Environmental Management System for Nolostand
- OHSAS 18001:2007 – Occupational Health & Safety Management System for Nolostand
- ISO 20121:2013 – Event Sustainability Management System for Nolostand

During 2018, Nolostand and the International Business Division of Fiera Milano Media completed transition of their Management Systems to standard 9001:2015.

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

- Report on Corporate Governance and Ownership Structure
- Report on Remuneration
- Fiera Milano Group's Code of Ethics
- Articles of Association

THE SUPPLY CHAIN

Fiera Milano manages the purchasing activities of the Group on a centralised basis through the Procurement Division. Thanks to an integrated programmatic approach, Procurement collaborates proactively with departments which request its services, in order to optimise expenditure and ensure adherence to applicable procedures and to assigned targets in terms of speed of execution.

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

- Facility Management, relating to technical goods, reception desks, security, canteen, cleaning etc.
- Stand fitting, relating to exhibition stands or parts of stands in completing the range of services offered by the subsidiary Nolostand
- Hangings, i.e. structures suspended at a given height from the ground mainly used for graphic purposes or as a support to illuminate the stand from above
- Communication Services and Products, for the promotion and support of exhibitions
- Waste Management Services
- ICT Services
- Catering Services

The activities in this area are regulated by a set of procedures, which includes, among others, the Procedure for the Procurement of Goods and the Provision of Services, the Technical/Economic Qualification Procedure for Suppliers, the Consultancy Procedure, the Reputational Assessment Procedure, and the Procedure for the Management of Relations with Commercial Intermediaries.

The procedures relating to the procurement process, just like the remaining procedures adopted by the Group, are constantly updated in compliance with the Procedures Procedure, a document for the preparation and updating of company policies and procedures adopted in June 2018 and updated in October 2018.

The procedure for the procurement of goods and the provision of services was updated during 2018, while the consultancy procedure was further reviewed in January 2019.

The Company is provided with a register that includes its authorised suppliers, contractors and sub-contractors. The initial stages of engagement involve conducting a technical and financial assessment by the Suppliers Register and a reputational assessment by Security for suppliers who must pass pre-established provider thresholds set by Group companies. Current procedures particularly establish that every supplier hired for amounts exceeding Euro 10 thousand must undergo a reputational assessment. The Security Division conducts Integrity Due Diligence on suppliers, and will support and interface with the Procurement division in the approval of suppliers. The Supplier Qualification Commission is tasked, among other things, with examining particular or pre-established aspects of the suppliers. Constant updating of the register makes it possible to continuously monitor the market in order to confirm and renew responsibilities, operational capabilities and competitiveness.

During admission to the Register, all suppliers are requested to agree to the principles of conduct contained in the Model 231 and the Code of Ethics aimed at ensuring the correctness and legitimacy of the supplier relationship. In addition, in order to be approved, suppliers must enrol in the Register and upload the documents required for the technical/economic evaluation, which are differentiated according to threshold of order/procurement levels provided to the Group. The outcome of the process will be qualification or non-qualification of the supplier and will determine whether the supplier may be approved to work with the Group.

In July 2018, the software of the Suppliers Register was updated, which made it possible to improve its management procedures and to include further specifications aimed at improving the qualification process. The new platform led to simplifying the authorisation process, thanks also to the single document repository that guarantees process traceability. The updating also allowed suppliers to enter certifications into the register. The suppliers entered in the Suppliers Register provided with certifications were 153 as at 31 December 2018. In 2019, the computerisation of the qualification and sourcing processes will be completed for the benefit of market research and competitive comparisons.

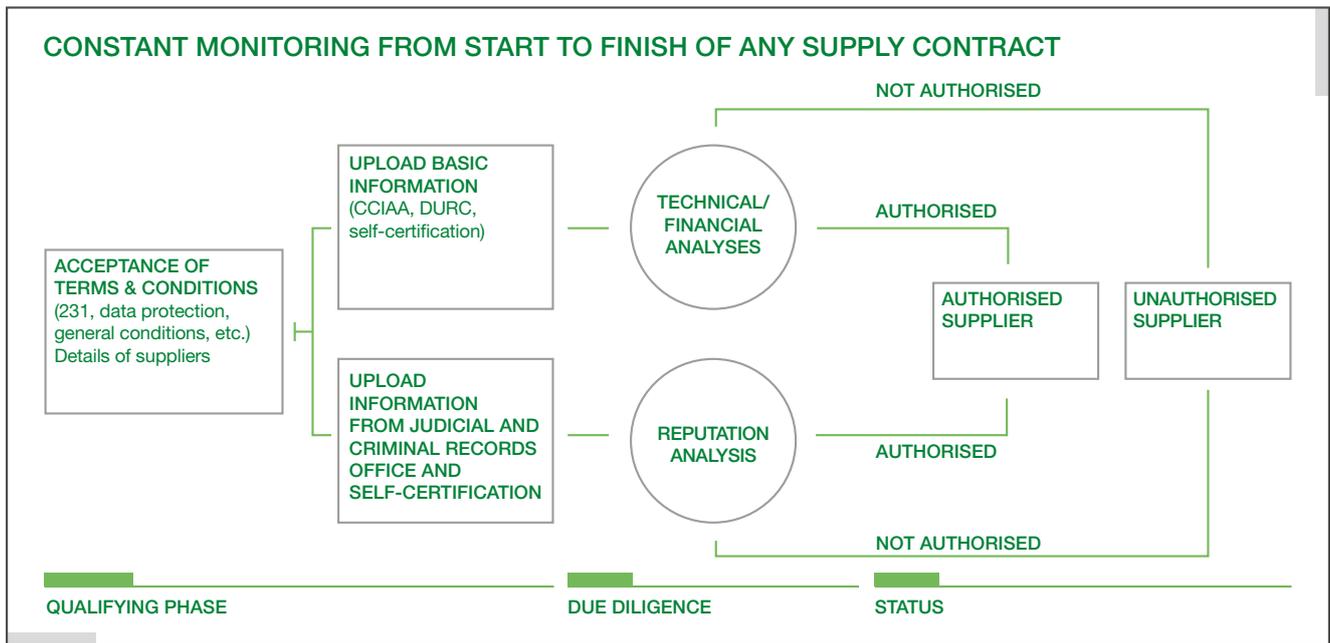
The suppliers recorded in the Suppliers Register of the Fiera Milano Group were 2,149 as at 31 December 2018. Around 86% of suppliers' operating headquarters are located at a distance of less than 300 km, while the remaining at greater distances. The latter include foreign suppliers and ICT service providers.

The Group's operating dynamics require that the parameters assessed to select suppliers must include the presence of an operating/logistics office in the area of Milan. In addition, the scouting of foreign suppliers helps optimise quality/price ratio and the renewal of traditional technologies. Furthermore, the commercial policies aimed at developing the presence of foreign events in the portfolio of events hosted by the Group require a corresponding increase in suppliers in the countries concerned.

The supply process for foreign subsidiaries is not currently coordinated by the Group's Procurement Division because of the limited scale of operations. The supply of goods and services to these companies is subject to a process of budget monitoring and control. In 2019, the reputational assessment and the technical/economic evaluation are expected to be extended to the suppliers of foreign subsidiaries, taking into account the specific nature of each country.

The current supply procedures for goods and services for Italian subsidiaries also provides that the purchase of a range of high consumption products (e.g. printing paper, batteries) be based on typical green procurement criteria, aimed at: i) environmental and public health protection ii) conservation of natural resources iii) minimisation of waste disposal and iv) reduced toxicity. In 2018, within the scope of the framework agreement for stationery, some articles were replaced with green products (paper, notepads, notebooks). This decision led to achieving 80% consumption of eco-sustainable products for that category.

In 2019, the Group intends to introduce sustainability aspects for the selection of suppliers, confirming Fiera Milano's commitment to pursuing environmental sustainability objectives.



A Supplier Quality department was set up in January 2018 in charge of guaranteeing the quality of services rendered by suppliers with respect to contractual agreements and of supporting the achievement of business goals by means of second level audits. In this respect, in September 2018, the Supplier Quality Service Management Procedure was reviewed. Throughout the year, 648 supply audits were carried out resulting in around 83% of compliance.

COUNTERMEASURES AGAINST ILLEGAL EMPLOYMENT AND UNDER-AGE LABOUR

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

The categories of suppliers that provide goods and services to Fiera Milano Group may include companies operating in industries which are exposed to related levels of risk with regard to the personnel they employ. Cases of risk related to undeclared work refer exclusively to the Group's supply chain (since there are no blue-collar workers among the employees of the Fiera Milano Group) which entrusts all unskilled work to third parties. With regard to procurement, the suppliers most exposed to the risk of illegal employment are those dealing with the management of the sites and the congress centre, as well as the suppliers of the subsidiary NoloStand. Consequently, Fiera Milano Group's internal vetting procedures (e.g. reputational assessment procedures) take particular care in assessing the types of supplier which rely on a significant number of manual workers (e.g. cleaning, stand fitting, security, catering) and Group procedures in these categories impose more stringent conditions both on the supplier selection process (e.g. reputational assessments every 6 months) and on-site controls, to ensure that there is no undeclared work or working practices in the supply chain.

In order to better control the presence of workers inside the pavilions, when issuing passes, access badges are assigned indicating the pavilions and relevant stands. This allows the identification of irregularities during the control phase, which if ascertained may lead to removal of the workers from the site.

A Memorandum of Intent was drawn up in 2018 between the Prefecture of Milan and the Local Labour Inspectorate, INPS, INAIL, ATS and CGIL - CISL - UIL, FILCAMS - FISASCAT - UILTUCS and Fiera Milano for preventing and combating undeclared and irregular work in the exhibition sites managed by Fiera Milano. The goal is particularly to create a coordination network, designed to guarantee timely action in terms of prevention, supervision and law enforcement. The protocol provides for more effective and coordinated planning of activities for overseeing and combating any undeclared and irregular work within the exhibition sites, and the organisation of integrated information and training courses aimed at promoting the culture of legality and security in work relationships. It is expected that the Protocol will be entered into during 2019.

The protocol was preceded by a Memorandum of Intent signed in 2007 between Fiera Milano and local Milan CGIL, CISL and UIL trade unions, category associations and the company trade union organisations (RSU). The protocol had included a series of clauses in the contracts and agreements stipulated by Fiera Milano as a contractor, created a permanent monitoring unit and opened an "Employment Help-desk" inside the **fieramilano** exhibition site manned by the three trade unions in the Milan area.

COUNTERMEASURES AGAINST ACTIVE AND PASSIVE CORRUPTION

The Group's Code of Ethics deals with the countermeasures against corruption which are especially regulated in the sections on business conduct, client relationships and relationships with suppliers. The Code of Ethics prohibits corrupt practices, illegal patronage, collusion, soliciting, directly or indirectly, personal or professional advantages either for oneself or others. Any form of corruption is prohibited without exception, in all activities and in all countries. This principle is applicable to all transactions between Group Companies and all other persons, independently of whether the transactions occur between Group Companies and private parties or between Group Companies and public officials or persons appointed to carry out public services. The directors and employees of the Fiera Milano Group are required to avoid any conflicts of interest between their personal and family economic activities and the position they hold in their relevant department.

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

Every client and every supplier, and, more generally, all third parties working with Fiera Milano and the Group's single companies are notified about the Model 231 (General Part) of each company and about the Group's Code of Ethics, which must be signed for acceptance; furthermore, specific clauses are incorporated into every contract requiring the counterparty to adhere to the principles contained therein.

With regard to foreign subsidiaries, a set of anti-corruption and other compliance programme guidelines to be applied by foreign subsidiaries were issued at the end of 2013 and the launch of these guidelines was reinforced by on-site training and distribution of the Code of Ethics. The Guidelines are expected to be updated during 2019 in relation to legislative and organisational changes.

Fiera Milano is also provided with a well-structured procedural system also aimed at the fight against corruption.

As a countermeasure against passive corruption, the Procedure for Procurement of Goods and Services includes a job rotation mechanism for employees in the company's departments who have contact with suppliers in the medium-high risk category which imposes different rotation periods depending on the seniority of the personnel involved and for operational staff, in which rotation periods are higher for positions which are more managerial than operational in nature.

The Group's Italian companies are provided with a Whistleblowing Procedure which was updated in May 2018 and which regulates the procedures for the receipt, analysis and treatment of reports, including those made anonymously or in confidence by third parties or employees of companies belonging to the Group. In line with the preceding procedures, a designated internal committee - Reporting Committee - has the task to conduct investigations into allegations of improper or illegal practices and/or conduct. In performing the duties assigned to it, this committee works in conjunction with the Supervisory Body in the event of disclosures of offences pursuant to Legislative Decree 231/2001. In 2018, this procedure was updated with particular reference to the composition of the Reporting Committee (currently comprising the Security Manager, Internal Audit Manager and Human Resources Manager), as well as the implementation of a computerised system for reporting purposes.

The Company is provided with an Accreditation and Access Control Procedure aimed at supporting the provisions of the Model 231. The Procedure focuses on the role of suppliers and subcontractors or of similar entities, and minimises procedural exceptions in order to reduce management costs and complexity without reducing security levels.

The Company adopted a specific procedure in 2018 for the management of gifts, donations and sponsorships. In line with the Code of Ethics, the Group undertakes to sponsor and organise events with a national and/or international appeal. Fiera Milano does not sponsor and/or organise promotional or training events for people and/or countries that are included in the Reference Lists issued by Public Authorities with regard to the fight against organised crime, terrorism and money laundering. Gifts and forms of hospitality, whether given or received, are allowed only if they are of small value. Furthermore, they must not compromise the integrity or reputation of either party and must not be interpreted as aimed at achieving improper advantages.

In 2018, a new procedure was adopted for accounts receivable management in order to improve risk management as well as a procedure for defining price lists and relevant discounts for the correct and objective application of discounts to customers. The Group, in fact, intends to strengthen the instruments adopted to reduce the risk of corruption, even among private individuals, in order to favour the correct performance of its economic activity.

All new employees receive an information pack allowing them to inspect the organisational documents of significance for the Group, including procedures, the Code of Ethics and the Model 231 of the relevant company, and the methods to be followed for attending a mandatory e-learning training session on the Model 231 through the corporate intranet.

During 2018, the General Part and the Special Part on the protection of workplace health and safety of the Model 231 of Fiera Milano, and some procedures were partially reviewed as a result of new legislation and organisational changes.

During the same period, courses were organised for the Group's Italian companies in relation to: (i) Model 231, for executives and middle managers, attended by 20 executives (74%) and 89 middle managers (88%), and (ii) Procurement, Credit Management and Access Control attended by 48% of executives and 71% of middle managers and office workers.

Furthermore, in the same year, Fiera Milano organised a course on Discounts, attended by 251 employees of the Parent Company, divided as follows: 41% of executives and 58% of middle managers and office workers.

The directors, as competent subjects for the approval of the 231 Model, are the first ones recipients of anti-corruption processes and provisions.

Internal Audit, Security and Corporate Secretariat, Governance and Compliance are the departments in charge of monitoring anti-corruption topics.

These auditing activities are carried out to monitor the internal control system of the entire corporate organisational structure. Specifically, the aforementioned activities are performed on the basis of an Audit Manual and an Audit Plan approved by the Board of Directors, as well as on the basis of any critical issues encountered by management.

Over 70% of Fiera Milano divisions were audited during 2018. In addition, the Internal Audit Division conducted checks for all the companies in the Group subject to direction and coordination by Fiera Milano and which also underwent scope audit and full audit procedures. Starting from October 2018, the Internal Audit Division set up specific actions also in relation to foreign companies.

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

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



OUR PERSONNEL



660
EMPLOYEES

OF WHICH **35**
FIXED-TERM
EMPLOYEES

**NEW
EMPLOYEES**

+61



**NEW
PERMANENT
EMPLOYEES**

+40 OF WHICH

11 to strengthen the commercial and business development areas and in observance of the law (Law no. 68/1999 and art. 18), 10 to strengthen the office staff areas dedicated to corporate governance, and 12 confirmations of full time employment mainly in the business and operation areas to young employees in accordance with the company's policy of gradual integration of junior staff



**NEW FIXED-TERM
EMPLOYEES**

+21 OF WHICH

16 to strengthen the commercial and office staff areas and 1 to substitute personnel absent on maternity leave



19.5%

**TOTAL GROUP
TURNOVER**



78

PART TIME EMPLOYEES
75 FEMALE 3 MALE



49.1%

GRADUATES

DI CUI



9.2%

INCOMING TURNOVER



10.3%

OUTGOING TURNOVER



45.3%

**EMPLOYEES AGED LESS
THAN 45.1 YEARS**

69

INTERNS TAKEN ON FOR WORK EXPERIENCE (48 taken on in 2018, 21 taken on prior to that)

from the Politecnico di Milano, the Bocconi University, the Università Cattolica del Sacro Cuore, the Università IULM, the Università Carlo Cattaneo - LIUC, the Università degli Studi di Genova, the Università degli Studi di Pisa, the Sole 24 Ore Business School, the Accademia di Comunicazione, Fondazione Fiera Milano, AFOL Metropolitana, ACTL Association for culture and free time, ADECCO, FourStars Impresa Sociale, the Università LUSMA of Rome, the Università degli Studi di Roma Tor Vergata and the Universidade Mackenzie (São Paulo)

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

A reorganisation process was started during the first few months of 2018, initially designed to develop greater focus on the market, simplifying decision-making processes and limit costs. The process included an in-depth analysis of the organisation as a whole, with particular attention to specific Divisions and departments, as well as an assessment of existing skills and those to be integrated. This led to reallocating certain activities through centralisation. The guidelines for the new organisation were identified and implemented in May, aimed at greater focus on customers, the development of performing products, image strengthening, increasingly efficient and effective cost management and the enhancement of Human Capital.

The careful management of human resources is essential to achieve business goals and is based on the following tools:

- Fiera Milano brand communication
- Recruitment
- Training plans
- Remuneration policies
- Engagement projects
- Corporate welfare

Specifically, the Division has adopted a management model for aspects related to personnel based on a structure combining the responsibilities and skills of HR Business Partners and the Organisation. The Division has a matrix structure, combining skills and responsibilities covering all typical HR processes including recruitment, training, development, remuneration policies and industrial relations, and skills and knowledge of all of the Group's processes and organisational areas. This operational model allows the identification of a single HR contact for each employee.

A Personnel Research and Selection Procedure was approved and adopted in November 2018 in order to define the guidelines to regulate these processes and the individual responsibilities of managers involved in them. Particular attention, with regard to sourcing, identifying, and retaining talent, has been devoted to recruitment and to performance and leadership evaluation.

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

The personnel management policies of the subsidiary CIPA Fiera Milano are consistent with those of the Parent Company and adapted to suit the specific requirements of the organisation to which they refer. The Brazilian company has adopted an integrated system of personnel management with regard to recruitment, training and employee development and implements a performance evaluation system for each employee with the aim of supporting the professional development of employees and identifying gaps to be filled.

Local legislation is applied to the South-African subsidiary.

A Group inter-functional team was set up in November 2018 in support of CSR themes. The role of the members is to act as main reference for their area of belonging in the NFS preparation process and to promote sustainability initiatives.

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

The Group strives to enhance Human Capital and promote the development of a culture of change.

THE DEVELOPMENT OF CORPORATE CULTURE

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

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

The new PLM - Performance Leadership Management system was implemented in 2018. The project involved all the executives of the Group's Italian companies, in addition to a large part of the corporate workforce, in the form of a "pilot project". The project was presented during a plenary session to the employees of the Italian companies by the CEO and the Human Resources Manager and the relevant manual was made available on the company intranet. The system is designed to encourage the achievement of strategic business objectives and to evaluate conduct on the basis of criteria representative of Fiera Milano Group's leadership model. This process was also aligned with the variable remuneration policy of employees, combining it with the policy that governs the granting of MBOs and incentives for sales staff. The MBO procedure was adopted on 2 August 2018. On the basis of the results of the assessment processes, the actions to be taken will also be defined both in economic terms (wage policy) and in terms of personnel development and growth with a view to spreading a merit-based culture. The system is structured to encourage interdepartmental collaboration and the continuous development of a manager-co-worker interface facilitates continuous feedback.

The formal phase of the individual performance self-assessment which involved staff in 2018 is scheduled for the first few months of 2019; a managerial assessment phase and consequent definition of the development plan will follow.

As at 31 December 2018, Group employees involved in a performance assessment system amounted to 36% of the workforce.

TABLE 7 - EMPLOYEES INVOLVED IN THE PERFORMANCE ASSESSMENT SYSTEM

	2018			
	ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE
Executives	22	5		
Managers and White collar workers (including Journalists)	79	111		
Blue collar workers	0	0		
Total	101	116	0	0

In 2019, the Performance Leadership Management system will be extended to further positions in the Italian companies considered suitable, according to the new organisational model, and to the subsidiary CIPA Fiera Milano. The system is expected to be applied to the entire Fiera Milano Group within 2020.

A succession & management continuity plan will also be started in 2019, which will identify potential successors to key persons in the Group. The Plan identifies high-potential resources capable of substituting the managers in charge of some of the Group's strategic areas, also through training and skill development plans.

In 2018, Fiera Milano adopted a medium/long-term Incentive Plan structured in a mixed cash and performance share format. This system makes it possible to (i) align the interests of management with those of shareholders, (ii) link the incentive process of the Group's managerial figures and key persons to the Company's actual result and (iii) develop policies aimed at attracting and retaining talented professionals.

The recipients of the Plan, identified by the Board of Directors, are the Chief Executive Officer, the Manager with Strategic Responsibilities and additional members of the Group's management identified according to the importance of the position they hold.

In order to help achieve the objective to integrate environmental and social aspects into the business, from 2019, the persons reporting directly to the Chief Executive Officer will have at least one Corporate Social Responsibility goal consistent with those of the Group in their individual performance plan.

THE WORK-LIFE BALANCE SYSTEM

The Fiera Milano Group has confirmed its commitment to human resources by seeking to identify alternative instruments capable of enhancing the well-being of its employees, regardless of the percentage of employment.



The Fiera Milano Group has allocated an annual amount for the benefit of all employees to finance its Company Welfare plan which includes insurance services, personnel services and work-life balance services. The plan is accessible via the on-line platform "WellFair", where employees can construct their own package of goods and services that they manage independently to make full use of the credits available to them. The "WellFair" platform covers different goods and services: training, health insurance, pension funds, crèche facilities, social care, sport, holiday packages, cultural events, shopping vouchers, season tickets, mortgage interest repayments, legal expenses and domestic maintenance expenses.

In June 2018, a bonus was given to all Group employees, as recognition for their work and for the results achieved in 2017. On this occasion, employees could decide whether to receive the above bonus as a one-off payment in their payroll or, alternatively, as a supplement to their welfare portfolio. This initiative gave the opportunity to open the "WellFair" portal also at Fiera Milano Media, leading to 100% coverage of the service to employees in Italy.

Furthermore, Fiera Milano Congressi benefits from an indirect agreement with the Istituto Auxologico Italiano for the provision of multidisciplinary medical services to its employees, who received a “Carta della Salute” (“Health Card”) valid for their whole family.

Fiera Milano Congressi continued the project and assigned five scholarships to children of employees with the most deserving academic curricula.

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

All Italian companies, in addition to CIPA Fiera Milano, are also provided with a draft second level supplementary contract or company regulation that incorporates the terms of the relevant National Collective Employment Agreement.

The new Company Supplementary Contract of Fiera Milano was entered into on 15 January 2019 with validity from 4 March 2019 to 31 December 2022.

Fiera Milano’s second level supplementary contract in force for 2018 already provided several benefits over and above the national collective employment agreement, such as:

- the company canteen
- 80 hours of paid leave
- results-based bonuses
- additional clauses covering maternity/paternity leave
- insurance cover for accidents outside the workplace and life and disability assurance
- flexible working hours with the possibility of a working day starting at any time up to 11.00 am
- subsidised loans/advances on the staff-leaving indemnity for reasons additional to those provided for by the NCLA corporate social security scheme, to which the Company contributes an amount of 3% of gross annual salary (RAL-Reddito annuo lordo) of employees who subscribe to the PREVIP national collective pension programme. In 2018, the number of Fiera Milano employees subscribing to the PREVIP national collective pension programme was 329 compared to 307 in 2017.

In 2018, 97% of employees benefited from welfare.

In addition to the provisions of the national collective agreement, Fiera Milano’s Company Supplementary Contract incorporated a results-related bonus based on company performance and correlated to the achievement of certain income objectives. Payment of the bonus depended on the minimum level for the gross operating profit being reached.

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

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

In the last few months of 2018, the trade union representation of Nolostand presented the platform for the preparation of its Company Supplementary Contract; Nolostand’s entrance into the Supplementary Contract of Fiera Milano was signed on 6 February 2019.



IN 2018,
97%
 OF EMPLOYEES
 BENEFITED FROM
 WELFARE

The renewal of the Fiera Milano Company Supplementary Contract, together with the entry of Nolostand's contract into the Parent Company's is the first step in the process for aligning the rules for management of Fiera Milano Group's employment relationships. In fact, different regulatory/management schemes coexist within the Group. In addition to the Fiera Milano's Supplementary Contract, the Company Supplementary Contract for Journalists and for the Graphic Designers of Fiera Milano Media (two separate Company Supplementary Contracts, given the different NCLA for the two categories) were extended until 31 December 2019. Fiera Milano Congressi instead has company regulations.

The complete harmonisation of the treatments of subsidiaries Fiera Milano Congressi and Fiera Milano Media is expected within the two-year period 2019-2020.

THE NEW SUPPLEMENTARY CONTRACT

The new contract, which became effective on 1 March 2019 and governs the employment relationships of Fiera Milano and Nolostand, brought a number of changes in terms of working hours, social clauses and family and parenting support, as well as welfare.

In terms of working hours and organisation, the new contract aims to harmonise and bring into line the company's organisational needs - which are specific to the exhibition business, characterised by peaks of activity and periods of lower intensity - with staff's personal and professional needs, in order to promote an increasingly greater balance between professional and personal life. In this regard, a 40-hour timetable has been established on a weekly basis, from Monday to Friday, with a daily minimum of 4 hours for all employees, whatever their classification level. The number of clockings has been considerably reduced: two for office workers, when entering and leaving their workplace, and just one for middle managers.

Employees will also have the opportunity to make up for any work carried out on a Saturday by taking off one day from Monday to Friday, in the same week or at the latest within the following week. Furthermore, Sundays which are often work days in the exhibition business, will be paid in full, if following a Saturday that has been recovered, as explained in the previous paragraph.

New social and family-related systems have been introduced. Parental leave has been supplemented by up to 80% (30% currently paid by INPS), for the part used by both parents, within the first year of the child's life. Three parking spaces have been created for pregnant women, close to the Centro Servizi, to allow them to reach their offices and return to their cars more quickly.

Other already existing systems have been further improved. By way of example, these include leave for helping children settle in at nurseries, which has been extended to primary school and increased to 25 hours per year for each child (15 hours in the previous contract). Employees may also take 50 hours of paid leave per year for specialist visits, medical treatment and/or laboratory tests, even if these visits, treatments or tests concern first degree relatives and/or relatives by affinity, the spouse or the cohabitant more uxorio. In addition, the contract introduces 40 hours of paid leave and 108 hours of unpaid leave for the care of disabled family members or non self-sufficient elderly people, previously linked to cohabitation of these people with the employee. It will be no longer necessary for the family members to live with the person taking the leave, thus allowing complete assistance.

Several changes have also been made with regard to welfare. A welfare system has been introduced that uses new parameters based on gross annual salary brackets, in an inversely proportional manner, in order to deliver higher amounts to lower income brackets.

Insurances for professional and non-professional accidents, permanent disability and death have also been extended to fixed-term contracts.

The contribution for the birth/adoption of children and for the death of relatives up to the first degree (spouse or cohabitant more uxorio) have been increased respectively from Euro 500 and 600 to Euro 1,000.

The corporate social security scheme, to which the Company contributes an amount of 3% of the gross annual salary of employees who subscribe to the PREVIP national collective pension programme has been confirmed.

The contract has confirmed: 80 hours of reduction of working hours, compared with 72 of the Commerce NCLA; extension of the protection period for a maximum period of 365 days spread over two calendar years, with relevant integration of allowance up to 100% of remuneration; additional hours of leave for study compared with those envisaged in the Commerce NCLA; a system of corporate loans; and the performance bonus.

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

TRAINING AND PERSONNEL DEVELOPMENT

The Fiera Milano Group’s training programme defines the courses that contribute most beneficially to professional and personal growth. The 2018 training plan focused on increasing the skills and abilities of people in order to support the process of organisational change within the Group. The overall number of employees that took part in training programmes during the year was 645; 125 courses were held for a total of 12,798 person-hours. The total investment in training programmes for the Italian companies of the Group in 2018 was Euro 202,739 representing 0.4% of total consolidated personnel costs (0.2% in 2017).

Part of the training programme regarded the updating of the Model 231 and a detailed examination of the new GDPR provisions on privacy. In addition to classroom sessions, open training activities were also organised for all Group staff during which they not only learned about the topic, but were also able to share experiences and best practices and to receive answers on highly relevant questions. The meetings were held on a monthly basis directly by the employees responsible for procedures and regarded the Procurement, Accounts Payable, Credit Management, Discounts, Access Control, Travel, Transfer and Expenditure Reimbursement procedures, as well as the Car policy. The training programme will continue during 2019 following the issue or updating of other procedures.

Of particular interest was also a training course on sustainability which was divided into different sessions and involved various company departments, such as the Procurement, Human Resources, Environment, Marketing and Communication areas, thus allowing the examination of CSR best practices. The training aimed at identifying “Ambassadors” within each company department, as promoters of sustainability activities in keeping with the Group’s objectives.

Thanks to the agreement with Fiera Milano Media, Business International training events continued in 2018 and were offered on a monthly basis through the “Noi Fiera” internal communication tool. The topics of the courses chosen included, inter alia, regulatory updates and staff development; they allowed networking and dialogue with different business environments. The areas of greater interest and involvement were the Finance, Legal, Internal Audit, Procurement, Sales and Marketing Areas.

The first line reporting to the CEO benefited from enrolment in the Fiera Milano Media Executive V Club as a source of inspiration and interpretation of the company’s key success factors for the future. During the meetings it was possible to share and exchange ideas, access professional updating sources and acquire new contacts for new business opportunities.

Specialised technical training courses and regulatory updates were proposed during 2018 through cooperation with Ebiter and Asseprim - regarding, for instance, Excel, time management, personnel administration and effective presentations.

Training on first aid and fire safety updates was delivered as well as on updates regarding workplace health and safety for workers’ union representatives and for the Security and Safety Officer.

The coaching method was used once again this year to support organisational change and help professionals holding new roles or facing new challenges and/or managing new teams.

Training for journalists continued through the participation in classroom courses on issues related to ethics, new communication tools, and new ways of disseminating and spreading information.

Also as a result of the new corporate organisation, which increasingly requires the ability to work by goals and to identify cross-functional projects, a training project was launched in November 2018, initially addressing the Finance area. The aim was to allow the personnel involved in the projects to achieve goals that are functional to changes in the company: ability to work in a team, proactive approach and independent accountability. These training activities will continue in 2019 with laboratory sessions, made up of small groups and designed to identify personal actions for corporate climate and performance improvement. The activities will end with a “Story book” providing guidelines and principles for the Finance Area.

Lastly, several meetings were organised in 2018 by the CEO with all Group employees, with the aim of sharing the Group’s 2018-2022 Strategic Plan and constantly updating the economic results achieved each quarter and the evolution of business.

CIPA Fiera Milano focused on technical and language training with a view to developing its resources. The African subsidiary did not set up any individual training plans in 2018.

In 2019, also as a result of the consolidation of the performance and leadership management process, training on the personal development of individuals will continue with specific courses aimed at strengthening leadership conduct required by the Group.

TABLE 8 - HOURS OF TRAINING PROVIDED

CATEGORY	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Executives	345	175	54	0	179	56	226	0	143	50	51	0
Managers and White collar workers (including Journalists)	5,025	7,253	104	207	2,133	2,597	383	521	2,319	2,650	270	139
Total hours of training	5,370	7,428	158	207	2,312	2,653	609	521	2,462	2,700	321	139

TABLE 9 - HOURS OF TRAINING PROVIDED PER PERSON BASED ON TOTAL EMPLOYEES

CATEGORY	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Executives	15.7	34.9	54.0	0.0	7.8	9.3	226	0	6.8	7.1	51.0	0.0
Managers and White collar workers (including Journalists)	21.2	20.0	8.7	9.9	9.2	7.2	22.5	27.4	12.7	8.7	14.2	8.2
Average hours of training per employee	20.7	20.2	12.2	9.9	9.0	7.3	33.8	27.4	12.1	8.7	16.1	8.2

NOIFIERA

In order to involve the Group’s staff, in January 2018 the new “NoiFiera” intranet was launched with the aim of spreading company goals, sharing information and involving employees. There are many services in the portal that are available with just a click such as: the code of ethics, organisation models, certifications, service communications, manuals, procedures and both online and classroom training courses. One of the strong points of the publishing calendar is the daily publication of news on the Group’s activities and the weekly publication of online stories dedicated to the past and present of Fiera Milano with exclusive interviews with employees. “NoiFiera” completes its offer with a section dedicated to new entries in the company and a ‘thank you’ section for those who have left the Group. This strategy involved 100% of the workforce, with peaks of single daily users exceeding 95%. Alongside the online activities, three offline initiatives were promoted, including publication of the book dedicated to the company refreshment area entitled “Eating together: 11 stories from the Pellegrini canteen at Fiera Milano”.

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

DIVERSITY AND EQUAL OPPORTUNITY

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

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

At the end of 2018, female employees represented 59% of total employees. Female employees represented 61% of office staff and middle-management and 18% of executives with managerial responsibilities.

The number of female members of staff employed by the Group rose from 384 to 389 between 2017 and 2018. In 2018, 39 of 61 new recruits were female.

TABLE 10 - COMPOSITION OF FEMALE PERSONNEL BY CATEGORY

CATEGORY	2018				2017				2016			
	MALE	FEMALE	TOTAL	%	MALE	FEMALE	TOTAL	%	MALE	FEMALE	TOTAL	%
Executives	23	5	28	18%	24	6	30	20%	22	9	31	29%
Managers and White collar workers (including Journalists)	248	384	632	61%	250	378	628	60%	238	366	604	61%
Total	271	389	660	59%	274	384	658	58%	260	375	635	59%

BREAKDOWN OF PERSONNEL: THE NUMBERS

Rate of employees in Italian companies of the Group returning and staying on following absence on parental leave: 100%. Over the course of the two years under review, the total number of employees taking parental leave equalled 12 female employees in 2018 and 9 female employees in 2017. Net of parental leave not yet completed, 100% of the female staff members who took parental leave were still employees of the company 12 months after the end of their leave.

TABLE 11 - BREAKDOWN OF EMPLOYEES

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Permanent employees	246	345	12	22	244	342	18	19	238	338	20	17
Fixed term employees	13	22	0	0	12	23	0	0	2	20	0	0
Total	259	367	12	22	256	365	18	19	240	358	20	17

Fiera Milano Group uses employees on fixed-term contracts to manage the peaks of activity in the exhibition calendar and as required for extraordinary projects. There were 35 employees on fixed-term contracts at 31 December 2018.

TABLE 12 - BREAKDOWN OF EMPLOYEES BY CATEGORY

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Executives	22	5	1	0	23	6	1	0	21	9	1	0
Managers and White collar workers (including Journalists)	237	362	11	22	233	359	17	19	219	349	19	17
Workers	0	0	0	0	0	0	0	0	0	0	0	0
Total	259	367	12	22	256	365	18	19	240	358	20	17

TABLE 13 - BREAKDOWN OF EMPLOYEES BY CONTRACT TYPE

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Full time	256	293	12	21	253	293	18	19	237	286	20	17
Part-time	3	74	0	1	3	72	0	0	3	72	0	0
Total	259	367	12	22	256	365	18	19	240	358	20	17

TABLE 14 - MANAGERS BY AGE GROUP

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Under 30	0	0	0	0	0	0	0	0	0	0	0	0
Between 30 and 50	11	2	1	0	10	2	1	0	10	4	1	0
Over 50	11	3	0	0	13	4	0	0	11	5	0	0
Total	22	5	1	0	23	6	1	0	21	9	1	0

TABLE 15 - EMPLOYEES BY AGE GROUP

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Under 30	14	27	1	6	15	31	1	5	11	29	1	4
Between 30 and 50	128	212	7	13	127	216	10	12	126	220	12	11
Over 50	95	123	3	3	91	112	6	2	82	100	6	2
Total	237	362	11	22	233	359	17	19	219	349	19	17

TABLE 16 - INTERNS

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Already taken on	9	11	1	0	4	11	0	0	2	9	0	0
Taken on in the year	13	35	0	0	14	24	1	1	9	21	0	1
Total	22	46	1	0	18	35	1	1	11	30	0	1

33% of internship contracts were turned into fixed-term contracts in 2018.
Average period of internship in 2018 was 6 months.

TABLE 17 - NUMBER OF NEW EMPLOYEES

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Under 30	8	15	2	4	13	14	0	1	9	23	1	1
Between 30 and 50	11	17	0	2	21	13	0	2	12	16	0	6
Over 50	1	1	0	0	7	2	0	0	1	2	1	0
Total	20	33	2	6	41	29	0	3	22	41	2	7

TABLE 18 - INCOMING TURNOVER

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Under 30	1.3%	2.4%	5.9%	11.8%	2.1%	2.3%	0.0%	2.7%	1.5%	3.8%	2.7%	2.7%
Between 30 and 50	1.8%	2.7%	0.0%	5.9%	3.4%	2.1%	0.0%	5.4%	2.0%	2.7%	0.0%	16.2%
Over 50	0.2%	0.2%	0.0%	0.0%	1.1%	0.3%	0.0%	0.0%	0.2%	0.3%	2.7%	0.0%
Total	3.2%	5.3%	5.9%	17.6%	6.6%	4.7%	0.0%	8.1%	3.7%	6.9%	5.4%	18.9%

TABLE 19 - NUMBER OF OUTGOING EMPLOYEES

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Under 30	7	15	1	8	5	9	0	0	11	8	2	2
Between 30 and 50	4	11	4	4	13	10	2	1	14	26	0	5
Over 50	6	4	2	2	7	3	0	0	15	22	0	1
Total	17	30	7	14	25	22	2	1	40	56	2	8

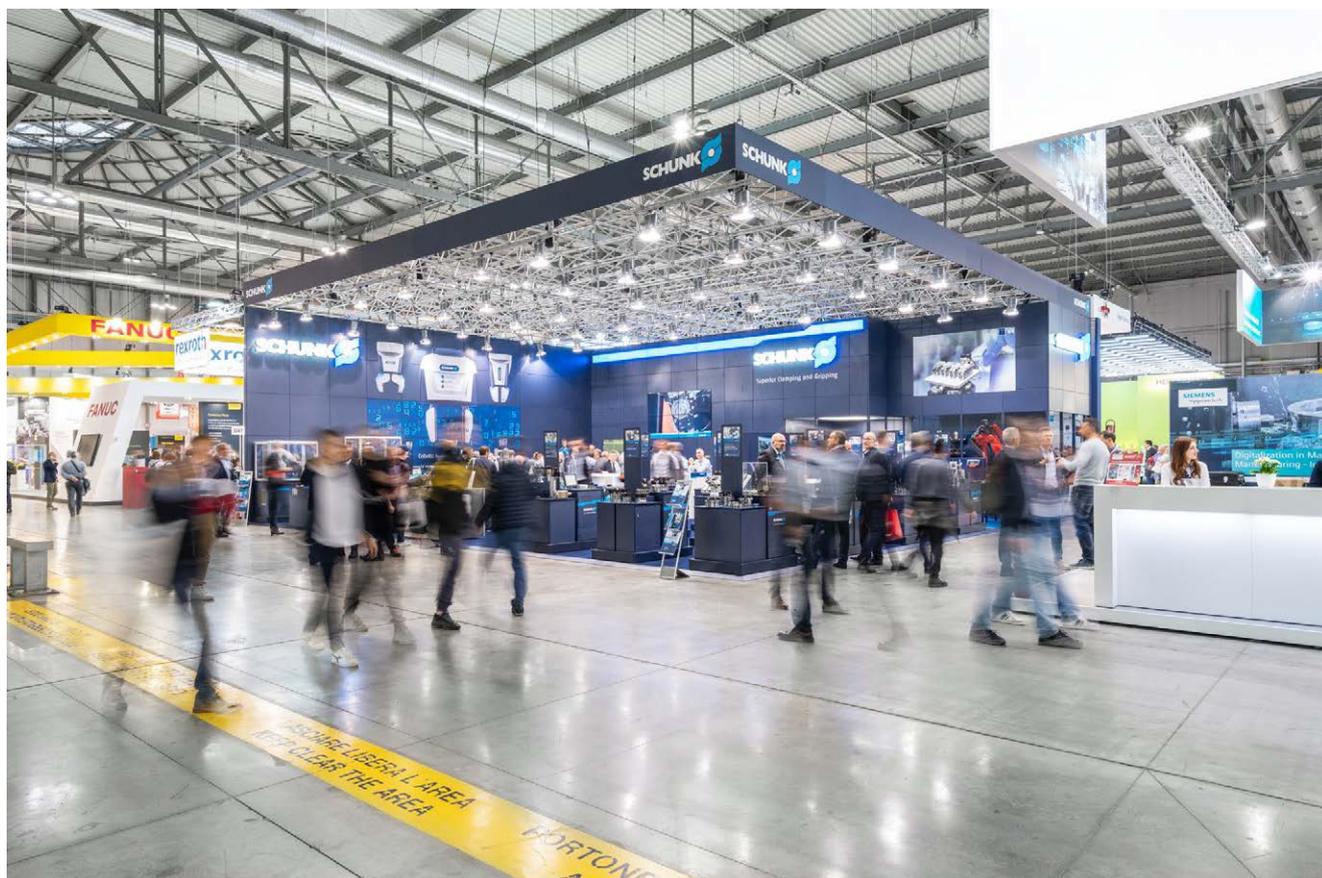
TABLE 20 - OUTGOING TURNOVER

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Under 30	1.1%	2.4%	2.9%	23.5%	0.8%	1.4%	0.0%	0.0%	1.8%	1.3%	5.4%	5.4%
Between 30 and 50	0.6%	1.8%	11.8%	11.8%	2.1%	1.6%	5.4%	2.7%	2.3%	4.3%	0.0%	13.5%
Over 50	1.0%	0.6%	5.9%	5.9%	1.1%	0.5%	0.0%	0.0%	2.5%	3.7%	0.0%	2.7%
Total	2.7%	4.8%	20.6%	41.2%	4.0%	3.5%	5.4%	2.7%	6.7%	9.4%	5.4%	21.6%

DIGITAL WORKPLACE

The digital transformation strategy will have a significant impact on people. The areas of intervention that will allow working space to be gradually developed and revolutionised through the promotion of a digital culture and the use of digital tools are the following: (i) People and welfare (ongoing online training) (ii) Culture and change (diffusion of digital culture and change management) (iii) Smart workplace (workstations and working tools, collaborative spaces, dematerialisation and digitisation) (iv) Enabling tools (cloud office solutions, smart meeting rooms, remote working, Smart service Desk).

Starting in 2019, thanks to the adoption of new APPs, employees and users who interact in Fiera Milano will gain benefits from a better experience. The APP for employees will become the main interface with the company. The APP will be used by local partner suppliers; the aim is to achieve operational excellence by integrating Fiera Milano partners and offering them new information and localisation services.



CUSTOMER SATISFACTION

INVOLVING THE STAKEHOLDERS OF DIRECTLY ORGANISED EXHIBITIONS

The success of a company is measured not only on the basis of its profitability, but above all on the satisfaction rate of its customers (occasional and/or loyal). The ability to provide quality as well as engaging customer experience is the only way to have satisfied and loyal customers. A result that ensures market leadership and real gains in an increasingly complex and competitive world. Fiera Milano's success stems from the ability to create exhibition products starting from the perception and knowledge of its customers' needs and desires, and then adapt to and understand any changes in their conduct and needs over time. For this reason, in a very complex and competitive, national and international exhibition panorama, Fiera Milano has decided to put its customers even more at the heart of its business because they are not only the users of the service, but also cooperate to ensure its success. Fiera Milano adopts a market- and customer-oriented approach and is committed to achieving excellent quality through competitive products and services. Briefly, in Fiera Milano, "Customers" guide company decisions and are at the core of the organisation's business, whilst "Quality" has the important role of acting as an intermediary and "translating" customers' needs. Quality of service is therefore a priority for Fiera Milano in all of its phases of activity. In particular, in the management of its directly organised exhibitions, in order to maintain a high standard of quality, a business model has been adopted that cultivates relationships with the various Stakeholders through dedicated teams which offer specific services for the various stages of an exhibition.

Following the company's reorganisation in May 2018, the Group is provided with a Strategic Marketing Division aimed at focusing greater attention on the customer. As a consequence, the functions dealing with customer care and with the operational management of buyers have been centralised at the service of all directly organised events.

STAKEHOLDER	CONTROLS	ENGAGEMENT METHODS	TOPICS OF INTEREST	
<ul style="list-style-type: none"> National and international Exhibiting Companies Trade operators Trade associations Agents 	<ul style="list-style-type: none"> Business team, dealing with exhibitors mainly during the negotiation and space assignment phases Online platform for exhibitors dedicated to the effective and efficient provision of information and services 	<ul style="list-style-type: none"> Customer Care Team for exhibitors and visitors dedicated to providing assistance before and during the event My Matching platform for exhibitors and buyers to facilitate the meeting of supply and demand and foster good quality contacts 	<ul style="list-style-type: none"> Road shows Round tables preliminary to the strategic positioning of the event Exhibition surveys 	<ul style="list-style-type: none"> Financial aspects International target markets Development of new product areas within the event Development of production chains Identification of risk areas Competitor analysis
<ul style="list-style-type: none"> Hosted buyer B2B national and international visitors Local and national general public 	<ul style="list-style-type: none"> Team buyers for the development of hospitality packages 	<ul style="list-style-type: none"> Congress and convention activities and round tables during trade shows 	<ul style="list-style-type: none"> Product variety and business opportunities Service quality Events outside exhibition site 	
<ul style="list-style-type: none"> Specialised and general press 	<ul style="list-style-type: none"> Press Team, marketing for communication and promotion activities 	<ul style="list-style-type: none"> Press conferences 		
<ul style="list-style-type: none"> Institutions, Public Bodies, Chambers of Commerce Sponsors Foundations 	<ul style="list-style-type: none"> Exhibition manager and exhibition team 	<ul style="list-style-type: none"> Development of projects with the Municipality of Milan, Regions and Ministries Organisation of events in the local area in conjunction with exhibitions 		

OVERALL SHOW SCORE

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

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

The quality of the service offered by the various Divisions involved in Fiera Milano's directly organised exhibitions is measured by a structured Customer Satisfaction Survey. Fiera Milano analyses the leading indicators of satisfaction from Exhibitors and Visitors, obtained from the extrapolation of relevant data by a specialist third company qualified in preparing customer satisfaction reports for exhibition companies.

Methodology

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

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

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

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

IPACK-IMA

IPACK-IMA is a triennial event on food and non-food processing and packaging. Technological innovation and international spirit were the key words for the 2018 edition, featuring a new strategic partnership between Fiera Milano and UCIMA, the Italian Packaging Machinery Manufacturers Association. THE INNOVATION ALLIANCE made its debut in conjunction with the IPACK-IMA 2018 edition: five key exhibitions bringing together qualified, rich and comprehensive offers for the industrial mechanics sector in order to attract increasingly more international buyers and better develop exhibitors' and visitors' business. A wide range was offered to all professional operators in just one single event: from processing to packaging (IPACK-IMA and MEAT-TECH), from the processing of plastics and rubber (PLAST) to commercial and industrial printing and graphic customisation, from packaging to labels (PRINT4ALL), through to storage and fine-line handling systems (INTRALOGISTICA ITALIA).

IPACK-IMA is an event where issues related to industrial culture may be shared and examined in detail, thanks also to the support of numerous partner associations, including AIDEPI (Italian Association of Confectionery and Pasta Industries), ASSOGRAFICI, ITALIAN PACKAGING INSTITUTE, IPPO (International Packaging Press Organisation) and CPA (Contract Packaging Association). Among the issues dealt with during the 2018 edition: Industry 4.0, safety and anti-counterfeiting, food and non-food quality and traceability, sustainability and circular economy applied to the processing and packaging sector.

IPACK-IMA obtained an Overall Show Score of **67**, confirming its appreciation by visitors. Indeed, the event recorded an international growth both in terms of number of visitors and of exhibitors, positioning itself as a key three-year event for the entire Mediterranean area.

83% of operators were satisfied, 88% would recommend the event and 86% want to return to the next edition in 2021.

The 2018 edition had a layout organised by Business Community, which was highly appreciated by visitors. The fact that the event was organised in conjunction with the other events of THE INNOVATION ALLIANCE was also highly appreciated.

MEAT-TECH

MEAT-TECH is a triennial event specialising in innovative technology and solutions for meat processing, packaging and distribution.

Developing and bringing increased value to the meat industry were the main goals of the event which provided a complete, synergic view of the different sectors across the entire meat production chain.

MEAT-TECH achieved an Overall Show Score of **44** during the 2018 edition, the second from its launch. This edition recorded a number of visitors more than double compared to the previous one in 2015, reconfirming the good development plan implemented over the three-year period. 75% of operators were satisfied, 84% would recommend the event and 77% want to return to the next edition in 2021.

The fact that the event was organised in conjunction with other sector events was also highly appreciated by 94% of operators.

PRINT4ALL

An international triennial key event for the Professional Printing sector organised in Italy. The event offers solutions and technologies for every printing need on any type of media.

The presentation of new printing technologies and innovative technical solutions using eco-compatible consumables (water and/or biodegradable inks especially for use in the food industry) and LED printing were among the goals of the event, at its first edition. A trend area (PrintMat) was also created, where printers offered end customers (Brand Owners) printing solutions through the simulation of “contexts of use” during the main Customer Journey phases: Pre-Sales, Sales and Post-Sales.

The edition achieved an Overall Show Score of **59**, closing with a great success both with regard to the number of visitors and to the lively atmosphere and high satisfaction of attendants. Over 70% of operators were satisfied, more than half would recommend the event and around 40% would participate in the next edition, earning it the reputation of a key event for the entire sector and locating it among the main European and international events.

PRINT4ALL presented itself on the exhibition scenario with a unique and highly structured format: a showcase of solutions and incubator of ideas and trends for a true “content-based exhibition” designed to support the growth of a constantly evolving sector.

HOMI

HOMI is the exhibition directly organised by the Group dedicated to the home and lifestyle market. The event is divided into 10 satellite sections revolving around the environment in which we live and renewing it with contaminations, experimentation and different styles. During the January 2019 edition of HOMI, Fiera Milano presented two new formats: HOMI Fashion & Jewels, a six-monthly event dedicated to the world of jewellery and fashion accessories, and HOMI Outdoor, an annual event on outdoor life. The two new exhibitions will be held for the first time in September 2019, whereas the Lifestyles Show of HOMI will be organised in just one large edition in January.

HOMI Fashion & Jewels, which has therefore turned from a satellite section to a new exhibition appointment, will take place in conjunction with the Milan fashion week in September and in February.

HOMI Outdoor, instead, is the new exhibition project dedicated to outdoor, open space, gardens and terraces. HOMI Outdoor is scheduled once a year in September and gives visitors the opportunity to discover the most innovative outdoor solutions - ranging from the balcony to the garden - but also new decoration solutions with products that by combining design, functionality and research anticipate industry trends.

HOMI achieved an Overall Show Score of **29** in the overall satisfaction of visitors.

The two main visiting goals were: (i) to see new products and market trends and (ii) to make purchase orders.

With the new HOMI Fashion & Jewels and HOMI Outdoor events, HOMI is turning evermore into a diversified platform and gives value to fast-growing sectors on the world market. The event is becoming increasingly better suited to the changing market, with increasingly specialised distribution channels and points of sale compared to household items and personal accessories. The global trade in Homeware finished products in 2018 rose by 4.5% compared with 2017, while for the Personal Care sector it increased by 3.2% in the same period. This positive trend is also confirmed by the recent data processed by the Ulisse Information System, which envisages further growth prospects for these sectors over the next few years.

PROMOTIONTRADE EXHIBITION

PromotionTrade Exhibition - PTE is the only annual event in Italy dedicated to the world of advertising, promotional textiles and customisation technologies. The event is open exclusively to sector intermediaries and is a key opportunity for the specialised offer of manufacturers, importers and distributors to meet the demands of intermediaries, retailers and customisers.

PTE is divided into two large areas: the TEXTILE items and GIFTWARE area and the customisation MACHINES area. PTE allows visitors to gain a broad view of the promotional world ranging from the latest promotional items to the most original ideas for business gifts and incentives, and from the latest clothing and accessory trends to the most innovative customisation techniques.

PTE has established itself as a key sector event on the Italian market settling around the **22nd** percentile in terms of Overall Show Score.

The visitors' main goals (consolidating business relationships and viewing new products and market trends) were achieved and recorded a slight growth compared with 2017.

78% of respondents said they had new contacts with operators they had never met before; this aspect increased the percentage of visitors returning to the event by 3 percentage points, reaching 26.6%.

The work that will be carried out on the next editions of PTE will be to further qualify the visiting target on the basis of exhibiting companies' requests and of existing changes in the promotional giftware market, in order to increasingly represent the demand market and strengthen its role as a key exhibition in this sector.

MIART

MIART is the annual exhibition in which contemporary art, modern art and limited edition design interact with each other, by exploring the relationships between past and present creativity and by presenting an extremely wide chronological offer to the public, from the art of the beginning of the last century up to the works of the most recent generations.

Once again MIART recorded excellent performances both in terms of visitor satisfaction rates and attending exhibitors/galleries. In general, visitor satisfaction rates ranked at around the **70th** percentile, confirming the event's importance at international level. The new partnerships set up (Intesa Sanpaolo) and value-added services made available free of charge to the public (MIART educational programme: free guided tours) were well-received by the MIART audience.

The rich schedule of the Milan Art Week, developed together with the City of Milan/Councillorship for Culture, enhanced the visits of many national and international operators in the city making MIART a one-of-its-kind event in Italy.

SÌ SPOSAITALIA COLLEZIONI

Sì Sposaitalia Collezioni is a key event for the national and international bridal and formalwear market, a must-see event where the best products of the sector are on display. The event hosts the most creative and high quality clothing collections for brides, grooms, special occasions and accessories, giving buyers a huge, modern overview of all the sector's new entries, with special focus on trends. Passion, emotion, tradition and elegance are the cornerstones that have made the Italian Touch famous worldwide and that are brought together in Milan for Sì Sposaitalia Collezioni.

The Sì Sposaitalia Collezioni score is around the **78th** percentile compared to the benchmark, with a high percentage (71%) of very satisfied visitors who are likely to return (so-called "apostles").

The event confirms its leading position in the sector, representing a point of reference for the presentation of new bridal collections at national and international level.

The exhibition aims to increase the number of international visitors in 2019 and to continue carefully selecting products in the medium/high range.

BIT

BIT - the International Travel Exhibition is a yearly event that since 1980 has brought tourists and travellers from all over the world to Lombardy. BIT promotes the meeting between decision makers, industry experts and carefully selected and profiled buyers from geographic areas with the highest rate of economic growth and from all sectors of the chain. BIT is also a formative event with more than one hundred conferences and seminars on the latest industry trends.

The exhibitors' Overall Score Show, which settled at around the **53rd** percentile, showed a positive trend in BIT customer response. Customers appreciated both the city location, giving them the opportunity to interact with and explore Milan, and the well-established exhibition formula. The broad range of congress activities (135 seminars, conferences and workshops) attracted 7,774 visitors, whereas the training activities involved 1,700 people. Furthermore, the My Matching platform played a key role in confirming this event as an important opportunity to create commercial relationships with a good probability of closing deals after the end of the exhibition.

MY MATCHING NUMBERS 2018*

10,000
ACTIVE USERS
ON MY MATCHING

23,000
MEETINGS
CONFIRMED

1.4 ML
PAGES VIEWED

51,000
MEETINGS
REQUESTED

4.2 OUT OF **5**
AVERAGE VALUATION
OF MEETINGS

10 MIN.
AVERAGE TIME
SPENT ON THE PORTAL

* Data refers to the following exhibitions in which the service was activated in 2018: BIT, EICMA, I and II SEMESTER, IPACK-IMA, PLAST, PRINT4ALL and XYLEXPO.

THE CALL CENTRE

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

- E-Service Shop for the sale of services to exhibitors, collection of forms and entrance accreditation for every exhibition;
- Ticket office systems for all exhibitions;
- My Matching services, the virtual platform for organising meetings between exhibitors and buyers;
- CRM (Customer Relationship Management) for directly organised exhibitions;
- Customer Service;
- Exhibitors' digital catalogue;
- Smart Catalogue service: the evolution of the digital event catalogue enriched with official content streaming from exhibitors' social profiles;
- Easy Service: interactive kiosks for exhibitors for the management of administration aspects and for last-minute use of the E-Service shop.

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

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

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

INDICATOR	INSPECTION ACTIVITY	MONITORING TOOLS	CONFIRMATION TIME
EFFICIENCY	Check on monthly percentage of lost calls (MAX 10%)	Report downloaded via a data tracking system	1st day of the month
	Check on e-mail responses within 24 hours of receipt	Check on mailboxes	Daily
QUALITY OF SERVICE	Checks on the level of training of operators	Written questionnaires	Prior to opening of the E-service shop for each individual exhibition
OPERATING PROCEDURES	Checks on observance and correct application of operating procedures	Inspection of tracing records, email responses and content control	Based on random sampling
EMERGENCY PROCEDURE	Checks to ensure existence of a formal staff substitution plan in the event of unforeseen absence to ensure service continuity	Real-time information and visual checks	Real time
ATTENDANCE AND PUNCTUALITY	Checks on attendance punctuality, and observance of working hours by personnel	Daily log-in reports by each operator	Based on random sampling
SCALE OF OPERATIONS AND LANGUAGE COVER	Checks on the adequacy of the organisational structure regarding the satisfaction of pre-defined efficiency levels depending on the complexity of the exhibition	Staff plan and visual checks	By the end of each month

TABLE 21 - NUMBER OF INBOUND CALLS

	2018	2017	2016
Replies	61,350	63,402	42,802
Rejected	3,336	4,487	1,932
% Lost	5.1%	6.6%	4.3%

Regarding inbound calls, there was a significant improvement in the performance of the Call Centre compared to the previous year, with a decrease in the percentage of missed calls.

TABLE 22 - NUMBER OF EMAILS MANAGED

	2018	2017	2016
Email E-Service	12,933	6,607	7,345
Email ticket service	10,241	4,813	3,342

The Company implemented and tested a live chat on the E-Service and My Matching systems for all exhibitions during the first half of 2018. For this reason, there was an increase in the number of emails compared to 2017.

SMART DISTRICT AND CUSTOMER EXPERIENCE

The Smart District will provide new functions and services to whoever, whether habitually or occasionally, interacts with the site, including organisers, exhibitors, stand-fitters, suppliers, visitors and employees.

With regard to customers, the infrastructure will improve their experience also through the introduction of innovative services. Specifically, a Smart APP will be created to use all of Fiera Milano's services while on the move by whoever attends the site and will develop new information, location and payment services. The dedicated APP will allow visitors to improve their experience in the Fair by obtaining personalised information: from the quickest and least crowded route they should take to reach a chosen stand, to purchasing a service at the exhibition using their smartphone, through to identifying their favourite menu in the many different refreshment points. The APP may also be used, among other things, to obtain digital passes, view the digital catalogue, obtain information on traffic conditions and enable digital electronic transactions within the site.

Smart District will implement a claim management system for assessing the services sold and the quality of the services provided.



HEALTHY VENUE CERTIFICATION

During 2018, MiCo achieved Healthy Venue Silver level certification awarded by the World Obesity Federation.

The aspects that contributed to achieving the certification and that involve both Fiera Milano Congressi employees and delegates/participants in the events regarded the following areas:

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

Following certification, all Fiera Milano Congressi employees received a step-count bracelet and a t-shirt they could use in the fitness area. The organisation and/or participation in healthy initiatives focusing on individuals' well-being is planned for 2019.

Fiera Milano Congressi has already adopted the criteria for upgrading to the Healthy Venue Gold level certification and is waiting for this award from the Federation (expected in the current year).



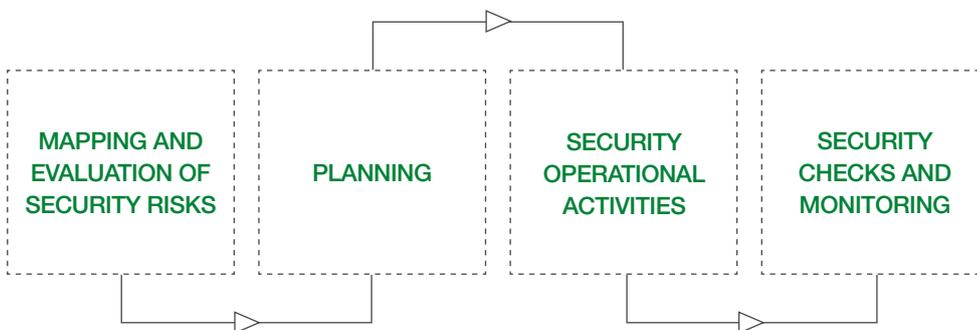
SECURITY

Fiera Milano acknowledges that protecting corporate assets and people from threats, fraud and internal or third-party criminal conduct, which could lead to direct or indirect damage to people of a financial, equity, reputational and physical nature, is one of its key goals. It is supported by the Police Force in observing the principles of collaborative prevention and integrated security.

In compliance with the policies set out in the Code of Ethics and Model 231, Fiera Milano is provided with a security and accessibility Plan aimed at mapping the structural and management preventive measures implemented at the **fieramilano** and **fieramilanocity** sites and MiCo congress centre in order to prevent and reduce the risks associated with its business and to define an ongoing improvement process. The main objective is to implement an integrated security and safety system in order to protect the company's assets and individuals.

Group security and safety management is entrusted to the Security Division whose operational activities consist of the implementation of actions and deployment of risk management/mitigation instruments. The Division operates according to the Security Manual which defines the main methods, principles and criteria required for performing corporate security activities.

Security activities are carried out according to a logic of process, which considers the impact on all operating and management activities, as well as the relevant regulatory, technical and specialised context. More specifically, Fiera Milano's security process is made up of different sub-processes.



The Security Division, together with the Risk Management department, analyses the security threats resulting from the internal and external context and performs a mapping of the relevant risks, updating it periodically. This is followed by operational macro-activity planning and security checks connected to the management of the exhibition sites and/or the organisation of the exhibitions. Security and safety related activities consist of the implementation of actions and deployment of risk management/mitigation instruments identified following previous risk evaluation activities. Verification and constant monitoring then follows.

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

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

Organisational security

The Security Division ensures - according to the best risk assessment and management methods - that specific reputational checks are carried out on the Group's counterparties considered to be security sensitive, including, for example:

- Suppliers, whether direct Fiera Milano Group suppliers or indirect suppliers (e.g. stand-fitting suppliers for exhibitors);
- Exhibitors;
- Consultants and external contract workers.

The Division uses the most suitable supporting instruments, for instance, authorised databases and companies specialised in assessing counterparties. Among the main results when performing reputational checks is a reputational rating that is assigned to the counterparties based on the adoption of an adequate risk scoring model. The reputational rating of security-sensitive counterparties is monitored periodically by the Security Division, together with the Company Divisions concerned (e.g. Supplier Procurement Division, etc.). For further information, please see paragraph The supply chain.

Physical security

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

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

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

The Security Division actively contributes to mobility management in the Region on the approaches to, and in the vicinity of, the exhibition sites during the different phases of any event through its own traffic control and coordination centre, following a series of agreements reached with the main transport entities and law enforcement agencies. Exhibition site management is supported by a 24-hour operations centre, using CCTV and alarmed perimeter fences, protected by security guards with vehicular support, fire protection officers and equipment, which are in constant coordination with the police and law enforcement agencies to ensure public safety during the setting up phase and throughout the period of the event. Specific documentation is made available regarding each phase of an event in order to establish timetables and procedures of each operation and to determine the scale of the various services to activate in order to ensure that each phase can be accomplished in the most appropriate time and ways to protect the environment and ensure the safety of personnel involved in the provision of services. For further information, please see paragraph Health and safety at the exhibition sites.

In 2018, the Security Plan started at the end of 2017 continued to be implemented. The plan provides for the upgrading of the control levels of the structures, processes and procedures in accordance with the new responsibilities entrusted to organisers/event managers and/or public exhibitions by Memorandum dated 7 June 2017 - No. 555/OP/0001991/2017/1, known as the Gabrielli Memorandum. Specifically, the Plan included: the installation of a baggage control scanner and a metal detector at the **fieramilano** site to check individuals at access points; the protection of pedestrian areas by laying new jersey and preventing vehicle access; raising the security and control levels for accessing areas dedicated to events in order to protect the safety, health and integrity of the exhibition site users.

A plan was drawn up for the **fieramilanocity** site and the MiCo congress centre regarding the installation of control devices in line with the security levels set out in the Memorandum; their implementation is expected during 2019. More specifically, in January 2019, baggage control scanners and metal detectors were installed at the **fieramilanocity** site to check individuals in proximity of the entrance and reception area. This technology allows the number of people present in the Exhibition Sites to be calculated in real time.

In addition to completing the MiCo Plan, a first batch of automatic mobile bollards is planned to be installed in summer 2019 at the **fieramilano** site to protect pedestrian flows along the central axis.

Again in 2019, the number of CCTV and video recording systems will be increased in order to expand the area controlled by the video surveillance system and so better monitor the company's assets.

Cyber security

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

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

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

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

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

With a view to preventing and to adequately and promptly managing events that threaten IT security, a structured programme was launched in 2018 to upgrade cyber security. New security policies were issued and new specific projects were set up to manage and protect the identity and data of users accessing corporate IT platforms. Furthermore, adjustment to the new European regulation on privacy (GDPR) led to the introduction, among other things, of specific measures for managing data breaches.

HEALTH AND SAFETY AT THE EXHIBITION SITES

The safety of staff employed in its exhibition sites is an essential prerequisite for Fiera Milano Group which manages and monitors safety in the workplace through a series of measures to protect employees and guests at the Group's sites. In order to manage these activities, the Group is provided with permanent prevention systems at its exhibition sites. Several health, safety and environmental procedures were issued and/or updated during 2018. Furthermore, the Models 231 of the Group's companies were updated, mainly as a result of changes in the organisational structure of the Group's companies.

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

- training courses for employees regarding health and safety in the workplace in accordance with the methods defined in the permanent Inter State-Regional Conference of 21 December 2011;
- thorough verification, as part of the supplier selection process, of (among other things) workplace health and safety issues;
- availability of a technical call centre to collate all maintenance requests; use of software for the computerised management of maintenance through which more than 19,000 work orders per year have been processed regarding checks and controls, planned preventive maintenance, repairs and corrective maintenance. Assets monitored include about 3,150 items of equipment and 17,300 components. The technical structure of Fiera Milano carries out regular inspections, both scheduled inspections and spot checks, to control the work carried out by third party service providers;
- preparation of a document entitled PASSA (Piano di attività per la Sicurezza, la Salute e l'Ambiente – [Action Plan for Health, Safety and the Environment]) which contains the measures considered appropriate to guarantee a gradual improvement in the safety levels regarding planned activities. The results that must be achieved and the means of reaching these results are obtained through a joint analysis of human and financial resources available from the various departments involved whilst taking into consideration the resources already provided by each department;
- Operations Centre manned 24 hour/day dealing with all emergencies set out in the Emergency Plan;
- regular checks on the organisation and coordination of emergency procedures as set out in the Group's Emergency Plan;
- carrying out fire prevention exercises to test emergency procedures.

Every stage of the organisation of events that take place in the Group's exhibition sites is monitored, from the drafting of contracts to dismantling after the event with priority given to ensuring adherence to the procedures governing security, safety, fire prevention and environmental protection. At each stage of an event (preparation, assembly, exhibition and dismantling) all areas involved are supervised by specialised personnel to ensure compliance with the relevant laws and health and safety regulations defined in the Technical Regulations and the security conditions laid out in the exhibition process.

An Exhibition Security Document (DUSM - Documento di Sicurezza di Mostra) is prepared for each exhibition or event held at the exhibition sites, which includes general information about the exhibition itself and all security aspects detected. During 2018 more than 17,000 hours were devoted to monitoring operations producing more than 6,000 control memoranda. The categories subject to checks are: exhibition areas (stands), various work areas, fire prevention,

escape routes, security exits, cable ducts and utility manholes, fixed structures, electrical equipment, working environments.

During 2018, the Internal Audit Division carried out workplace health and safety audits for Fiera Milano and its Italian subsidiaries.

TABLE 23 - ACCIDENTS SUFFERED BY EMPLOYEES

	2018				2017				2016			
	ITALY		ABROAD		ITALY		ABROAD		ITALY		ABROAD	
	MALE	FEMALE										
Total injuries	0	2	0	0	2	2	0	0	0	3	0	0
Of which fatal	0	0	0	0	0	0	0	0	0	0	0	0
Of which serious	0	0	0	0	0	0	0	0	0	0	0	0
Index of frequency	0	3.85	0	0	5.42	3.80	0	0	0.00	5.71	0	0
Index of gravity	0	0.04	0	0	0.04	0.06	0	0	0.00	0.05	0	0
Absentee rate	0	0.45	0	0	2.95	2.96	4.49	4.49	3.16	3.16	4.34	4.34
Rate of work-related illness	0	0	0	0	0	0	0	0	0	0	0	0

TABLE 24 - EXPENDITURE ON THE SAFETY OF EMPLOYEES

(euro thousands)

	2018		2017		2016	
	ITALY	ABROAD	ITALY	ABROAD	ITALY	ABROAD
Injury prevention equipment and other safety tools	10.12	0	4.13	0	5.27	0
Health checks	22.44	0.32	24.84	0.25	19.97	0.38
Environmental analyses, office sound level measurement	162.50	1.32	131.95	1.36	12.23	1.56
Training	3.64	0	4.45	0	7.12	0

DIGITAL SECURITY

As part of the smart district project, an APP was adopted in 2019 for the people attending the **Fieramilano** exhibition site, which ensures higher levels of safety for whoever is inside the site. The use of sensors on workplace safety equipment is also envisaged, allowing personnel and maintenance operators to monitor the correct use of personal protective equipment.

The application of tags on personal equipment and a prior mapping of critical site areas will make it possible to check that personnel accessing these areas have the right equipment.

FIERACCESSIBILE

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

TABLE 25 - NUMBER OF DISABLED PARKING TICKETS VALIDATED AND FIERACCESSIBILE CARDHOLDERS - fieramilano

	2018	2017	2016
Disabled parking validations	1,493	1,728	1,330
Fieraccessibile Cards issued	116	62	128

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

A specific email is available for further assistance: fieraccessibile@fieramilano.it.

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

- A video in Italian and in English describing how disabled attendees can reach the **fieramilano** exhibition site and move within it. There is also audio support dedicated specifically – but not exclusively – to people with impaired vision, which explains how to use the Fiera app and the QR code available throughout **fieramilano** to assist in orientation within the location
- Methods to request a Fieraccessibile card
- The No Barriers Guide, which provides detailed indications, distinguished by the nature of the disability, on how to reach the site using public transport (underground rail, train, taxi), maps to help those using private transport and also the procedures and contact details of private carriers providing transport services; information on the services available within the **fieramilano** exhibition site; information about the facilities available to optimise orientation and mobility within the exhibition site
- A selection of FAQ in Italian and in English containing questions and answers to the most common enquiries posted to the mail address fieraccessibile@fieramilano.it since 2012
- A Fieraccessibile leaflet in Italian and in English specific to each exhibition which, in addition to locations and dates, provides information about whether the exhibition is open to the public or reserved for companies and professionals operating in a particular sector, advice on which parking area to use, procedures for validation of disabled parking tickets and where to find a Fieraccessibile Desk to obtain a card
- a robobraille Audioguide: audio maps for people with impaired vision or sight difficulties to help with mobility and orientation in the exhibition site and help the user move with more security and autonomy around an environment that may be unfamiliar to them. The robobraille Audioguide – developed in collaboration with ANS Associazione Nazionale Subvedenti

(Italian National Institution for the Visually Impaired) – consists of mp3 files describing various itineraries that may be downloaded at no charge from the corporate website and which utilise the numbers on the columns along the central avenue, Corso Italia, in the **fieramilano** site as points of reference and aids to orientation

- How to pay for and rent a mobility scooter or hire at no charge a manual wheelchair to assist exhibitors and visitors who are disabled or have reduced mobility

TABLE 26 - NUMBER OF SCOOTERS OR WHEELCHAIRS RENTED - fieramilano

	2018	2017	2016
Scooters rented*	451	494	300
Wheelchairs rented	228	243	286

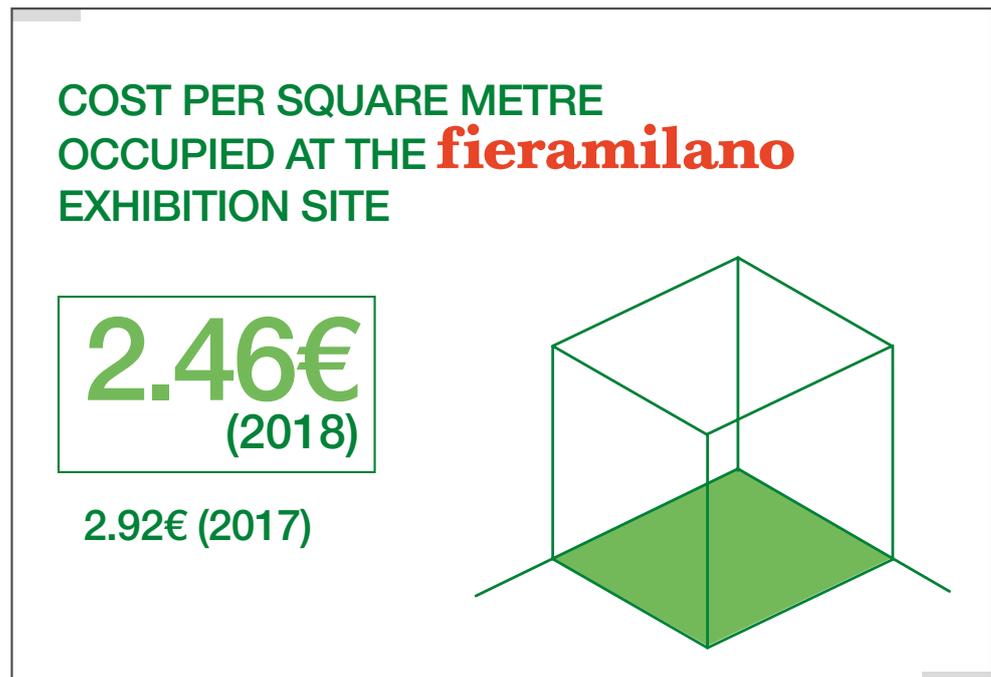
* The number of scooters rented includes tandems. The 2016 figure refers to the most recent four-month period because the service started in September.

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

The exhibition pavilions are completely accessible to people with disabilities and/or motor difficulties. The Emergency and Evacuation Plan requires that evacuation personnel must help people in difficulty during evacuation operations. In the event of evacuation of the Fiera Milano offices, which are located in multi-storey buildings, a specifically dedicated procedure must be used; internal fire-fighting personnel are trained to use the manual chair for the evacuation of disabled or reduced-ability personnel through the emergency stairs serving the offices.

The **fieramilano** exhibition site was designed and constructed in accordance with the requirements of prevailing laws and regulations regarding the removal of architectural barriers (Law 13/1989; Ministerial Decree 236/89; Law no. 104/1992; Presidential Decree no. 503/1996; Presidential Decree no. 380/2001). The **fieramilano** exhibition site also complies with the standards for the majority of the indicators defined by the EMECA (European Major Exhibition Centres Association) study “Ease of access-Ease of success” of 2007 which was prepared to create a benchmark standard by analysing the accessibility infrastructure of the leading European exhibition sites. The construction of the new Fiera Milano corporate website in 2019 will allow it to fully satisfy the EMECA standards.

ENVIRONMENTAL MANAGEMENT



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

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

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

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

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

The subsidiary Nolostand, which deals with stand fitting, adopts - inter alia - ISO 14001 and ISO 20121 management systems. In this respect, the company signed a declaration of intent and values, which involves an undertaking to reduce the environmental impact of its own activities. Nolostand has also adopted procedures regarding the following topics:

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

Nolostand's warehouse was transferred from Vittuone to Arese in January 2018. Following this transfer, the procedures supporting the ISO 14001 Management System were reviewed, also for the purpose of the ongoing improvement and adjustment of the corporate standards.

The new organisation implemented in May 2018, introduced the role of Site Manager, reporting to the Venue-Hosted exhibitions Manager. The organisation envisages the following departments:

- Group Certifications, which attends to the maintenance of the existing certified Management Systems of Fiera Milano and Nolostand, to extend the areas that Fiera Milano's Quality Management System can be applied to and to implement a management system that complies with the regulations in force.
- Programming - tasked with coordinating all activities within the sites ranging from the exhibition calendar and detailed gantt charts on the stand-fitting activities to site maintenance interventions.
- Facility Management with the task of managing site infrastructure with particular reference to the running and preventive-scheduled and corrective maintenance of all the related systems and services, such as, for example, building works, electrical, plumbing and heating systems, lighting systems, air conditioning systems, special and handling systems and management of green areas.
- Energy Management department, in charge of managing energy commodities, checking and optimising consumption, and promoting interventions aimed at energy efficiency and use of renewable sources.
- Field Operation - tasked with managing and coordinating activities involving site cleaning services and waste management, and with controlling the waste collection and disposal process.

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

The main environmental impacts of the Nolostand warehouse are currently related to waste management.

In 2018, the cost per square metre of the **fieramilano** site was Euro 2.46, recording a significant increase compared to Euro 2.92 of the previous year. This result was achieved through a combination of projects aimed at reducing energy consumption and at improving environmental well-being in the exhibition sites.

The projects were jointly carried out by Fiera Milano Group and by Fondazione Fiera Milano, the owner of the exhibition sites. During 2018, the Group increased this performance by constantly controlling energy consumption and by adjusting and optimising the procedures for the operation and management of systems both during exhibitions and during periods when no events are held.

The initiatives implemented over the years to measure and manage energy consumption in the two exhibition complexes include not only the aforementioned procedures to manage lighting and air conditioning but also the substitution of lighting fixtures with new LED technology fixtures, the installation of light-reflecting films on the south facades of the office buildings and the modification of air conditioning equipment using inverter-operated motors and high induction ducts.

One of the objectives of the original plan for the exhibition complex at Rho was to reduce the consumption of drinking water through the pumping of groundwater from seven wells used for those activities that do not require potable water such as irrigation systems, air conditioning systems, technical plant and equipment and sanitation.

The Centro Servizi, the Congress Centre and the Office Towers of the Rho exhibition site are LEED “Silver” certified.

Regarding the subsidiary Fiera Milano Congressi, structural interventions were carried out in 2018 for achieving LEED certification at the MiCo. The works which were started and completed during 2018 were the following:

- Installation of meters for consumption analysis
- Replacement of air handling units serving the congress areas
- Water consumption improvement
- Development of a waste collection and recycling area

The monitoring required to achieve certification will be carried out during 2019.



LEED CERTIFICATION

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

ENERGY

The main type of energy consumed is electricity used for exhibition-related activities: motive power and lighting of exhibition areas and heating of internal spaces. Part of the electricity consumed by the Centro Servizi at the Rho exhibition site comes from renewable sources and purchased with the relevant certificates.

In 2018, heat generated by the waste-to-energy plant, Silla 2, covered 99% of the total heating requirement of the Rho exhibition site with a consequent reduction in the consumption of fossil fuels.

TABLE 27 - BREAKDOWN OF DIRECT ENERGY CONSUMED BY ENERGY TYPE (GJ)

	2018	2017	2016
Electrical energy	187,047	176,086	172,244
Natural Gas	23,470	20,113	19,270
District heating	35,246	38,994	34,860
Total	245,763	235,193	226,374

Note: The percentage of electricity generated by renewable sources depends on the national mix of electrical energy.

TABLE 28 - FUEL CONSUMPTION (GJ)

	2018	2017	2016
Diesel	2,746	2,866	2,646
Petrol	1	12	5
Methane Gas	6	11	32
Total	2,753	2,889	2,683

During 2018, Fiera Milano Group replaced the lighting fixtures in pavilions 9/11, 14/18, 13/15 and 22/24 of the **fieramilano** site with LED technology lighting which guarantees the same level of illumination, thus completing the project started in 2016. In 2018, the **fieramilano** exhibition site achieved a reduction in lighting system consumption of about 2,870,496 kWh resulting in an economic saving of about Euro 347 thousand.

TABLE 29 - ENERGY REDUCTION ACHIEVED IN 2018 AT THE **fieramilano SITE (KWH)**

Pavilions	Consumption prior to intervention	Consumption after intervention	Saving 2018
1/3 and 2/4	1,792,231	551,921	1,240,310
5/7 and 6/10 (full year 2018)	1,807,374	511,061	1,296,313
9/11 and 14/18 (since August 2018)	641,070	307,197	333,873
Total	4,244,675	1,370,179	2,870,496

The same intervention was carried out over the year in pavilions 3 and 4 and on the road network around the **fieramilanocity** exhibition site; it will be possible to assess its economic benefits in 2019.

Regarding MiCo, the advantages of replacing the lighting fixtures in 2017 allowed an average saving of 25%. In the first months of 2019, even the areas surrounding the MiCo congress centre were equipped with LED lighting.

During 2019, activities will be carried out to improve the energy efficiency of the air conditioning systems; more specifically, inverters will be installed on the Air Handling Unit motors in the odd-numbered pavilions on the east side of the **fieramilano** exhibition site.

The **fieramilano** site will be provided with one of the largest roof-mounted solar systems in Europe. The works for the photovoltaic plant will start in 2019. Total power will be over 10.15 MWp (peak megawatts), 8.2 MWp of which will be installed on the roofs of the pavilions and used for the **fieramilano** exhibition site. This project will allow the Fiera Milano Group to increase the use of energy from renewable sources and to obtain an estimated 20% reduction of CO₂ emissions. The deadline for the completion of works is 2020. The project also includes the development of solutions for the electrical vehicle charging facilities.

The **fieramilanocity** site and the MiCo congress centre will be connected to the city district heating network in summer 2019 thanks to the construction of a new power plant; the new plant will lead to the zeroing of direct CO₂ emissions from methane gas used for heating the exhibition site.

EMISSIONS

Emissions directly generated by Fiera Milano Group activities in Italy in 2018 amounted to 21,942 tonnes of CO₂ equivalent and are attributable to the consumption of electricity, gas for heating and methane gas for the fleet of company vehicles.

TABLE 30 - EMISSIONS (TONNES CO₂ EQUIVALENT)

	2018	2017	2016
Direct emissions (Scope 1)	1,515	1,336	1,273
Indirect emissions (Scope 2) ⁵	20,427	20,247	19,645
Total	21,942	21,583	20,918

The emissions generated in 2018 are in line with those of the previous year; the slight increase is due to the different exhibition and congress calendars.

⁵ The indirect emissions indicated in the table were calculated using a Location Based approach. The same calculation, carried out using the Market Based method, shows that Scope 2 emissions totalled to 24,591 tonnes of CO₂, corresponding to total 26,094 tonnes of CO₂. For the 2017-2016 period, Scope 2 emissions totalled 23,307 tonnes of CO₂ in 2017, totalled 22,096 tonnes of CO₂ in 2016.

WATER RESOURCES

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

Following the receipt of LEED certification, the Group had already started in 2016 to implement a series of initiatives at the **fieramilano** site to reduce water consumption, including:

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

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

TABLE 31 - WATER CONSUMPTION (MC)

	2018	2017	2016
Municipal water sources	278,751	330,921	216,533
Groundwater	1,836,416	1,938,925	1,712,926
Total	2,115,167	2,269,846	1,929,459

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

Monitoring, control and preventive maintenance activities, planned and remedial, continued at the **fieramilano** and **fieramilanocity** sites through 2018 in accordance with the digitally controlled maintenance programme.

WASTE

Waste produced at the Exhibition Sites

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

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

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

A first step towards the circular economy

With regard to the carpet rental service used during the exhibitions, in July 2017 the Group started to use a carpet supplier that not only supplies the carpet but also deals with its disposal.

In December 2018, this supplier obtained “CSI” ecological product certification for the carpet it uses since based on the application of circular economy principles which include the following steps: rental, laying and recovery, transport, transformation and re-use for other products.

70% of the carpet collected between January and December 2018 (totalling 679,360 kg) were recycled.

Waste produced by Nolostand

The waste produced at the Nolostand warehouse in Arese consists mainly of:

- Timber deriving from the disposal of damaged stand-fitting materials that can be no longer recovered;
- Mixed packaging;
- Plastic packaging;
- Metal;
- Paper and board.

When purchasing new stand-fitting materials, aspects concerning their subsequent disposal are also taken into consideration; materials that have a lower environmental impact are preferred (for example, honeycomb panels instead of polystyrene panels). At the end of each event, Nolostand recovers all suitable material and re-uses it for its stand-fitting activities; in the design phase, it prefers using reusable materials (for example modular panels). Water-based paints are used for painting wood stand-fittings.

The activities carried out by Nolostand at the Exhibition Sites are entrusted to third-party companies that must dispose of the waste they produce (paints, material scraps, etc.) independently. Furthermore, waste resulting from packaging must be brought back to the Arese warehouse for relevant disposal: the waste is divided by product group and is carried out by qualified waste disposal service providers. The only indicator that Nolostand is provided with is control of the proportion of unsorted waste as a percentage of total waste generated with the aim of reducing this proportion even further.

Fiera Milano is in charge of the management of the waste produced by Nolostand's activities at the Rho offices. It uses the services of cleaning companies for waste collection and the municipality-owned company for waste disposal.

Waste produced at the MiCo of Fiera Milano Congressi

A process aimed at improving waste management and implementing the Group's environmental policy was launched in 2018 at Fiera Milano Congressi. The company set up discussions with the main suppliers involved in the process in order to identify an effective and shared method for collecting and disposing of the waste produced within the congress centre. This process allowed a new and adequate waste collection and recycling area to be set up at the end of 2018. Starting from February 2019, therefore, separate waste collection will be carried out directly on site at MiCo.

The following table refers to the aggregate amount of waste generated by the exhibition sites, MiCo and Nolostand's warehouses, and includes the destination of waste produced and the quantity of hazardous waste, which is largely composed of paints. More than 99% of waste generated in 2018 is non-hazardous.

TABLE 32 - TOTAL WEIGHT OF WASTE BY CATEGORY (KG)

Category of waste	2018	Destination of waste	2017	2016
Wood	7,664,990	Recycling / Recovery	5,918,370	5,552,230
Mixed packaging	4,517,200	Recycling / Recovery	4,468,380	3,346,814
Unsorted	3,663,040	Disposal	2,928,750	2,667,560
Paint	272,800	Disposal	210,300	233,105
Metal	115,420	Recycling / Recovery	46,840	63,530
Paper and board	21,630	Recycling / Recovery	61,900	20,970
Plastic	20,950	Recycling / Recovery	80,940	64,600
Bulky items	11,060	Disposal	8,280	3,000
Other	21,830	Recycling / Recovery	43,290	11,725
Total	16,308,920		13,767,050	11,963,534
Of which hazardous	120,650		70,180	48,910
Of which non-hazardous	16,188,270		13,696,870	11,914,624

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

The increase in waste produced compared to previous years is mainly due to two factors: firstly to the increase in net exhibition square metres (which implies a greater amount of waste produced when assembling and dismantling the stands) but also, in part, to the transfer of the Nolostand warehouse from Vittuone to Arese (during which, old material that could no longer be used was disposed of or recycled).

The Fiera Milano Group launched a project in February 2019 for the implementation of separate waste collection directly on site at the Office Towers, the Centro Servizi and two bars connected to the office activities of the **fieramilano** site for the purpose of implementing a monitoring programme and consequent reduction in the volume of waste produced by office activities. In this regard, an area has been identified adjacent to the Centro Servizi acting as waste collection point for the regional operator.

The activities for disposing of the waste produced by the exhibition activities will continue as previously indicated, that is by the regional operator using multi-material means to separate and sort different types of waste materials downstream. In 2019, the Fiera Milano Group will assess further initiatives aimed at improving the management of waste produced during the exhibitions.

Again with a view to optimising waste disposal and reducing the polluting impacts of its activity, in 2019 the Fiera Milano Group will launch the “plastic free” pilot project at the MiCo congress centre and the **fieramilano**city exhibition site.

Specifically, the project will adopt the guidelines indicated by the Ministry for the Environment in the “Plastic Free” #IoSonoAMBIENTE campaign, 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, packed fruit drinks);
- providing to or inviting employees to bring their own cup or flask to drink hot and cold beverages;
- not using single-use plastic during company events and/or meetings;
- promoting actions that raise awareness about the importance of reducing plastic pollution among employees.

SUSTAINABLE MOBILITY

The environmental impact linked to mobility takes account of the variations in the different phases of the life cycle of an event. During the organisation and setting up phase of an exhibition, the environmental impact is primarily from the supply and delivery of goods and equipment; during the event the environmental impact comes from the transit of exhibitors and visitors to and from the exhibition site; at the end of the event, the persons dismantling and removing the materials used in the exhibition represent the major source of environmental impact. The impact of the employees of the Fiera Milano Group should be considered in the context of the cumulative effect generated across all operational activities. The activities are supervised by the Security Division and listed below.

Pre-exhibition

In the pre-exhibition phase, a planning activity of the Local Police and Traffic Police services is carried out based on historical data relating to the previous edition of the exhibition. Furthermore, coordination meetings are held with the Police forces and leading exponents of mobility to coordinate and discuss the scale of services required and plan preventive and/or corrective action depending on traffic forecasts and required security standards. At the organiser’s request, the relevant taxi or shuttle service is planned and organised. Worksites and any strikes are also monitored.

Exhibition in progress

Control systems for incoming/outgoing exhibitors and visitors, as well as a monitoring system and parking management support are in place for all exhibitions. A system of information panels directs vehicles towards parking areas with most available vehicle space or towards the less congested road exits to **fieramilano**.

For exhibitions with high or very high attendance levels, the Coordination and Traffic Control Centre is activated involving local Police and road traffic Police patrols to regulate road access to **fieramilano**. Furthermore, real-time infomobility news is provided through the infomobility system.

An event logs is compiled which collects recommendations and incidents reported relating to exhibitor and visitor traffic and to collect mobility data (parking area vehicle occupancy ratios, survey of the time periods of vehicle use of parking areas, peak parking levels, peak parking times and aggregate number of vehicles/totals per day).

During the evening dismantling phase, the activities and controls are planned by the Exhibition Surveillance and the Local Police and/or Traffic Police.

Post-exhibition

After the event, logistic data are collected and checked, event debriefings are processed and any corrective/improvement actions are established.

The Group adopts a number of initiatives aimed to reduce mobility-related environmental impact.

Mobility management

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

Product transport

Management of the logistics within the exhibition sites is provided by a sub-contractor using fork-lift trucks. The plan to substitute 20 diesel fork-lift trucks with 20 hybrid fork-lift trucks (diesel + electric) was completed in 2018. The completion of this plan, which started in 2017, was initially planned for 2020.

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

If the exhibitor uses Nolostand's stand-fitting services, material transport is managed by the Group. Transfer of the warehouse from Vittuone to Arese was completed in January 2018. The new warehouse is closer to the Rho and Milan exhibition sites and, consequently, the transfer has optimised material transport. The material labelling process involving RFID technologies and the installation of a WIFI network inside the warehouse for the handling of stocked material and for the procedures used by personnel for its management led to an improvement in material management and order preparation. Nolostand will start a transport schedule in 2019 designed to reduce logistics issues and so reduce polluting vehicles travelling to and from the warehouse, thus leading to reduced emissions.

A new warehouse is expected to be completed at the **fieramilano** exhibition site within 2020 allowing further transport optimisation.

If exhibitors avail themselves of third-suppliers, the transport of stand-fitting materials is charged to the single stand-fitter/exhibitor. The transport of exhibition products is always charged to the exhibitor.

The mobility-related activities that are carried out for exhibitors, visitors and employees are reported below.

Exhibitors

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

Visitors

- Car sharing (mentioned for exhibitors)
- Car sharing facilities are available at the Organiser's request during certain exhibitions
- Electric vehicle recharging facilities in the multi-level car park

Two recharging points for 4 electric/hybrid vehicles were installed at MiCo in 2018.

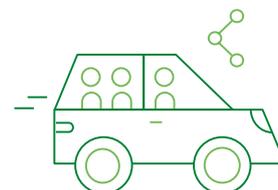
Employees

- Car sharing (mentioned for exhibitors)
- Company agreement to provide subsidised annual season tickets for travel on public transport
- Company bicycles are available to employees for use within the exhibition site



TABLE 33 - CAR SHARING AND CAR POOLING USE

Transport methods [km/year]	2018	2017
Company car sharing (work-work)	928	851
Car sharing for private use through the subsidised company scheme	189	235
Company car pooling (work-work)	12,684	n.a.
Total/year	13,801	n.a.



NUMBER OF ASSEMBLY/DISMANTLING VEHICLES ENTERING THE SITES ('000)

fieramilano

	2018	2017	2016
	179	167	155

fieramilanocity

	2018	2017	2016
	10	7	6



NUMBER OF CARS ENTERING THE SITES ('000)

fieramilano

	2018	2017	2016
Exhibitors	106	104	51
Visitors	402	412	357

fieramilanocity

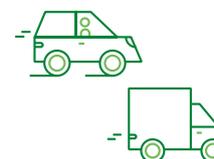
	2018	2017	2016
Exhibitors and Visitors	29	15	20



NUMBER OF CARS/VANS ENTERING THE SITES ('000)

fieramilano + fieramilanocity

	2018	2017	2016
Suppliers and Employees	386	450	450



The trend of the overall number of vehicles at the exhibition sites varies widely depending on whether there are biennial and/or triennial events in the exhibition calendar.

Commuter travel plan: the mobility of Fiera Milano Group employees

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

The latest survey of Fiera Milano Group employee commuter habits was conducted in December 2018. The results revealed that 73% of Milano and Rho site employees are resident in the Province of Milan and, of these, 60% live in the municipality of Milan. In addition:

- almost 84% of employees state that they own a car (figure above the national average (64.5%), source ISTAT 2017, but lower than the 2016 figure referring to the previous survey)
- 27% have two cars (compared to a national average of 36%. Source: Nielsen survey 2015)
- 20% subscribe to a car sharing service, rising by 7% compared to the 2016 survey
- 38% have a season ticket for public transport (ATM and/or Trenord and/or Trenitalia), rising by 3% compared to 2016, and, of these, 56% acquired their season ticket through the subsidised company scheme
- 74% own a bicycle (compared to a national average of 63%. Source: Nielsen survey 2015) and 16% own a motorcycle (compared to a national average of 19%. Source: Nielsen survey 2015)
- 66% own a garage or parking space
- 21% of employees have an annual travel ticket to use local public transport purchased through the subsidised company scheme.

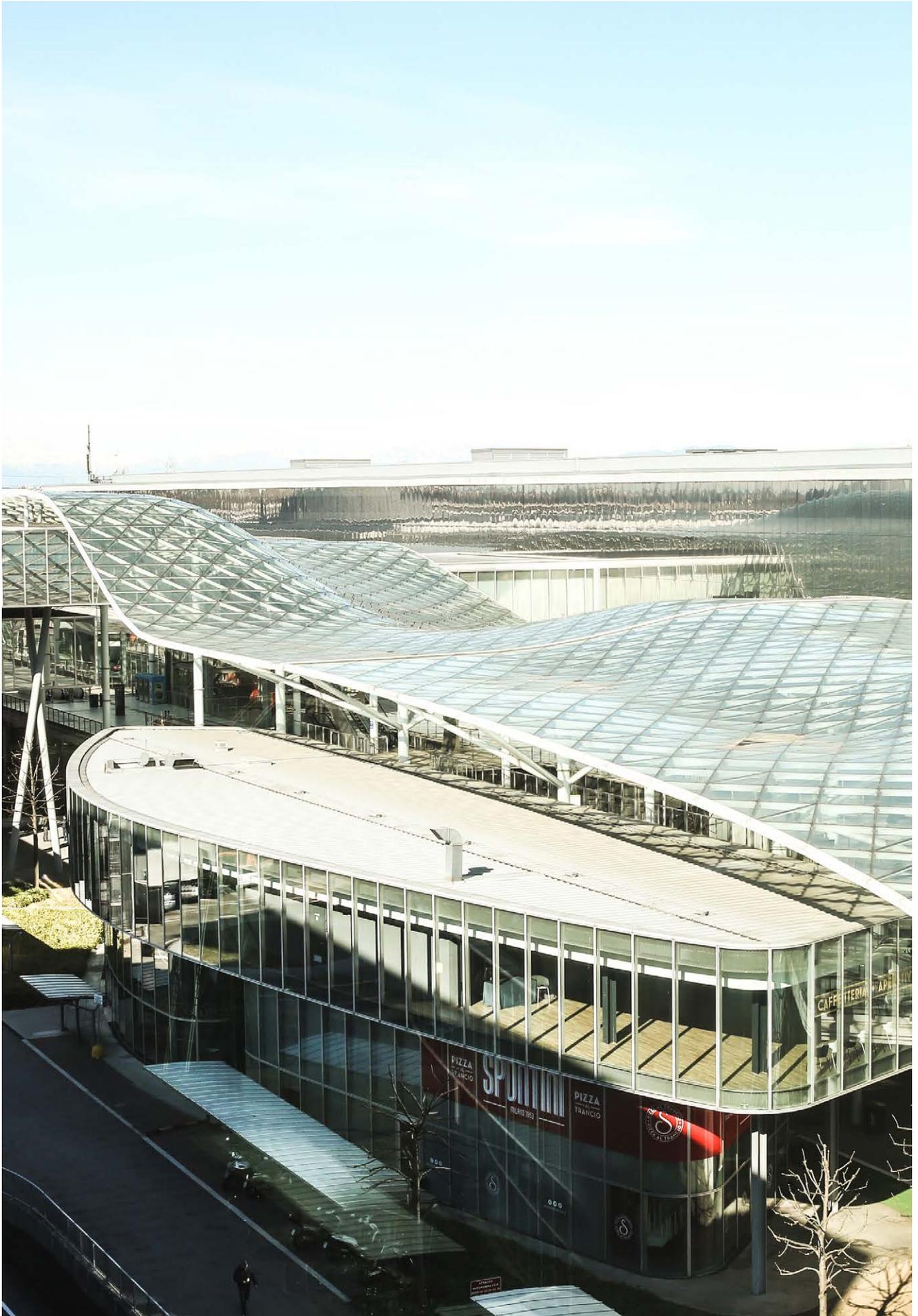
The analysis of the means of travel used by commuters reveals that private vehicles remain the most popular means of transport (83%, more or less unchanged compared with the 2016 survey) compared with public transport or green transport, although few employees stop off on the way to or from work (about 15% of those who do make stops do so to go shopping or accompany children). In addition, 96% of those who use private automobiles are the driver and just 14% carry one or more passengers.

The results of the 2018 Commuter Survey confirm that the majority of Fiera Milano Group employees prefer to use private transport because it gives them greater autonomy with respect to working hours. For this reason, in the two year period 2019-2020, the training activities will be continued as well as initiatives to raise awareness of road safety amongst employees (a road safety course with Polstrada, bite-sized road safety information on the company intranet) as well as amongst Fiera Milano Group Stakeholders (with the Company joining the “Quando guidi, guida e basta” [“When driving, just drive and nothing else”] campaign from Anas and the traffic Police and “Autostrada facendo” [“Along the way”] promoted by Sina).

NOISE MANAGEMENT

In addition to strictly environmental aspects, the mobility requirements generated by exhibitions and events can also have a social and economic impact: for example, due to the noise generated which can disturb the inhabitants of urban areas adjacent to the exhibition areas or in terms of reduction of the residual capacity of local transport or of disturbance of transport services when mobility requirements are in the same range or - as may happen especially when big events are held - higher than that offered by the infrastructure.

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



PRINCIPAL RISK FACTORS RELATING TO SUSTAINABILITY

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

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

which derive from the Group's activities, its products, services or commercial relationships which may have negative repercussions in these areas.

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

Each significant risk factor refers to the related management methods adopted by the Group.

RESPONSIBLE UTILISATION OF RESOURCES

Risks relating to irregular water drainage management

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

The related risk management methods adopted by Fiera Milano, cited in the Model 231, Special Section Environmental Violations, are governed by specific dedicated procedures. Furthermore, the current civil-liability insurance policy includes insurance coverage for damage from sudden and accidental environmental pollution and pollution from loading/unloading operations.

RESPONSIBLE MANAGEMENT OF EMISSIONS

Risks relating to emission of pollutants into the atmosphere

Atmospheric emissions generated by the Fiera Milano Group's activities do not include pollutants, since there is no industrial activity in the Group's sites and, as regards the **fieramilano** site at Rho, the only emissions produced are those generated by a natural gas-fuelled heating plant for winter heating (which is a back-up system with respect to the district heating system) and by the company's own vehicles or those of third parties using the sites. Exposure to the associated risk is therefore considered to be negligible.

The risks related to non-compliance with the required regulations and applicable authorisation permits regarding management of plant and equipment that generate atmospheric emissions, and monitoring of emissions, are evaluated as low; the related risk management methods adopted by Fiera Milano, cited in the Model 231, Special Section Environmental Violations, are governed by specific dedicated procedures. Furthermore, the current civil-liability insurance policy includes insurance coverage for damage from sudden and accidental environmental pollution and pollution from loading/unloading operations.

Risks relating to emission of greenhouse effect gases

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

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

As mentioned above, the current civil-liability insurance policy includes insurance coverage for damage from sudden and accidental environmental pollution.

RESPONSIBLE WASTE MANAGEMENT

Risks relating to the disposal of special waste

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

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

The following actions were taken to reduce the potential negative effects associated with the risk factor at issue.

The first phase of a project was launched in February 2019 for the implementation of separate waste collection directly on site at the Office Towers, the Centro Servizi and two bars connected to the office activities of the **fieramilano** site for the purpose of implementing a monitoring programme and consequent reduction in the volume of waste produced by the office activities. In this regard, an area has been identified adjacent to the Centro Servizi acting as waste collection point for the regional operator (ASER).

A waste manager will also be appointed in 2019 who will set up organisational controls on environmental issues with specific focus on waste management.

With regard to compliance with laws and regulations governing the correct procedures for disposing of waste, Fiera Milano systematically informs and promotes awareness of the responsibilities and methods for correctly disposing of waste amongst exhibitors, stand-fitters, organisers and suppliers, by means of its Technical Regulations, suitable signboards and notices, and checks throughout the local area.

The risks related to non-compliance with the required regulations and applicable authorisation permits regarding waste produced by Fiera Milano are considered to be not relevant: the related risk management methods adopted by Fiera Milano, cited in the Model 231, Special Section Environmental Violations, are governed by specific dedicated procedures.

ACCESSIBILITY AND SUSTAINABLE MOBILITY

Risks relating to emission of pollutants into the atmosphere

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

In order to reduce the environmental impact resulting from mobility related aspects, a number of initiatives were taken, including:

- (i) transfer in January 2018 of the stand-fitting materials warehouse of the subsidiary Nolostand from Vittuone to Arese, very close to the Rho exhibition site, which optimised logistics and, as a result, the emissions connected to the transport of materials;
- (ii) complete substitution in 2018 of 20 diesel fork-lift trucks with 20 hybrid fork-lift trucks (diesel + electric);
- (iii) targeted implementation of services provided by the local and/or traffic Police forces to prevent or limit traffic congestion (and the concomitant increase in atmospheric emissions).

CUSTOMER SATISFACTION

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

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

With a view to dealing with this risk factor, the Group took action on several fronts. The Group currently has LEED (Silver level) certification for its Existing Buildings (Centro Servizi, Congress Centre and Office Towers of the Rho exhibition site).

Furthermore, in 2018 the MiCo congress centre achieved the Healthy Venue Silver-level certification awarded from the World Obesity Federation, and Fiera Milano Congressi, which manages the MiCo, has already adopted the criteria for upgrading to the Healthy Venue Gold level certification and is waiting for this award from the Federation, expected in 2019.

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

The Group's pool of suppliers was radically reorganised in 2017 and 2018, following introduction of the procedures on the reputational assessment and the technical and economic qualification of suppliers, particularly in labour-intensive sectors (e.g.: cleaning, carpet supply and fitting, stand-fitting). This led, in some cases, to start-up problems with the technical functioning of services provided by new suppliers – partly attributable to the scale of the exhibition site - clearly showing some improvement areas in the quality of the service provided.

These inconveniences were tackled by intensifying the coaching of new suppliers by the internal departments involved in the operations and by establishing a "Supplier Quality Service" unit in 2018. The aim of this second-level control unit is to monitor supplier performance quality and compliance with contractual technical specifications.

SECURITY

Risk of catastrophe - Terrorism

The Rho exhibition centre is considered a possible target for a terrorist attack, given the high number of people that attend certain important events and the ensuing media coverage that such an attack would entail. The possible negative repercussions are high in terms of damage to buildings and to people, and it would be impossible to continue operations, while the probability of occurrence is considered low.

In view of this, the Group has for some time, established an effective system of security to manage access points; in particular, in cooperation with the competent authorities, it has raised the level of security and access control to exhibition areas and, beginning with the Artigiano in Fiera event of December 2017, has introduced security checks, based on those in force at airports (security control at access points with a scanner for baggage and metal detector for people), preventive security measures in all areas in collaboration with the law enforcement agencies, protection pedestrian areas with the laying of new jersey that prevents access to vehicles.

Furthermore, an insurance coverage for "terrorist attack" is included in the current "All Risks Property" insurance policy.

Responsibility relating to provision of food and beverages

This relates to the risk of potential intoxication deriving from the accidental provision of any stale or tainted food and beverages by the catering facilities servicing the exhibition site which might negatively affect the health of consumers, whether they are visitors, exhibitors, employees or any other user.

It should be noted that Fiera Milano has for several years conducted random checks to ensure compliance with standards of hygiene (HACCP) through continuous and detailed inspections by independent, qualified personnel of each catering unit located in the exhibition sites. The aforementioned risk is therefore considered to be negligible.

Risks related to the applicable industry regulatory framework

The activities carried out by the Group, in particular the activities at the exhibition sites, and the number of people involved (employees, suppliers, exhibitors, visitors, conference attendees, stand-fitters, etc.) that pass through them and work in them, expose the Companies belonging to the Group to the risk of accidents or violations of workplace health and safety regulations (T.U. 81/2008 – consolidated health and safety law). In the event of such a violation, the Group may be exposed to the imposition of substantial penalties or, in the event of accidents, to legal claims with potential negative consequences for its economic, capital and reputational position.

The Group also makes use of a large number of suppliers for the provision of exhibition-related services (mainly stand-fitting and catering services), for which specific legislation on procurement is applied (Decree Law 223/2006 as subsequently amended). Although the Fiera Milano Group does not hold any kind of relationship with the personnel of the contracting companies, the Group's companies may be held jointly liable together with the contracting companies vis-à-vis the workers involved in performing the procurement contracts should any irregularities arise as regards the correct payment of contribution expenses. The Group is therefore exposed to the risk of administrative sanctions (also pursuant to Legislative Decree 231/2001) and suspension of operations in consequence of violation of the relevant regulations, including those relating to health and safety in the workplace, the regularity of payments and income to and from contractors and unauthorised sub-contracting.

In order to reduce the potential negative effects of the aforementioned risk factors, the Fiera Milano Group has adopted, in addition to contractual protection mechanisms, a number of procedural and organisational controls of various types which include:

- monitoring of supplier selection evaluation procedures including verification of technical-professional eligibility and attention given to workplace health and safety issues;
- Preparation of the Documento Unico per la Valutazione dei Rischi da Interferenze (DUVRI) – independent assessment of health and safety in the workplace – and updating of related procedures to ensure compliance with the provisions of Legislative Decree 81/2008;
- regular updating of the Model 231, which includes the Special Part Workplace Health and Safety;
- preparation and updating of the PASSA (Piano di attività per la Sicurezza, la Salute e l'Ambiente – [Action Plan for Health, Safety and the Environment]) document which contains the measures considered appropriate or necessary to guarantee a gradual improvement in health and safety levels;
- the adoption of and provision to suppliers and exhibitors of the “Technical Regulations for Exhibitions” containing the rules which stand-fitters and suppliers must observe in carrying out their activities;
- preparation of an Exhibition Security Document (DUSM - Documento di Sicurezza di Mostra) for each exhibition or event held at the exhibition sites, which includes general information about the exhibition and all security aspects detected.

Risks relating to civil liability towards third parties

In conducting its operations, the Group may be subject to or incur unexpected injury to things or people who work or are present in the Group's exhibition sites. The simultaneous presence of many people with different contractual relationships (employees, external suppliers under direct contract to the Group and/or sub-contractors of other companies etc.) may ultimately render recognition of liability for damage to persons or things more difficult, with potential consequences, amongst other things, for the company's business and corporate image.

In order to protect itself against such risks, Fiera Milano Group has specific civil liability insurance policies and has also established an internal department (Exhibition Security) which has the responsibility to ensure distribution of information regarding security and the correct management of the risk of incidents between third parties.

PROFESSIONAL DEVELOPMENT OF EMPLOYEES

Risks associated with finding and maintaining specialist skills

Fiera Milano Group considers its workforce and their skills in its core business to be one of its principal strategic assets. Amongst other things, the ongoing development of the exhibition business in terms of market trends and customer expectations and the pursuit of the Group's strategic lines set out in the Strategic Plan 2018-2022 (including the consolidation and development of directly organised events) require specialist professional skills which are not easily available on the market.

In order to manage the potential criticalities originating from this risk factor, the Group introduced the PLM - Performance & Leadership Management system in 2018: the system is designed to encourage the achievement of strategic business objectives and to evaluate conduct on the basis of criteria representative of Fiera Milano Group's leadership model. The related incentive schemes have been constructed to allow the Group to enhance the value and loyalty of personnel and their key competences, to ensure better coordination/interchangeability between employees and greater sharing of knowledge.

A medium-long term Incentive Plan with a mixed cash and performance share structure was also adopted in 2018. This system makes it possible to (i) align the interests of management with those of shareholders, (ii) link the incentive process of the Group's managerial figures and key persons to the Company's actual result and (iii) develop policies aimed at attracting and retaining talented professionals. Alongside the Executive Directors and the Manager with Strategic Responsibilities, the recipients of the Plan are Group employees identified by the Board of Directors who hold or perform significant roles or duties within the Group.

Furthermore, the Group is exposed to the risk that skills and relationships cultivated primarily by its own organisers and in general by business resources are not sufficiently adequate to respond to new market challenges relating to the evolution of demand and offer in key exhibition industry product sectors (e.g.: increasing importance of digital skills in the wide range of exhibition-related products offered, also in relation to the launching of the Smart District project in 2019).

In response to this risk, in 2018 the Group adopted a new organisational model, which increased the coordination and the business and organisational synergies of its internal organisers; in 2019, the recruitment plan will include the entry of resources with qualified digital skills. Furthermore, a succession & management continuity plan will be started in 2019 designed to identify resources capable of replacing the managers of key areas for the Group, and high-potential resources capable of substituting the managers in charge of some of the Group's strategic areas, also through training and skill development plans.

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN (HUMAN RIGHTS AND COUNTERMEASURES AGAINST UNDECLARED WORK)

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

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

The effective probability of engaging suppliers who may present problems of illegal employment is, however, considered to be low because of the numerous organisational and procedural controls implemented by the Group. Fiera Milano Group has drawn up and is implementing more stringent conditions both on the supplier selection process (e.g. reputational assessments updated every 6 months by the Security Division) aimed at the supplier's reputational as well as economic and technical qualification, and on-site access controls conducted by the Security Division in order to verify access authorisation and checks on suppliers in the process of carrying out their work, which are conducted by the Supplier Quality department (established in 2018 as part of the Procurement Division) to ensure a second-level control of the quality of work provided.

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

BUSINESS ETHICS AND COUNTERMEASURES AGAINST ACTIVE AND PASSIVE CORRUPTION

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

There is a potential risk that the lack of transparency in relations with counterparties may result in illegal conduct, including instances of corruption, which could compromise the Group's reputation and integrity, especially given its media exposure and taking into account its nature and the nature of its leading Stakeholders.

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

As regards procedural controls, the Code of Ethics prohibits corrupt practices, illegal patronage, collusion, soliciting, directly or indirectly, personal or professional advantages either for oneself or others. The Model 231, in force, also includes two special sections relating to anti-corruption measures, one section relating to violations committed in relationships with Public Administration and the second section relating to corruption between private parties, which describe the potential types of offence and the related protocols to monitor these highly sensitive issues. These protocols of control are then adapted to specific corporate procedures, amongst which they assume a particular significance of all aspects regarding the regulation of Procurement.

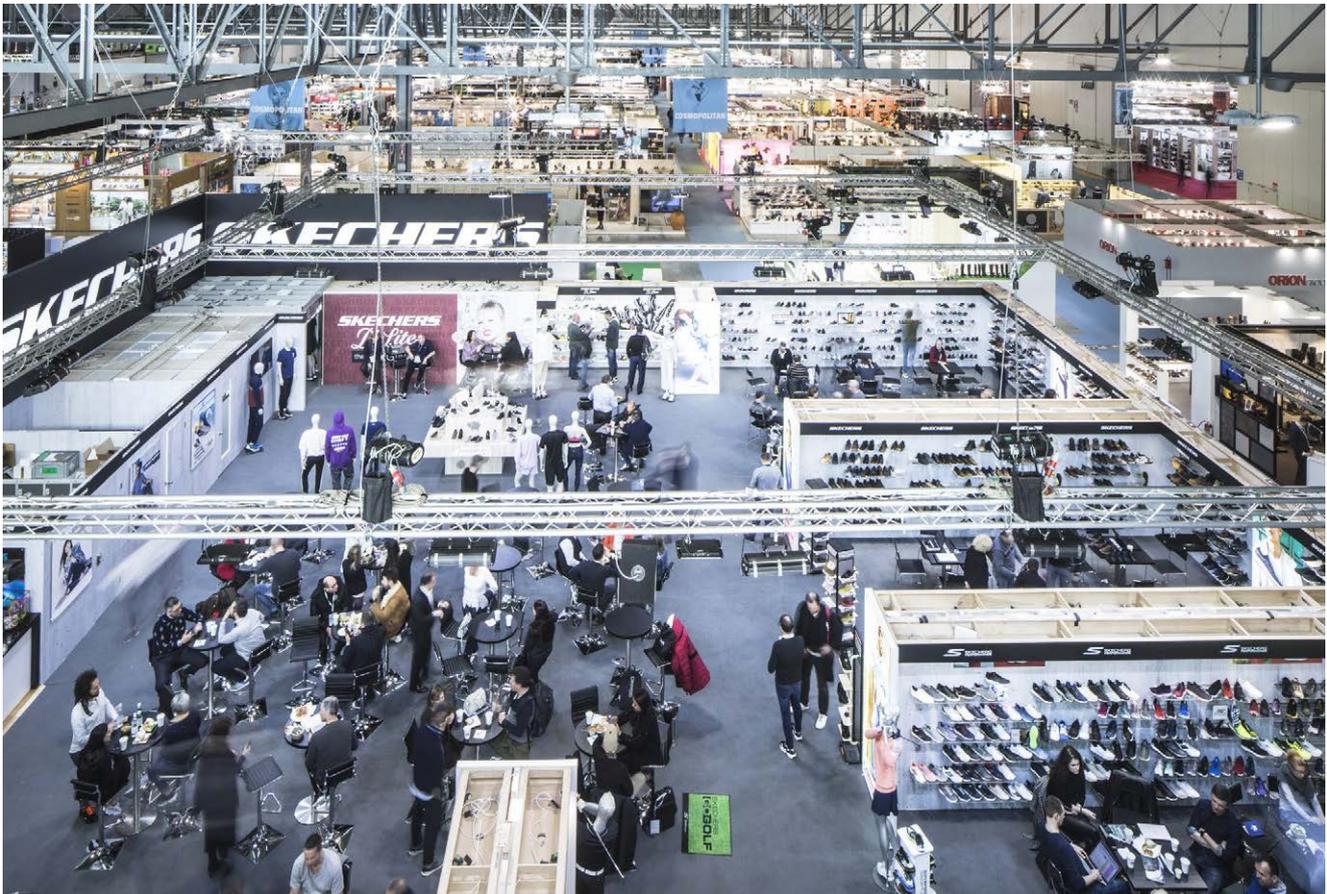
Furthermore, every client and every supplier, and, more generally, all third parties are notified about Models 231 and the Group's Code of Ethics, which must be accepted and signed; specific clauses are incorporated into every contract requiring the counterparty to adhere to the principles contained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

With regard to organisational controls, over the past two years the Group has strengthened the Procurement and Internal Audit departments and has established a Security department.

In addition, in order to reinforce the independence of the buyers in the Procurement Department, existing procedures allow for the introduction of a mechanism to rotate the responsibilities of buyers depending on the importance of the product or services managed, based on new and diverse product and service categories. A mechanism similar to job rotation was introduced for employees in the company's departments who have contact with suppliers in the medium-high risk category which impose different rotation periods depending on the seniority of the operational staff involved, while rotation periods are higher for managerial staff than for operational staff.

Training courses, including physical classes and e-learning courses, dedicated to these issues were also provided for employees.

Finally, the Whistleblowing procedures, updated during 2018, regulate the procedures for the receipt, analysis and treatment of reports, including those made anonymously or in confidence by third parties or employees of companies belonging to the Group. The procedure envisages an internal committee (the Reporting Committee) which has the duty to conduct investigations into allegations of improper or illegal practices and/or conduct. This committee will work in conjunction with the Supervisory Body in the event of disclosures of offences pursuant to Legislative Decree 231/2001.



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INDEPENDENT AUDITORS' REPORT



Building a better
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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 18th 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 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 31st December 2018 in accordance with article 4 of the Decree approved by the Board of Directors on 12th March 2019 (hereinafter "DNF").

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by GRI - Global Reporting Initiative (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 article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

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

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

Auditors' independence and quality control

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

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Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the **GRI Standards**. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This 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 for the preparation of the DNF.



Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level:
 - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For the 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 31st December 2018 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Other Information

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

Milano, 26th March 2019

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

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



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