



# Fiera Milano & Montecolino

Entry for the UFI Sustainable Development Award 2023



FIERA MILANO



**ENGAGEMENT WITH A MAJOR STAKEHOLDER FOR THE DEVELOPMENT OF AN INNOVATIVE SUSTAINABLE STAND-FITTING PROPOSITION**

# AGENDA



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1. Fiera Milano at a glance
2. Executive summary
3. Background – why engaging with Montecolino
4. The project and the certified measurement of the positive environmental impact
5. Key takeaways and conclusions

# Fiera Milano at a glance

Purpose & Mission 

“ Create multiple opportunities for businesses and individuals through our European Hub in Milan and a global network

Being a leading smart hybrid platform for innovative, sustainable and global events

”



- Managing directly **owned events** and **hosted events** at the Rho exhibition center (345k sqm, 6° largest trade venue in the world) and other exhibition venues
- 80 exhibitions in **Italy** and c. 30 **abroad** (Brasil, China, Singapore, South Africa)



- Congress activity (c. 160 per annum) mainly at the **Allianz-MiCo venue**, the largest and most modern conference centre in Europe (54k sqm, 21k people availability) and other meeting centers



- Providing **traditional** (stand-fitting, security, catering, accommodation, logistics) as well as **digital services**



## Highlights

### Performance

 Revenues  
**220**  
Euro million

 EBITDA  
**58**  
Euro million



# The 6<sup>th</sup> largest exhibition district in the world



- 345k m<sup>2</sup> total space
- 60k m<sup>2</sup> outdoor space

- 20 pavilions
- 15k parkings
- 75 restaurants

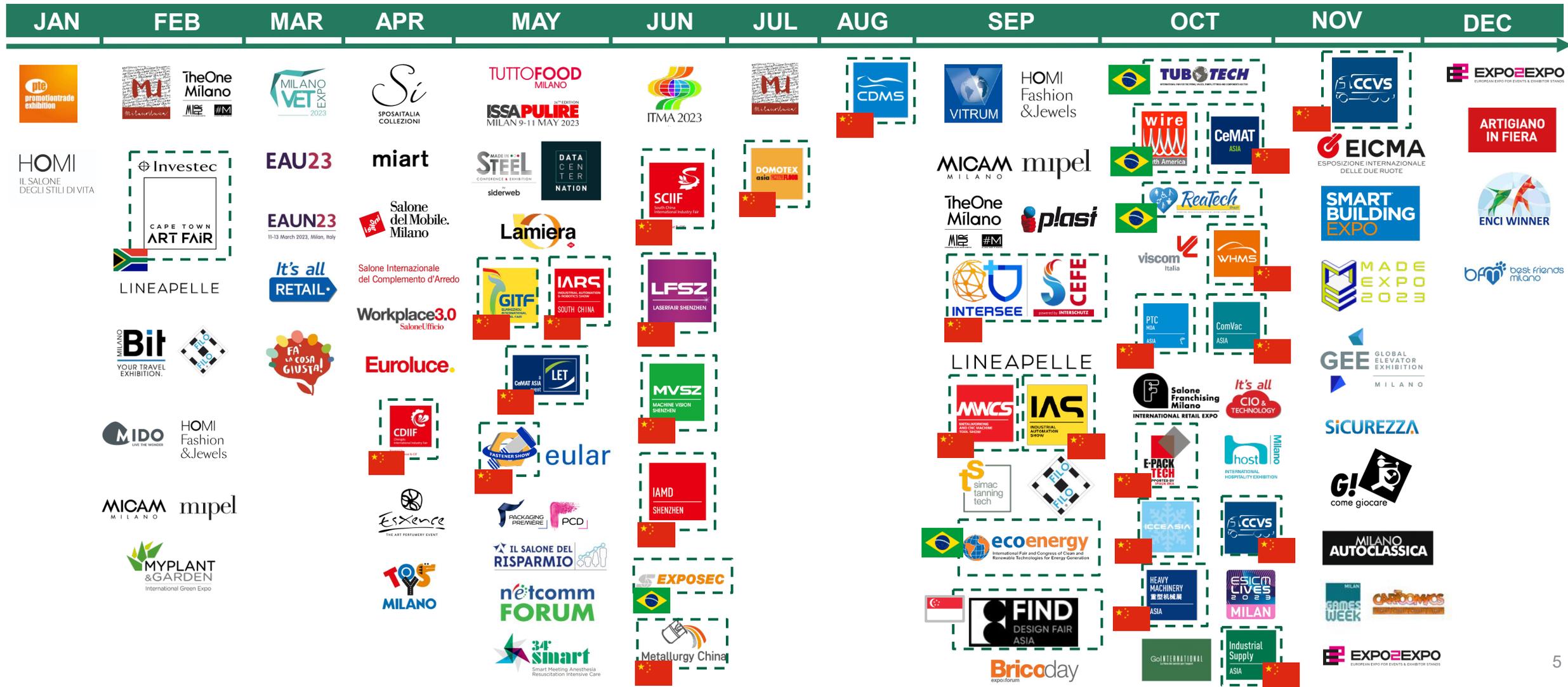
- 1 km from highway
- 13 km from Milan city centre
- 29 km from Milan airport

- 1 underground
- 1 train station

# A rich portfolio of owned and hosted events for 2023

- 2023 exhibition calendar: >50 exhibitions in Italy; 20 abroad; c.160 congresses
- Covering all the strategic industries representing the excellence of Made in Italy in the world (Food, Design, Tourism, Fashion, Machinery...)

## International exhibitions

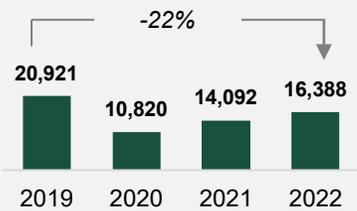


# With strong commitment on sustainability...

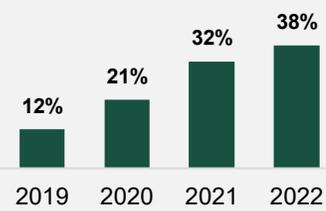
## Environment



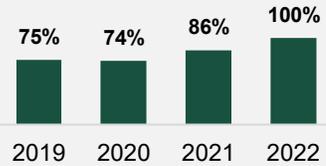
### Total CO<sub>2</sub> emissions (tCO<sub>2</sub>eq)



### % Renewable sources used



### % Carpet used sent to recovery



### n.2 carbon neutral events



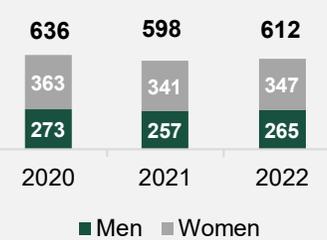
- 20% reduction in waste per sqm from 2019 to 2022
- Photovoltaic plant of 8.2 MWp
- 25% hybrid car fleet
- Finalist at the Sustainable Development Award promoted by UFI<sup>1</sup> in the category “Best Carbon Emissions Reduction Initiative”

1) UFI = The Global Association of the Exhibition Industry

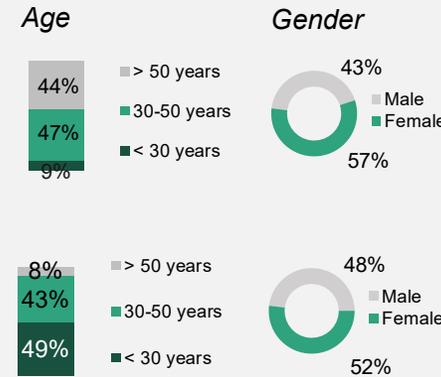
## Social



### Employee evolution



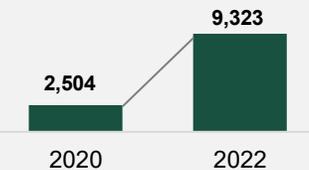
### Diversity Snapshot



### New hires in 2022: n.82 employees



### Training hours



### Overall Event Score



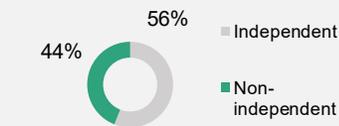
- Adoption of a Diversity&Inclusion Policy
- New HR Plan
- Inclusion of ESG objectives in the STI plan and LTI plan related to quantitative targets of the Sustainability Plan

STI = Short Term Incentives; LTI = Long Term Incentives

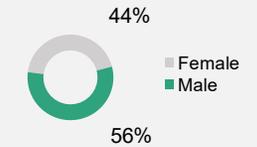
## Governance



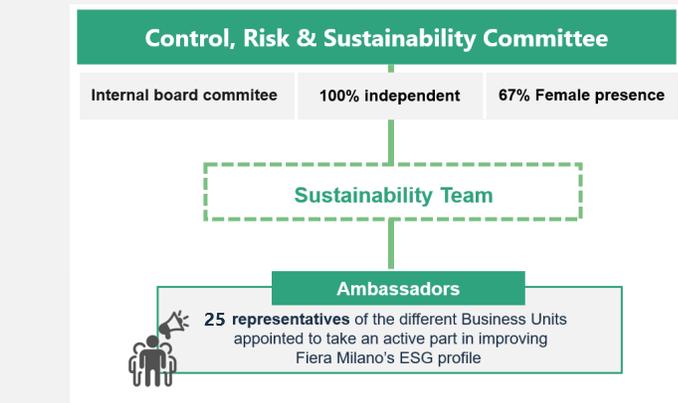
### Board independence



### Board diversity



### Sustainability governance



- Overall suppliers contract value including ESG elements in the technical assessment: 80%

### Obtained 1° ESG Rating

### Low Risk



### Joined UN Global Compact



# ...and a fully integrated sustainability strategy in the business plan

BUSINESS PLAN ENABLING FACTOR	ESG STRATEGIC AREA	#	TARGET	TIMING	STATUS	SDGs
<b>Governance</b>						
 	<b>Governance</b>	1	Obtaining <b>ESG rating</b> from primary rating agency	2022	Achieved	 
		2	Obtaining <b>ISO 37001 certification (anticorruption)</b> for Fiera Milano	2024	On track	 
		3	Obtaining <b>ISO 45001 certification (health &amp; safety)</b> for Fiera Milano	2023	On track	 
		4	Obtaining <b>ISO 14001 certification (environmental)</b> for Fiera Milano	2024	On track	 
		5	Obtaining <b>ISO 14001 certification (environmental)</b> for Allianz-Mico congress centre	2023	On track	 
		6	Obtaining <b>ISO 20121 certification (sustainable events)</b> for 4 events	2025	On track	
		7	New <b>LTIP (long-term incentive plan)</b> with a <b>ESG target weight of 20%</b>	2023	On track	
 	<b>Responsible supply chain</b>	8	Increase in the <b>percentage of suppliers assessed according to ESG criteria</b> up to 75%	2025	On track	 
		9	Keeping level of <b>100% reputational assessment</b> for suppliers > € 10K)	Annual	On track	 
		10	Addition of <b>at least 2 sustainable products</b> to supply specifications	2025	On track	 
<b>Environment</b>						
 	<b>Energy management</b>	11	Calculation of the <b>carbon footprint (LCA method)</b> of at least 13 owned events	2025	On track	 
		12	Increase in the use of <b>energy from renewable sources to 50%</b>	2025	On track	 
		13	Construction of a <b>single cooling system</b> to promote energy savings	2024	On track	 
		14	Extension of <b>LEED certification</b> for Pavilions 3 and 4 of the Allianz-MiCo congress centre	2024	On track	 
		15	Definition of the <b>calculation methodology for Scope 3</b>	2022	Achieved	 
		16	Definition of medium and long-term <b>Science Based Targets (SBTs)</b>	2025	On track	 
		17	Appointment of <b>Group Energy Management</b>	2023	Achieved	 
 	<b>Waste management</b>	18	Definition of a <b>waste management policy</b> within the exhibition district	2022	Achieved	 
		19	Launch of no. 2 initiatives a year to <b>make stakeholders aware</b> of correct waste management	Annual	On track	 
 	<b>Sustainable mobility</b>	20	Increase of <b>4 charging stations</b> for electric cars in the exhibition district	2023	Achieved	
		21	Increase of <b>50 bike-sharing units</b> for employees	2022	Achieved	
		22	25% increase in the <b>number of hybrid vehicles</b> in the company car fleet	2023	On track	
<b>Social</b>						
	<b>Health &amp; Safety</b>	23	<b>Updating the Group's HSE (Health, Safety, Environment) structure</b>	2022	Achieved	 
		24	Launch of <b>no. 5 initiatives a year to promote safety</b> in the exhibition district	Annual	On track	 
	<b>Diversity &amp; Inclusion</b>	25	Development of a <b>Diversity &amp; Inclusion Policy</b>	2023	Achieved	 
	<b>Wellbeing and Development</b>	26	Obtaining <b>employer branding</b> certification from a leading international certification body	2025	On track	 
		27	Increase in the <b>no. of training hours by 80%</b> compared to 2020	2025	On track	 
		28	Achieving <b>employee engagement rate</b> above 75%	2025	On track	 
		29	Involvement of 30 talents in the <b>Next Generation Fiera development programme</b>	2025	On track	 
		30	Development of an employee <b>mentoring</b> programme	2025	On track	 
		31	Organization of monthly meetings with the CEO <b>involving at least 100 employees</b> per year	Annual	On track	 
	<b>Community &amp; customers</b>	32	Organization of the <b>Impact Day</b> : a day of social volunteering by employees	2022	Achieved	 
		33	Organization of <b>1 solidarity social initiative</b> per year	Annual	On track	 
		34	Achievement of <b>100% customers coverage</b> of the events covered by the Customer Satisfaction	Annual	On track	 
	<b>Digital Transformation</b>	35	Increase in the value of <b>digital services and creating new ones</b>	2025	On track	

  
Investment in the exhibition district and continuous improvement

  
Commercial and product approach devoted to excellence

  
Quality and development of human capital

  
Digital transformation

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*Contacts*

# Executive summary

## The Award

- The **UFI Sustainable Development Award 2023** is reserved for the **best engagement program** or initiative which results in behaviour change with a stakeholder to improve environmental and/or social impact. The initiative must relate to a successful approach which has resulted in significant and measurable outputs in terms of stakeholder engagement and related positive impact. Innovation and scalability across the industry will be considered as preferred valuation criteria.

## Background

- One of the most challenging aspects which faces the events industry is that the majority of emissions associated with an event are outside the direct influence of events industry stakeholders. Apart from energy consumed at the venue, over which the venue itself has the ability to reduce or replace with renewables, all the other emissions are generated by entities outside of the event industry, such as producers of stands or production materials (e.g. carpets). In order to progress towards Net Zero, one of the key opportunities for the event industry is to **engage with and drive progress through the value chain**. Consequently, as well as pursuing their own net zero pathway, companies need to **work collaboratively both within the industry and with suppliers to the industry** in order to inspire and promote action across the board

## A win-win engagement

- This is the case of a **win-win engagement between Fiera Milano and Montecolino**, one of the most relevant suppliers of Fiera Milano, showing joint commitment towards the common purpose of creating a new sustainable and innovative stand-fitting proposition in the exhibition industry.
- With more than 400,000 square meter capacity, 4 million visitors hosted per year and Euro 220 million of revenues in 2022, **Fiera Milano** is the Italian market leader and one of the main integrated operators worldwide in the exhibition and congress industry, managing the 6° largest trade venue in the world and the largest and most modern conference centre in Europe. **Montecolino** is a long lasting and high-standing stakeholder of Fiera Milano, being a European leading producer of flooring and textile coverings, specialized, among other activities, in the innovative way of recycling the carpet provided for exhibitions held at the Fiera Milano venue

## The project

- Fiera Milano and Montecolino decided to **join their Research and Development (R&D) forces** to launch an **innovative and sustainable concept of creating stand-fittings**: furniture will be created by recycled carpets used during the exhibition, with the ambition to carry out a sustainable customized stand-fitting offering proposition with certified measurement of the related CO2 emission reduction.

## Conclusions

- This initiative represents an **innovative and sustainable proposition within the stand-fitting arena** as a result of a strong engagement between a venue manager and one of its relevant stakeholders for the common purpose of reducing the environmental impact coming from stand-fittings. The initiative is entirely devoted to **circular economy** principles. Stand-fittings created by recycling the carpet can be in fact re-used for other applications and industries, resulting in a **virtuous example of scalable project** aiming at **improving the carbon footprint of the exhibition industry**

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# Background

- **Booth construction** (walls, ceilings, floorings and furniture) is one of the **most significant environmental impacts** in the exhibition industry. These impacts include both the embodied carbon in material production as well as the waste from their disposal. Although there is significant recycling of many materials, some currently only have limited potential for re-use, for example installed and removed carpet. Consider that in a pre-pandemic standard year, in Fiera Milano, almost 1,500,000 square meters of carpet are laid annually, corresponding to approximately 435,000 kg.
- Since 2017, **Montecolino** has developed a **carpet management system for Fiera Milano** which allowed in 2022 to recycle the 100% of the carpet. A total of 272,640 kg of carpet was collected during 2022, corresponding to around 900 thousands m2 of surface area processed, for which 116 containers were used. For the first year **100% of the carpet collected** during all the exhibitions held in Fiera Milano **was completely directed to recovery**.

## The Montecolino added-value activity

Before the recycling, the Montecolino recycling carpet is volumetrically reduced and transformed into a densified granule, assuming the qualification of secondary raw material. The activity of carpet removal begins immediately after the end of the show, even before the stand builders begin to dismantle the booths. The carpet is picked up, taking care to turn it upside-down to remove foreign matters. The carpet is then folded up and grouped in specific points of the halls. The delivery to the pressing centre takes place in the same night of the show ending. The material is compacted before the delivery to the recycling facilities in order to reduce freight costs. The collected material is compacted for reducing the volume of transport and it is worked in a ray of 100 km by the fair site to be turned into granulate, that will be transferred to the plastic industry as raw material. The possibilities for recycling the panel are endless, since at the end of the event, it can be recovered as well and have a new life, according to the principles of circular economy.

# The importance to engage with a major supplier in order to have a sustainability impact along the exhibition industry value chain also in terms of awareness for exhibitors in their choices towards a more sustainable stand-fitting service

## The stakeholders of Fiera Milano



Employees of Fiera Milano



Suppliers and business partners



Organisers



Non-governmental organisations



Trade institutions and associations



Shareholders and institutional investors



Universities and research centres



Exhibitors

- Being an economic infrastructure, Fiera Milano has the possibility of **positively influence all the stakeholders along the exhibition industry value chain**, both as organization that adopt a **sustainable business model with responsible consumptions**, as well as container of innovative and inspirational initiatives
- **Engaging suppliers** on the topic of sustainability is essential for ensuring a successful exhibition industry **sustainable value chain** with a material impact on all the other stakeholders
- For this reason Fiera Milano decided to engage with **Montecolino**, one of the top 5 suppliers of the company, in order to have a **material sustainability impact** and drive a behavioral change among exhibitors and organizers in their stand-fitting choices towards a more sustainable fitting proposition and increase their awareness on the topic

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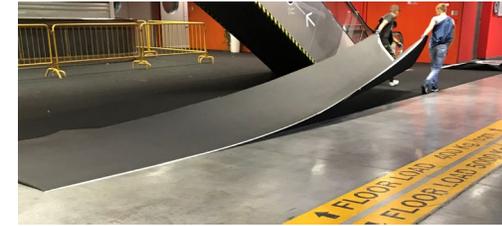


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# The project and the certified measurement of the positive environmental impact (1/2)

- Thanks to the **synergies in the R&D (Research and Development) created between Montecolino and Nolostand**, the subsidiary of Fiera Milano involved in the stand-fittings industry, the **Wèp panel** was born, an innovative multipurpose panel of different thicknesses (3 mm, 5 mm, 8.4 mm), adaptable to the most varied uses, **deriving from a carpet recovery process placed at the fair.**
- From the Wèp panel, different customized **waste bins** have been created and, together with Nolostand a **first series of prototypes of other types of furniture** (chairs, tables, desks), which can be used for setting up pre-fitted and customized stands, have been developed. Currently, other solutions are being studied regarding the use of Wèp in order to make the district a Fiera Milano increasingly sustainable: for example the use of Wèp panel as the wall of a totally customizable stand, with printed graphics direct on the panel itself, or use it for exhibition signage, recyclable at each event depending on the customer's needs.



# The project and the certified measurement of the positive environmental impact (2/2)

- The project aims to **use the customer's aluminum frames and replace the consumable material** (wood, PVC, polyester) with a more recyclable product at more advantageous costs. Furthermore, the proposed panel also lends itself to being customized by digital printing. The aforementioned panels are created in slabs with an indicative size of 2x3 or 4 meters. The installation system developed is a **dry system that exploits the attraction between a magnetic profile adapted to the shape of the Nolostand aluminum profiles and an adhesive sheet suitably fixed to the panel**. During installation, the pre-cut panels will be applied to the aluminum frames with extreme speed of execution. The magnetic profiles can be applied inside the aluminum profiles without particular difficulties. The final output is a totally recyclable rigid panel intended for the exhibition sector made up of 3 layers, one of which, the internal one, obtained from recycled products. The panel intended for vertical partitions can become a stand wall, a decorative element for a shop window, a sign or a pavilion curtain, making the panel itself a very scalable offering proposition not only along the exhibition industry.



## The certified measurement of the positive environmental impact

The importance of this innovative recovery system was highlighted by an **LCA (Life Cycle Assessment)** study, undertaken by the **University of Brescia** (Italy), according to which, during all the exhibitions held in Fiera Milano from Jun-2021 to Dec-2022, a **total of 1.157.488 Kg of CO<sub>2</sub> have been saved** thanks to 1.014.830 m<sup>2</sup> of the Montecolino recycled carpet used instead of traditional non-reusable flooring. Just to give an idea of the positive environmental contribution, which has been quantitatively measured by the same University, the 1.157.488 Kg CO<sub>2</sub> saved correspond to **52.613 trees**.

## Example n.1 – stand-fitting and vertical totem realized with recycled carpet for the HOMI exhibition in Feb-2022

- Based on the panel made by Montecolino by recycling the carpet used and collected from the events held at Fiera Milano, Nolostand created some folding cubes used as furniture during the **Homi** exhibition in Feb-2022.



## Example n.2 – rubbish bins for the waste sorting realized with recycled carpet for the MIDO exhibition in Apr-2022 and seats, tables, desks that can be used to set up Fiera Milano pre-furnished and customized stands

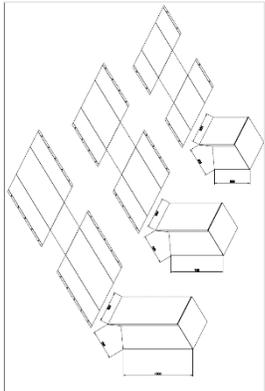


# The successful case study: the “Nolofold” folding cubes developed by Nolostand (Fiera Milano) based on the recycled carpet managed by Montecolino and the related measurement of the CO2 saving

- In order to provide you with **concrete evidence of the combined R&D forces between Nolostand (Fiera Milano) and Montecolino** for a more sustainable stand-fitting proposition, please find below **a case study** explaining how the realization of a ‘sustainable folding cube’ presented at the 2022 edition of HOMI, the Home Decor exhibition organized by Fiera Milano, could have a positive environmental impact, which is also quantitatively measurable.

## The “Nolofold” folding cube case study

### Design



### Execution



### Positive environmental impact

- **1 cube (size: 45x45x100 cm)** developed by Nolostand and presented as furniture at the HOMI exhibition is realized using **3 mq of moquette recycled** by Montecolino
- According to the University of Brescia LCA (Life Cycle Assessment) model, **3 mq of moquette recycled** by Montecolino is equal to **3kg of CO<sub>2</sub> savings**
- For a standard exhibition, at least **1,000 cubes are needed**, it means **that 3,000 mq of recycled moquette** should be used, resulting in a total **CO<sub>2</sub> saving equal to 3.380 kg**, corresponding to **154 trees**

To sum-up, **the creation of 1.000 sustainable folding cubes** using 3.000 mq of recycled moquette **will generate a saving of approx. 3.380 kg of CO<sub>2</sub>**, which is the **equivalent of 154 trees**. In this way the **positive environmental impacts** deriving from the project are **quantitatively measurable**: for each panel created, the total m2 of carpet recycled and the CO<sub>2</sub> emission saved can be measured based on scientific evidence.

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# Key takeaways and conclusions

- We believe that the example of the **win-win engagement** between Fiera Milano and one of its major stakeholder, Montecolino, in joining their research and development forces to create a **new sustainable stand-fitting proposition** aimed at reducing the environmental impact of the exhibition business, could be a valid candidate for the Sustainable Development Awards 2023 for the following reasons:
  1. It represents an **innovative** and **pioneering** project in the industry, aimed at reducing the environmental impact generated by exhibition activities with a long-term ambition to decarbonising the business entirely by 2050, in line with the Net Zero Carbon Events initiative, whose both Fiera Milano and Montecolino are supporters
  2. The **scope of the stakeholder reached** is very relevant since Montecolino is among the top 5 suppliers of Fiera Milano and operates along all the different phases of the exhibition value chain of Fiera Milano, with relevant impact in terms of **awareness for exhibitors** in their choices towards a more sustainable stand-fitting services
  3. The positive environmental impacts deriving from the project are **quantitatively measurable**: for each panel created, the total m2 of carpet recycled and the CO2 emission saved can be measured;
  4. The initiative is **highly scalable** since it can be replicable across the exhibition and other industries and the panels created by recycling the carpet can be used in a variety of other different applications, representing a virtuous example of circular economy;
  5. The initiative represents a concrete example of Fiera Milano and Montecolino's ability to **integrate sustainability** into their business models and spread awareness on sustainability related topics;
  6. The initiative represents an example of **positive contamination along the exhibition industry value chain** showing a joint commitment and a strong engagement between a venue management player and one of its most relevant suppliers towards the common purpose of reducing the environmental impact coming from the exhibition business, by providing a new sustainable stand-fitting proposition in the industry, inspired to circular economy principles.

# Other discussion points

## Re-usability of the panel - How many life cycles

- The carpet is actually recycled only once because it is then transformed into a secondary raw material and in our case used for the production of the **Wèp rigid plate**. The rigid plate could almost be defined as **infinitely recyclable**. This is for 2 main reasons:
  - 1. The raw material used is polypropylene, one of the plastic materials that better maintains its mechanical characteristics even after numerous recycling cycles, for this reason, for example, it is widely used in sectors such as the automotive sector, pallets, vases, etc.
  - 2. Secondly because the panel is made up of **3 layers** in which only the central one is made up of recycled parts therefore at each cycle the material obtained from recycling still has a component that is in the first recycling phase.
- Today we are in phase 1 of this project because we limit ourselves to using the secondary raw material obtained from the carpet to make the panel but shortly, as a continuation of the combined development process, we will begin to have increasingly important volumes of panels that will be recycled. The recycling of the panel is certainly simpler than the carpet; in fact, in the initial stages a passage in the mill is sufficient to be able to prepare it for subsequent processing, therefore no thermal process but only mechanical

## Durability and obsolescence

- As track record, an example could be the bins. This furniture has been supplied for over a year and are still in use without any needs for maintenance. They have been used in practically all the events, bent, transported, stored in the warehouse, transported back to the pavilions and have certainly come into contact with liquids and rubbish of all kinds, without any damages





**FIERA MILANO**



Fiera Milano Sustainability Report:

[https://investors.fieramilano.it/content/dam/fieramilano/documenti/lp-investor-relations/documenti-non-finanziari/2022/FM\\_DNF\\_2022\\_ENG\\_HR.pdf](https://investors.fieramilano.it/content/dam/fieramilano/documenti/lp-investor-relations/documenti-non-finanziari/2022/FM_DNF_2022_ENG_HR.pdf)



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