

TORINO  
AIRPORT  
CONNECTED TO



# Corporate Social Responsibility Report 2017

# CONTENTS

• Letter from the Managing Director	6
• Methodological note	7
• IDENTITY	9
• ECONOMIC OVERVIEW	22
• SOCIAL RESPONSIBILITY REPORT	29
• Professional process validation	75

# CONTENTS

<b>LETTER FROM THE MANAGING DIRECTOR</b>	<b>6</b>
<b>METHODOLOGICAL NOTE</b>	<b>7</b>
<b>IDENTITY</b>	<b>9</b>
Vision of sustainability	9
Traffic results	9
Passengers' perceptions of quality	9
Human resources	9
Economic impact	9
Environmental defence	9
<b>MAP OF THE STAKEHOLDERS</b>	<b>10</b>
<b>COMPANY PROFILE</b>	<b>11</b>
Vision	11
Mission	11
<b>THE GROUP'S INSTITUTIONAL AND ORGANISATIONAL FRAMEWORK</b>	<b>11</b>
SAGAT S.p.A.	11
Committees and Workgroups	12
SAGAT HANDLING S.p.A.	13
AEROPORTI HOLDING S.r.l.	14
<b>CODE OF ETHICS, ORGANISATIONAL MODEL 231 AND OVERSIGHT BODY</b>	<b>14</b>
<b>INFRASTRUCTURE</b>	<b>14</b>
Features	14
Continuous services	15
Airport capacity	15
Emergency services	15
Retail offerings and services	15
<b>CONTEXT</b>	<b>15</b>
OPERATIONS IN THE WORLD OF AIRPORTS	15
THE OPERATING AGREEMENT WITH THE ENAC AND THE PROGRAM AGREEMENT	17
<b>POSITIVE ECONOMIC AND EMPLOYMENT-RELATED FALLOUT ON THE SURROUNDING AREA</b>	<b>17</b>
<b>INTANGIBLE ASSETS</b>	<b>18</b>
HUMAN CAPITAL	19
RELATIONAL CAPITAL	19
STRUCTURAL CAPITAL	21

# CONTENTS

<b>ECONOMIC OVERVIEW</b>	<b>22</b>
<b>MAIN ECONOMIC INDICATORS FOR THE SAGAT GROUP</b>	<b>22</b>
AVIATION INCOME AND HANDLING INCOME	22
NON-AVIATION INCOME	22
OTHER INCOME	23
<b>KEY ECONOMIC INDICATORS</b>	<b>23</b>
ECONOMIC VALUE CREATED	24
ECONOMIC VALUE DISTRIBUTED	26
ECONOMIC VALUE RETAINED	27
DEVELOPMENT IN THE PERIOD 2014-2017	28
<b>SOCIAL RESPONSIBILITY REPORT</b>	<b>29</b>
<b>COMMUNICATIONS AND MEDIA RELATIONS</b>	<b>29</b>
<b>ACTIVITIES WITH THE SURROUNDING AREA</b>	<b>29</b>
THE AIRPORT FOR CHILDREN AND SCHOOLS	32
<b>QUALITY AND SAFETY AT THE SERVICE OF PASSENGERS</b>	<b>32</b>
QUALITY: A PRIORITY VALUE	32
The two bodies overseeing Airport Quality	34
The Quality Policy	34
ISO 9001:2015 certification	35
The 2017 Services Charter	35
The 2017 Quality Plan – Program Agreement	37
ACI ASQ - Airport Service Quality	37
Passengers with disabilities or reduced mobility (PRM)	38
Management of report from passengers	38
SECURITY AND SAFETY	38
Control at security checkpoints	38
Falconry	40
The Safety Management System	41
The Airport Emergency Plan	42
<b>THE DEVELOPMENT OF TRAFFIC AND RELATIONS WITH AIR CARRIERS</b>	<b>42</b>
TRAFFIC RESULTS	43
THE DEVELOPMENT OF THE NETWORK AND OF TRAFFIC	43
<b>RETAIL AND TRANSPORT OFFERINGS SERVING PASSENGERS</b>	<b>48</b>
PARKING AND MOBILITY SERVICES AT THE AIRPORT	48

# CONTENTS

<b>THE ENVIRONMENT</b>	<b>49</b>
ENVIRONMENTAL POLICY	50
Regulatory and organisational framework	50
System for the management of the environment	51
THE ENERGY MANAGEMENT SYSTEM	52
EMISSIONS IN THE AIR	54
NOISE POLLUTION	54
The monitoring system	54
Territorial planning	56
Noise-abatement procedures	58
System for managing complaints	59
WATER RESOURCES	59
Apron rainwater	59
Water consumption	59
WASTE MANAGEMENT	60
Urban waste and other waste classified as urban waste	60
Differentiated waste collection	60
PREVENTION OF SOIL POLLUTION	61
<b>HUMAN RESOURCES</b>	<b>61</b>
THE PERSONNEL AND THE ORGANISATION	61
THE GROUP'S STAFF	62
TRAINING	64
EFFORTS TO ASSIST INDIVIDUALS IN DIFFICULTY AND STUDENTS	66
CORPORATE MUTUAL ASSISTANCE	67
OCCUPATIONAL SAFETY	67
Accidents	69
INDUSTRIAL RELATIONS	70
<b>VENDORS</b>	<b>70</b>
VENDOR SELECTION PROCEDURES	70
<b>INVESTMENTS IN INFRASTRUCTURES</b>	<b>71</b>
<b>ICT INVESTMENTS</b>	<b>72</b>
DIGITALISATION PLAN	72
<b>OBJECTIVES AND RESULTS</b>	<b>73</b>
<b>PROFESSIONAL PROCESS VALIDATION</b>	<b>75</b>

## LETTER FROM THE MANAGING DIRECTOR

Torino Airport recorded its largest growth in the year 2017, and I wish to take the occasion to provide an overview of the Airport's growth over the last four years.

During this period, the Company's new ownership structure and management provided new impulse for the Airport's development, focussing their efforts on the mobility needs of the surrounding territory while, at the same time, ensuring that the airport increasingly serves as a tool for the growth and development of both the city and the region of Turin.

The primary courses of action taken regarded the development of traffic and the network of flight connections, together with improvement of the passenger experience, all pursued with ever increasing levels of attention placed on quality, the environment and relations with the surrounding territory.

In 2017, Torino Airport set a new record for its yearly number of passengers, at 4.17 million, representing an increase of over 32% compared to 2013. In those four years, the number of destinations has increased significantly: we have gone from 36 destinations serviced by regularly scheduled flights in 2013 to 56 destinations in 2017. Within this figure, the number of international destinations has almost doubled, going from 22 in 2013 to 43 in 2017.

These noteworthy results were made possible by the successful establishment of fruitful working relations with the carriers, supporting them in determining virtuous strategies for growth while ensuring that passengers were provided with an adequate mix of flights operated by traditional airlines and others offered by low-cost carriers, with a proper balance between domestic and international connections.

Proceeding apace with the growth in traffic have been improvements in the quality of the services offered to passengers and to the airport community as a whole.

The results are tangible: the Airport is more modern, providing new walk-through paths for both arriving and departing passengers; the food and retail offerings have been augmented with regional specialities, plus operators closely tied to the surrounding territory; the supermarket and the pharmacy have enlarged the target market of airport users.

These initiatives also contributed to the increase in overall passenger satisfaction, as shown by results demonstrating how the quality objectives have been achieved.

Accompanying the development of the infrastructure and the services offered, there has been constant concern for the environment, which is why SAGAT has undertaken the procedure for endorsing the Airport Carbon Accreditation protocol of the ACI.

Finally, the Airport is increasingly open to contact with its surrounding territory, thanks to important joint initiatives with business enterprises, such as Thales, as in the case of the exhibition on successful space programs for "Turin Space City", as well as cultural institutions, one example being Torino Airport's first season of musical performances, offered together with the Teatro Regio of Turin, plus social initiatives involving non-profit associations, along with the Pious Company of St. Paul, in efforts meant to find work for the socially disadvantaged, not to mention the special open days held each year for families and schools.

The year 2017 also saw the groundwork laid for future initiatives of growth: a plan for the innovation and digitalisation of the Airport, in order to promote increased knowledge and interaction on the part of passengers, along with the study of new and innovative services designed to augment in-house skills and know-how while distributing the benefits and opportunities created by the digital transformation.

All these initiatives have involved – as shall increasingly be the case – employees, airport operators, passengers, public bodies, associations and business enterprises in a process of sustainable airport development that benefits everyone.

The next step is to intensify the constructive dialogue with all our stakeholders, always in pursuit of the goal of contributing to the development of the local territory while improving the services provided to our passengers.

**Roberto Barbieri**

**Managing Director SAGAT S.p.A.**

## METHODOLOGICAL NOTE



Prof. Luigi Puddu  
Prof. Christian Rainero  
Department of Management  
of the University of Turin



Dr. Luca Asvisio  
Dr. Davide Barberis  
Professional Order of Auditors and Accountants  
Of Ivrea, Pinerolo, Turin

The contents of the Corporate Social Responsibility Report of the Company Società Azionaria Gestione Aeroporto Torino S.p.A. (hereinafter, SAGAT) and its subsidiaries (hereinafter, the SAGAT Group or the Group) as of 31 December 2017 are the outcome of the through, well-developed process under which the SAGAT Group has further reinforced achievement of the objectives set in the previous editions of the report:

- creating an effective tool for dialogue and transparency, as well as for legitimising and establishing trust;
- presenting corporate responsibility as an integral part of the Company's culture, in order to achieve a balance between economic, environmental and social results while highlighting the "value" of the organisational structure and its procedures for planning – management – reporting;
- developing the capacity for self-analysis of the system of governance as part of the chain of value;
- experimenting with a form of annual report that, in combination with the year-end financial statements, can serve as both a tool for internal improvement and an effective means of illustrating the activities of the SAGAT Group;
- establishing an approach to CSR, or Corporate Social Responsibility, that can be followed as an example of a best practice, encouraging the implementation and expansion of policies of sustainability in the economic world;
- introducing tools of management innovation, through the systemic analysis and representation of intangible assets as critical factors in the company's operations;
- highlighting the importance of an approach that integrates institutions, the academic world, the professional sector and the role of the SAGAT Group;
- cultivating new professional skills with relation to CRS topics, involving young students and university graduates in the internal process of drawing up the Corporate Social Responsibility Report.

In drawing up its Corporate Social Responsibility Report, the SAGAT Group followed the Piedmont Method developed through inter-institutional cooperation between the Piedmont Region, the Department of Management of the University of Turin, the Institute of Economic and Social Research of Piedmont and the Order of Auditors and Accounting Experts of Ivrea, Pinerolo, Turin.

Operative application of the Piedmont Method was coordinated by an in-house workgroup consisting of Dr. Alessandra Gerace (Internal Audit Department Manager of SAGAT S.p.A.), Dr. Michele Barbero (Legal Services Manager of SAGAT S.p.A.) and Dr. Francesca Soncini (Extra-Aviation Sales & Marketing, Communications Director of SAGAT S.p.A.).

The choice of the Piedmont Method is reflected in the *methodological approach* and the *format* utilised.

As far as the *methodological approach* is concerned, reference was made, in a variety of ways, to:

- the tenets of the Corporate Social Responsibility Report Study Group, or GBS, for proper design and formalisation of the system of social accountability;

- research document no. 8 of the GBS for social accountability regarding intangibles;
- the *Framework* of the International Integrated Reporting Council (IIRC);
- the AccountAbility 1000 standards (AA 1000), both for selecting effective, inclusive approaches to reporting on operations in a manner that proves transparent and understandable to everyone (accountability) and for establishing the criteria for stakeholder identification and participation in the process of reporting on social responsibility;
- the Standard Global Reporting Initiative (GRI), especially when it comes to determining “Created and Distributed Economic Value”.

The *format of the report* is structured in three main sections:

- 1) *The Identity of the Group*: presenting the company mission, the reference context, the mapping of the stakeholders and the intangible assets. A distinctive feature of this edition of the Corporate Social Responsibility Report, as called for under the *Framework* of the International Integrated Reporting Council (IIRC), is that “structural capital” has been included by the SAGAT Group in the presentation of its “intangible assets”.
- 2) *Economic Overview*: presenting the economic-financial results for the two-year period 2016-2017, together with the procedures for collecting and utilising resources (economic value created, distributed and withheld);
- 3) *Report on Social Responsibility*: describes the activities and modes of exchange between the SAGAT Group and the primary stakeholders.

At the end of the document is the judgment of the process of professional confirmation drawn up by the specific Oversight Body, represented by Mr. Giuseppe Chiappero (the liaison for the Study Group on Reports on Social Responsibility of the Professional Order of Auditors and Accountants of Turin).

The figures from the previous year are provided only for the purpose of comparison, so as to make possible an assessment of the Group’s performance over a set period of time.

# IDENTITY

---

## Vision of sustainability

### **An airport that grows, a local area that flies.**

SAGAT has made the focus of its operations the needs, in terms of mobility, of the city of Turin and its surrounding area, while, at the same time, ensuring that the Airport plays a key role in the development of the city and the region. Efforts in three different sectors of operation have contributed to development in the years 2014-2017:

- expansion of the network of flights;
- improved passenger experience;
- working relationships established locally, in order to offer the best possible cultural experiences inside the Airport's infrastructure while making direct contact with residents on the occasion of the most important local events.

Such initiatives generate positive fallout for the community in terms of jobs, income and the image of the area as a whole.

## Traffic results

- 4,176,556 passengers in 2017, +32% compared to 2013;
- 56 destinations in 2017, +56% compared to 2013;
- 41 international destinations, +85% compared to 2013;
- 15 domestic destinations, +7% compared to 2013;

## Passengers' perceptions of quality

- "Airport Service Quality" index for 2017: 3.73 (on a scale of 1 to 5);
- Overall satisfaction in 2017: 99.5%, compared to 97.9% in 2013.

## Human resources

- Total employees in 2017: 382 (individuals overall as of 31 December 2017);
  - Employment station stabilised in the period 2014-2017: 14.
- Group figures.

## Economic impact

- Total investments 2017 = 6,470,000 euro
- Total employees as of 31 December (individuals) = 382
- Economic value created = 73,337,000 euro

## Environmental defence

- Environmental certification ISO 14001:2015 and energy certification ISO 50001:2011.
- Commitment made to endorse the Airport Carbon Accreditation protocol.

## MAP OF THE STAKEHOLDERS

 The stakeholders of the SAGAT Group are all the parties (individuals, companies, organisations etc.) that are involved in or influenced by its activities. Each stakeholder has expectations and needs, and managing to satisfy these in the best way possible is the challenge and goal that SAGAT has set itself.

Stakeholder	Factors of success	Means of contact and exchange
Shareholders	Productivity and efficiency Creation of value Respect of strategies	Periodic meetings Financial statements and social responsibility reports
Industry and sector associations	Information, exchanges and discussions	Periodic meetings with ACI Europe, Assaeroporti, Confindustria
Human resources	Equal opportunity Involvement and enhancement Recognition of merit Professional growth Stable employment Safeguarding of health, safety and workplace health	Activities of in-house associations Periodic safety meetings Industrial relations Company bulletin boards
Public authorities present at the Airport Regulatory and oversight bodies	Transparency Respect of pertinent prerequisites Sharing of successful practices	Participation in roundtables Operating agreements and pacts Public hearings
Local community  Surrounding area and environment	Creation of value for the surrounding area Concerted planning of strategies Information Reduction of environmental impact	Cultural and social joint efforts Public committees Institutional exchange and feedback Noise complaint collection system Internet site Press releases Press conferences
Passengers	Quality of service Growth of traffic Operating safety Security checks Accessibility Information	Welcome stations Communications campaigns Surveys of satisfaction Opinion polls Complaints and reports Internet site Information service
Non-aviation clients  Sub-concession holders and other clients	Growth of traffic Fairness Quality of services Workplace health and safety	Periodic meetings Reporting Analysis of passenger satisfaction
Carriers	Quality of service Fairness Operating safety Workplace health and safety	Periodic meetings Press releases Press conferences
Suppliers and partners	Transparency and fairness Payments made on time Reliability	Get-togethers with suppliers Periodic meetings

## COMPANY PROFILE

### Vision

Reinforce and continue to upgrade the services and opportunities offered by Torino Airport, in keeping with the need for mobility and growth of a surrounding territory that is open to the world.

### Mission

Managing and developing the air-travel and infrastructural activities of Torino Airport, in order to increase air links within Northwest Italy, in this way contributing to the economic and tourist-industry development Turin and its surrounding user basin.

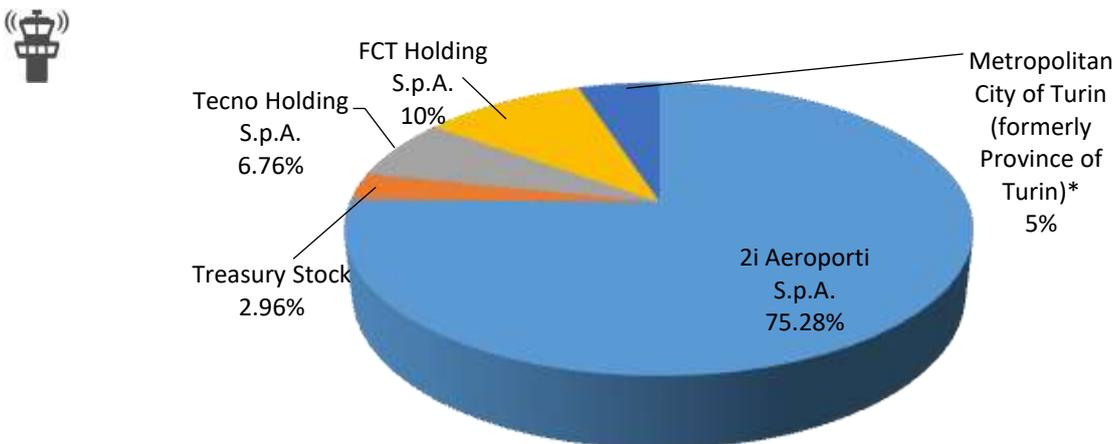
## THE GROUP'S INSTITUTIONAL AND ORGANISATIONAL FRAMEWORK

For the purposes of the present Report on Corporate Social Responsibility, the main companies of the SAGAT Group are SAGAT S.p.A., SAGAT Handling S.p.A. and Aeroporti Holding S.r.l., all of whose management and operating headquarters are found at the Turin-Caselle Airport.

### SAGAT S.p.A.

SAGAT, whose tasks and responsibilities are described in a separate box on page 16, is also responsible for the quality and safety standards of the services supplied to passengers, meaning both activities it performs directly and those carried out by other parties operating inside the airport (air carriers, handlers etc.).

As of December 2017, the ownership structure was as follows:



\* With regard to the make-up of the ownership group, in 2017 the Metropolitan City of Turin organise a new procedure to divest its shares, which were assigned to the company 2i Aeroporti S.p.A. on 23 February 2018. The share transfer was signed on 15 March 2018.

The company 2i Aeroporti is 51% held by F2i Fondi italiani per le infrastrutture, an asset management company founded in 2007, and which invests in domestic infrastructure sectors (airports, highways, distribution of gas, waterworks, renewable energy, telecommunications and waste-to-energy); the other 49% is held by Ardian, a private equity firm.

In order to meet the multiple needs and demands tied to its striving to fulfil its institutional tasks as best it can, SAGAT S.p.A., the Head Company of the Group, operates under a system of governance based on the coexistence of the General Meeting of the Shareholders, the Board of Directors and the Board of Auditors.

In 2017, the members of the **Board of Directors of the Group's Head Company** were:

Chairman: Giuseppe Donato

Managing Director: Roberto Barbieri

Directors: Rosaria Calabrese, Rita Ciccone, Jean Jacques Dayries, Rosario Mazza, Paolo Mignone, Elisabetta Oliveri, Laura Pascotto, Daniele Rizzolini.

The Chairman possesses the power to act as the Company's legal representative, while the delegated powers of the Board of Directors are concentrated in the figure of the Managing Director; the remaining members of the Board do not have executive powers.

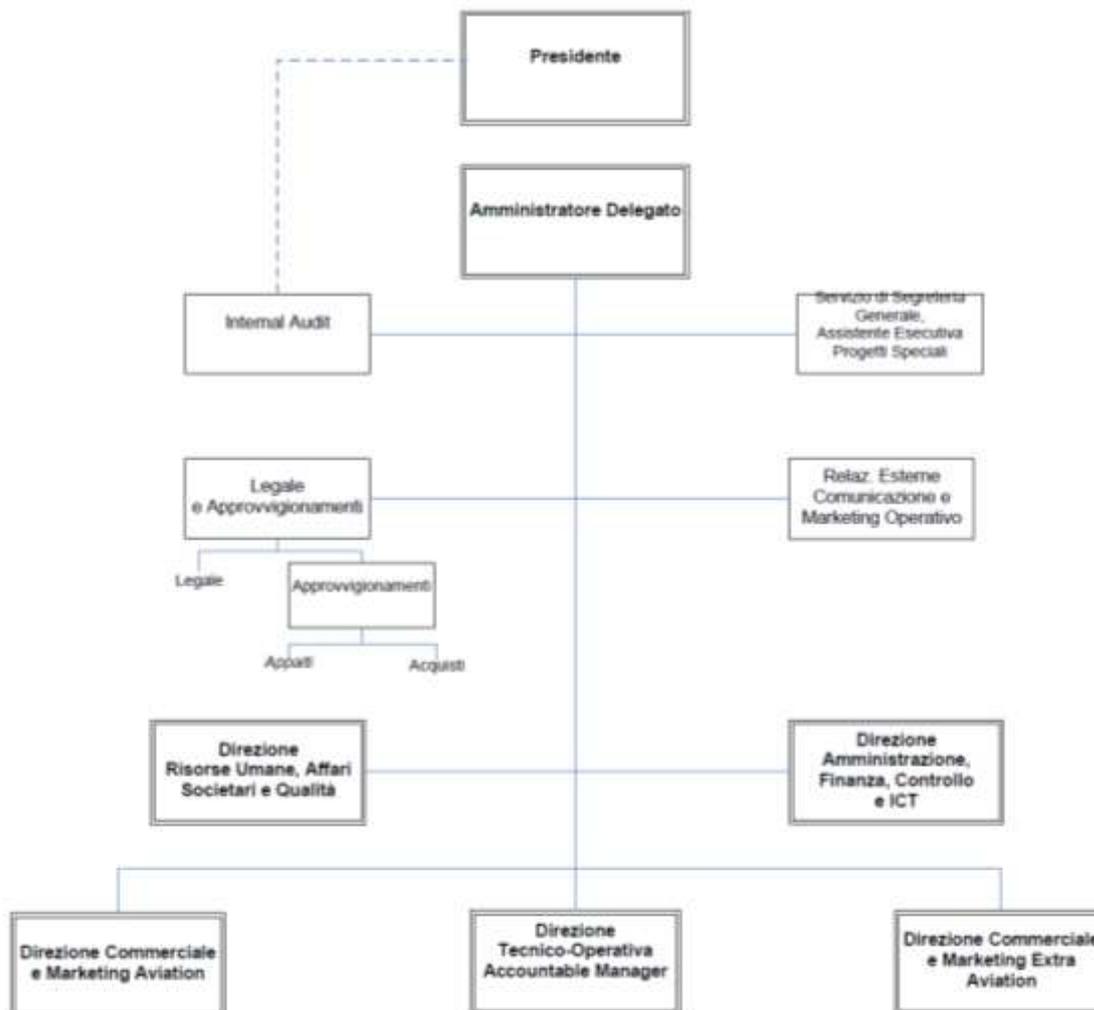
The members of the **Board of Auditors of the Group's Head Company** are:

Chairman: Roberto Nicolò

Auditors: Ernesto Carrera, Edoardo Fea, Lorenzo Ginisio, Renato Stradella

Alternates: Alessandro Cotto, Maddalena Costa

As described in the chapter dedicated to human resources, the SAGAT Group at 31 December 2017 had 382 employees (358.38 FTE), which 242 (232.98 FTE) are part of the SAGAT S.p.A. structure, a modern organization, lean but complete, distributed among the roles illustrated on the following chart:



## Committees and Workgroups

The Lead Company has established within its corporate structure interdepartmental committees and workgroups for the development among the various company services of coordinated initiatives on specific topics. As of 31 December 2017, the following committees and workgroups were in place:

- Committee for the Development of Retail Activities;

- Industrial Plan Committee and Strategic Marketing Plan Committee;
- Procurement Committee;
- Quality Committee;
- Intranet Committee;
- Committee for the Operation of the Energy Management System;
- Committee on Safety, Labour and the Environment;
- Airport Terminals Observatory;
- Company Audits Workgroup;
- Administrative Procedures Workgroup.

**SAGAT HANDLING S.p.A.**

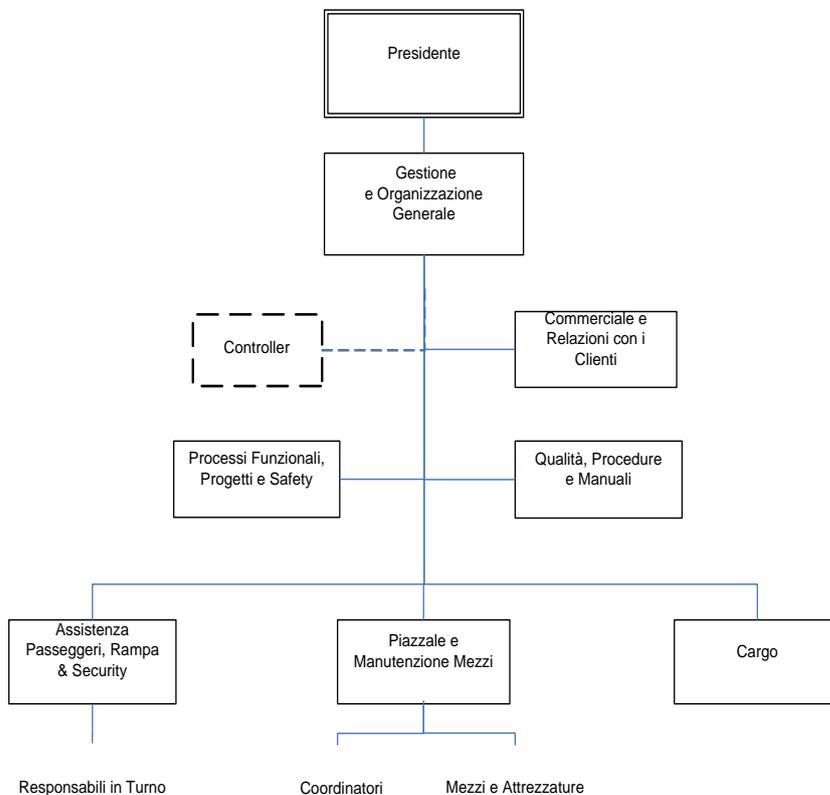
Starting from 2001, in compliance with Legislative Decree 18/99, handling services (meaning assistance on the ground involving passengers, cargo and aircraft) were liberalised, being opened up to free competition. The company SAGAT Handling, a 100% owned subsidiary of SAGAT, was established on 1 October 2001 to operate services of assistance on the ground.

The company, which is 100% controlled by SAGAT and had 140 employees as of 31 December 2017 (125.40 FTE), provides handling services to its client air-travel companies: check-in, boarding and disembarkation of passengers, loading and unloading of baggage, cargo and mail, on-board cleaning, transport of equipment and activities of assistance while planes are parked.

The SAGAT Handling organisation is geared towards achieving total punctuality and recovering time lost in transit, all in compliance with safety procedures and the standards of air transport.

In 2008, SAGAT Handling S.p.A. obtained from Italy’s ENAC civil aviation authority certification as a “Supplier of Airport Ground Assistance Services”, fulfilling an indispensable prerequisite for providing the services referred to under Legislative Decree 18/99 and ENAC Memorandum APT02B.

The company’s structure is illustrated below:



## **AEROPORTI HOLDING S.r.l.**

As of 31 December 2017, the company, which has no employees, owned 5.91% of the shares of the company that manages the Bologna Airport.

## **CODE OF ETHICS, ORGANISATIONAL MODEL 231 AND OVERSIGHT BODY**

On the occasion of the meeting of the Board of Directors of 27 November 2002, SAGAT S.p.A. approved the Code of Ethics, together with its first Organisational Model based on Legislative Decree 231/2001.

The Code of Ethics defines the moral and professional values, together with the responsibilities and commitments, that shareholders, directors and employees are required to meet in carrying out business operations and company activities.

The pertinent ethical principles established in the Code must also underlie the conduct of customers and suppliers that come into contact with the Group.

The SAGAT Group is convinced that maintaining the Group's internal and external relations on a high moral footing, while creating a positive corporate reputation, all has a positive effect on investments by shareholders, customer loyalty, the capacity to attract the best human resources, to keep suppliers content, to win the confidence of creditors and to organisation working activities in an effective and efficient manner.

Anyone may report in writing to the Internal Audit Service any violation of the Code of Ethics, at which point the Service shall analyse the report and, if necessary, hear from the individual who wrote it, all while ensuring that his or her identity remains confidential.

The Model for Organisation, Management and Organisational Control contemplated under Legislative Decree 231/2001 (hereinafter, Model 231) is a structured, organic system of prevention and control designed to contrast the perpetration of the crimes listed under the decree in question by subject who operate in the name and/or on behalf of SAGAT S.p.A. and SAGAT Handling (directors, managers employees and outside staff).

In July 2004, the Boards of Directors of the two companies, seeking to emphasise their intention to reinforce their systems of internal control, resolved to establish an Oversight Body, in accordance with the provisions of Legislative Decree 231/2001, each Body with independent powers of initiative and control.

As of 31 December 2017, the members of the Oversight Body of the two companies were:

### **SAGAT S.p.A. Oversight Body**

Devis Bono (Chairman)  
Lorenzo Ginisio  
Michele Barbero

### **SAGAT Handling S.p.A. Oversight Body**

Paolo Venero (Chairman)  
Lorenzo Ginisio  
Michele Barbero

Anyone may send reports to the Oversight Body using the e-mail address [odv@sagat.trn.it](mailto:odv@sagat.trn.it) or, for SAGAT Handling, [odv.sh@sagat.trn.it](mailto:odv.sh@sagat.trn.it).

## **INFRASTRUCTURE**

### **Features**

Runway	3,300 metres
Passenger terminal	57,000 square metres

Parking Capacity for 3,000 vehicles

### Continuous services

Operating hours 24/7  
Assistance Passengers/cargo  
All types of aircraft  
Radio navigation system ILS-CAT3B continuous operation under conditions of scarce visibility

### Airport capacity

Movements per hour 28  
Passengers 6 million  
General aviation  
Cargo terminal

### Emergency services

Snow squad crew of 92 workers  
For 7 years, operations never shut down on account of snow  
Fire-fighting service able to handle situations up to the highest ICAO category

### Retail offerings and services

- 24 stores
- Duty-free
- 11 food service establishments
- 1 bank
- currency-exchange office
- supermarket
- 9 car-rental outlets
- car-sharing
- Baby Lounge
- Piemonte Lounge
- meeting room
- free, unlimited Wi-Fi
- general air-travel ticketing service
- travel agency
- counter for groups
- services for the disabled (reserved parking, Welcome Room, poles for requesting assistance)
- infirmary open 24 hours a day
- pharmacy
- 3 rooms for worship
- Fast track priority

## CONTEXT

### OPERATIONS IN THE WORLD OF AIRPORTS

Airports are infrastructures serving collective transport, and therefore tools that provide a public service of crucial importance to their surrounding territories.

Air travel and airport management operate within a framework of national and international regulations that is highly refined and complex, including measure stipulated at the ministerial level for setting airport fees and charges.

The large number of enterprises involved, the complexity of their interrelations and the rules and standards that govern their conduct are often little known and far from clear. Using a simplified outline that does not cover every single aspect, the supply of airport services can be traced to the joint contributions of:

1. Air-travel companies;
2. The suppliers of services to the air-travel companies, including:

- 2.1 the handlers, who provide services on the ground to aircraft, people and cargo.  
The handlers take care of the phase of check-in, boarding and disembarkation of the passengers, as well as the loading and unloading of their baggage and the movement of cargo passing through the airport. In the course of dealing with baggage, the handlers also manage Lost & Found offices and procedures. Additional services are assigned to handlers by the air-travel companies, including cleaning inside the aircraft, the supply of drinking water etc..  
There are two competing handling companies that operate on a free-market basis at Torino Airport: SAGAT Handling, a company of the SAGAT Group that had a market share of 69.6% in 2017, and Aviapartner, which accounts for the remaining 30.4%;
- 2.2 the caterers, meaning the companies that supply the food for the aircraft;
- 2.3 the fuel-supply companies.
3. The manager of Torino Airport, SAGAT (Società Azionaria Gestione Aeroporto Torino), which is responsible for:
- the planning, construction and maintenance of the infrastructures tied to air traffic (such as the runway and the aprons);
  - the buildings used by passengers and airport operators (the air terminals with their commercial areas, parking facilities, office and systems);
  - management of the boarding and disembarkation bridges, and the aprons for parking aircraft;
  - the baggage distribution system with the conveyor belts for returning luggage (placed on the belts by the handlers);
  - systems for airport information and information to the public;
  - security controls on passengers departing and in transit and on their baggage, performed either directly by SAGAT or indirectly, by specialised companies;
  - assistance to passengers with reduced mobility;
  - management of emergencies.
4. The commercial operators that provide their services, such as food service, car rental and the sale of a variety of other goods and services;
5. the Border Police, Customs Agency and Treasury Police, who perform their respective controls on passengers, baggage, cargo and airport operations;
6. fire-fighters, who provide specialised assistance with aeronautical operations;
7. ENAV (the Italian Civil Aviation Authority), which provides the air-traffic control service, plus other services of critical importance to air travel, such as authorisation for the moving, taxiing and take-off of aircraft.

There are other national and international bodies that regulate and oversee the sector. The main ones include:

- ICAO (International Civil Aviation Organization): sets the standards and procedures for the orderly, safe development of international civil aviation;
- IATA (International Air Transport Association): the international association of air-travel companies supports the business policies of the companies, offering them cooperative services;
- The Ministry of Infrastructures and Transportation: its General Department of Airports and Air Transport oversees the governance of civil aviation and the regulation of the European-Community and international sectors, with further functions of strategic guidance, oversight and control of organisations and enterprises in the sector;
- ENAC (the Italian Civil Aviation Authority): the sole civil aviation regulatory authority in Italy, it is responsible for oversight and enforcement of the regulations and standards enacted, as well as for governance of the administrative-economic aspects of the air-transport system;
- ASSOCLEARANCE: the independent association assigned by the Italian state to perform the tasks involved in allotting time slots to air carriers;

- ART (the Transportation Regulation Authority): an independent administrative authority responsible for regulation of the transport sector.

### THE OPERATING AGREEMENT WITH THE ENAC AND THE PROGRAM AGREEMENT

On the date of 8 October 2015, SAGAT and the ENAC, the Italian Civil Aviation Authority, signed an operating agreement governing relations pertinent to the management and development of the air-station activities of Torino Airport, including those involving the planning, the construction, the concession for use, the maintenance and the operation of the systems and infrastructures instrumental to carrying out such activities.

The signing of the operating agreement – already called for under Law no. 914/1965, which privatised the Torino Airport, but never implemented on that particular point – marked the achievement of an historic objective by SAGAT, establishing an instrument that gave value to the Company by establishing a clear set of rules for the operating concession and lending stability to the role of the manager.

In fact, the operating agreement runs through August 2035, with the possibility of an extension to 2055, calling for almost 150 million euro in investments to be distributed throughout the period 2015-2035, of which 6.4 million were already invested in 2017.

The Program Agreement for 2016-2019, signed in October 2015 with the ENAC, calls for investment of more than 29 million and includes commitments by SAGAT in terms of environmental defence and quality of service.

### POSITIVE ECONOMIC AND EMPLOYMENT-RELATED FALLOUT ON THE SURROUNDING AREA

Airports are one of the key elements in strategies and policies of economic development on both the national and local scales, constituting a major competitive advantage for the area in which they are found, on both the European and world levels, with the increased competitive strength serving as a driving force for the growth of social wellbeing in the surrounding territory.

The presence of an airport generates various types of economic impact:

- **direct:** featuring the employment, income and value-added generated by activities directly related to airport operations, such as activities tied to carriers, air traffic controllers, general aviation, handlers, security, customs and maintenance;
- **indirect:** as a result of the business activities of the enterprises involved in airport operations. This value includes all activities that occur downstream of operations of airport management and aviation in general, such as the portion of oil company business attributable to aircraft fuel, the activities of travel agencies, catering services etc.;
- **secondary:** understood as the impact generated by the income produced by those employed in the aeronautical sector on other economic sectors;
- **catalytic:** referring to the broader array of economic benefits tied to the presence in a given area of efficient air terminals.

An airport can thus have a very positive impact, in terms of employment and income produced, on its surrounding area.

In the case of Torino Airport, it serves as a “catalyst” for industrial, retail and tourism enterprises, as well as cultural institutions, making it a noteworthy strategic asset for the area in which it operates.

### The Blue Air base

Of particular importance among direct economic impacts is the opening in Turin, by the Romanian carrier Blue Air, of its first operating base outside of Romania.

Starting from 2015, the number of aircraft based at Torino Airport went from 1 to 4, while more than 100 people were hired by the carrier, including pilots, stewards and support staff for the base in Turin, which serviced a network of 20 direct destinations in 2017.

## INTANGIBLE ASSETS

In drawing up its Corporate Social Responsibility Report, the SAGAT Group - in keeping with its decision to follow the Piedmont Method – takes inventory of its intangible assets, which consist of all the non-accounting variables that make it possible to monitor the effectiveness of the Company's strategy for creating value in the short, medium and long terms. The key objective of this process is to move beyond the basic concept of an enterprise that produces goods and services, in order to adopt the perspective of a producer of a certain business culture.

There are many advantages to measuring and reporting on intangibles, and they benefit the full range of figures in a given enterprise:

- management is able to interface with key indicators, and not merely monetary ones, in order to periodically monitor and assess the achievement of the Company's strategic objectives;
- the human resources, who are highly motivated by the realisation that they represent one of the main driving forces (if not the single most important one) behind the creation of value for the Company;
- the stakeholders, to whom the Company channels parameters and information above and beyond that found in the obligatory economic summaries of the year-end financial statements, are able to better understand and evaluate the Company's growth, efficiency and stability.

The intangible assets of a company can be divided into three categories:

- **the human capital**, or the capital truly capable of allowing a company to grow, innovate and compete within the economic system in which it operates;
- **the relational capital**, meaning the network of intangible connections between the company and the outside world;
- **the structural capital**, which consists of the sum total of the know-how, the capacity for innovation and research, the efficiency of internal procedures and the consistency and cohesiveness of management.

Listed below are the indicators for human capital and relations, taken from Research Tool no. 8 for Group Social Responsibility Reports, "Social Responsibility Reporting of Intangibles", and processed on the basis of the specific profile of SAGAT, its mission and its strategic guidelines for action, as well as the specific context in which it operates. Inside the document, the presentation of each of the indicators listed below can be found by noting the presence, in the paragraph, of the following symbols:

Symbol	Category
	Human capital

	Relational capital
	Structural capital

## HUMAN CAPITAL

The human capital is the sum total of the knowledge, skills and capabilities of the individuals who work inside the organisation. It constitutes the single most important strategic factor for the pursuit of the organisational mission, seeing that it consists of the features and qualities of the human resources, as well as the capacity to manage those resources in accordance with adequate policies.

The symbol selected to identify the indicators of human capital within the Corporate Social Responsibility Report is that of the marshaller, a professional figure of noteworthy importance inside an airport, seeing that he or she provides the pilot with the visual indications for manoeuvring the aircraft on the ground.

 <b>Human capital</b>		
CHART ILLUSTRATING INDICATORS		
INDICATOR	DESCRIPTION	PAGE REFERENCES
Break-down of the personnel	Numbers and percentages of employees broken down by category, type of contract and qualifications	62, 63
Distribution of personnel by gender	Percentages of women and men out of total personnel	62
Average age of personnel	Average seniority of personnel	63
	Age group in which the majority of the personnel are concentrated	63
Index of level of education of personnel	Percentages of employees by level of education	63
Beneficiaries of training initiatives	Numbers and percentages of employees who have benefitted from training initiatives	65
Benefits for employees	Numbers who have benefitted from expense reimbursements for day care, children's gift package and summer camps	67

## RELATIONAL CAPITAL

Relational capital is defined and limited by the sum total of all the subjects with which, for various reasons, the company maintains relationships that have a direct or indirect impact on its primary economic variables.

Within the framework of a community or groups of stakeholders or other networks, relational capital consists of the institutions and relationships created, as well as the capacity to share information with the different subjects involved.

The symbol selected to identify the indicators of relational capital within the Corporate Social Responsibility Report is that of the control tower, seeing that it manages and coordinates air traffic, together with the various aeronautical operations that take place in an airport.

<b>Relational capital</b> 		
<b>CHART ILLUSTRATING INDICATORS</b>		
<b>INDICATOR</b>	<b>DESCRIPTION</b>	<b>PAGE REFERENCES</b>
Institutional map of relations	A succinct illustration of relationships with stakeholders, based on levels of efficiency and effectiveness	10
Information initiatives	Organisation of roundtables, workshops, conferences, seminars, meetings etc.	29, 31
Media relations	Communication events and promotional campaigns	29
Events in collaboration with outside partners	Events planned and/or organised in collaboration with outside partners	29, 30, 31, 32
<b>CUSTOMERS/USERS</b>		
Numbers of users/clients	Numbers of passengers and carriers	43, 44, 45, 46, 47
Customer loyalty	Incentive systems promoting customer loyalty	48, 49
Quality of customer/user-organisation relation	Analysis of quality, perceived and received, in terms of different aspects of the service: <ul style="list-style-type: none"> <li>• face-to-face interviews to gauge customer satisfaction</li> <li>• periodic monitoring of performance</li> <li>• analysis of data recorded by the Airport's information systems</li> </ul>	33, 34, 36, 72
Complaints	Number of formal complaints from customers/users	38
<b>PUBLIC INSTITUTIONS AND SUBJECTS</b>		
Shareholder relations	Levels of shareholdings of public entities in SAGAT	11
Compliance with regulations and statutes	Procedures for legislative compliance	70, 71
Joint projects with the public administration	Joint projects with government bodies and authorities	55, 57
<b>SUPPLIERS AND FINANCIAL INSTITUTIONS</b>		
Relations with suppliers	Procedures for selecting suppliers	70, 71

Timing of payments	Average duration of commercial debt	71
Local fallout	Impact of suppliers in the local area	71
<b>THE ENVIRONMENT</b>		
Safeguarding animals	Birdstrike Risk Index 2	40, 41
Acoustical impact	LVA parameter	55, 57
	Noise-abatement procedures	58
Electric energy	Tonne of oil equivalent (Toe) per energy source	53
Water resources	Consumption of drinking water	60
Urban waste	Waste collected at the Airport	60
	Volumes of undifferentiated waste	61
<b>COMMUNITY</b>		
Donations	Joint charity efforts	30
Figures invested in infrastructures	Investments and depreciation of assets for environmental purposes	26

## STRUCTURAL CAPITAL

Structural capital, which is being considered for the first time in this edition of the report, consists of the sum total of the organisation's know-how and its capacity for innovation, as well as the efficiency and the consistency of its internal culture with its strategies.

SAGAT focusses its efforts on the transport needs of the area served, while also working to bring the Airport closer to the local territory, in direct contact with residents. Over the years, we have hosted the best possible cultural experiences inside the Airport infrastructure, with the goal of making the Airport a site that attracts even non-passengers.

<b>Structural capital</b> 		
<b>CHART ILLUSTRATING INDICATORS</b>		
INDICATOR	DESCRIPTION	PAGE REFERENCES
Databanks of use in public relations activities	Number and types of databanks of use in monitoring main categories of stakeholders and opinion leaders	29
Electronic communications	Number of users who subscribe to newsletter	29
Working agreements with other organisations	Number of working agreements signed with other organisations	29
Operating agreements	Number of operating agreements underway	29, 66

# ECONOMIC OVERVIEW

## MAIN ECONOMIC INDICATORS FOR THE SAGAT GROUP

A summary of the main economic indicators for the Group is shown below, together with a comparison to the figures for the previous year.

### AVIATION INCOME AND HANDLING INCOME

As explained in the chapter on Identity, the activities carried out by SAGAT as airport manager may be broken down into those directly aimed at airport management and instrumental to air transport (aviation business) and those related to retail activities at the airport (non-aviation or extra-aviation business). In the former case, the fees paid by carriers are governed by specific regulations, while in the latter case the fees may be determined freely by the parties.

The activities carried out by SAGAT Handling relate to ground support to the aircraft and services offered to passengers and cargo (handling and aviation).

Thousands of euro

	2017	2016	% VAR.
<b>Aviation</b>	<b>39,384</b>	<b>35,876</b>	9.8%
of which:			
Fees	27,621	23,244	18.8%
Centralised infrastructures	1,677	3,260	-48.6%
Assets used jointly	-	54	-100%
Security	8,776	7,902	11.1%
Aviation assistance (PRM and luggage)	1,310	1,416	-7.5%
<b>Handling</b>	<b>9,732</b>	<b>11,216</b>	<b>-13.2%</b>
of which:			
Assistance	9,015	10,431	-13.6%
Cargo operations	718	785	-8.6%

The year 2017 saw aviation income increase by 9.8%, both on account of the increased traffic registered by the airport, as described in the pertinent section of the Corporate Social Responsibility Report, and as a result of application for the entire year of the new fee rates that went into effect following approval of the 2016-2019 Fee Plan by the Transportation Regulation Authority, in implementation of the new measures governing airport charges.

### NON-AVIATION INCOME

Of particular note in terms of non-aviation income, which increased by 3.1% overall compared to last year, for a total of 17.335 million euro, was income from sub-concession holders and services related to parking.

Thousands of euro

	2017	2016	% VAR.
<b>Non-aviation</b>	<b>17,335</b>	<b>16,809</b>	<b>3.1%</b>
of which:			
Non-aviation assistance	1,007	980	2.8%
Issue of tickets	385	361	6.7%
Sub-concessions/retail/food service	4,325	4,320	0.1%
Sub-concession operations	2,124	1,861	14.1%
Sub-concession spaces	2,195	2,222	-1.2%
Parking	6,163	5,970	3.2%
Advertising	1,135	1,095	3.7%

## OTHER INCOME

Other income totalled 3.523 million euro, showing a noteworthy increase compared to the 1.337 million euro recorded in 2016.

This result is attributable to the presence in 2017 of extraordinary, non-recurring components totalling approximately 2 million euro more than in the year 2016.

## KEY ECONOMIC INDICATORS

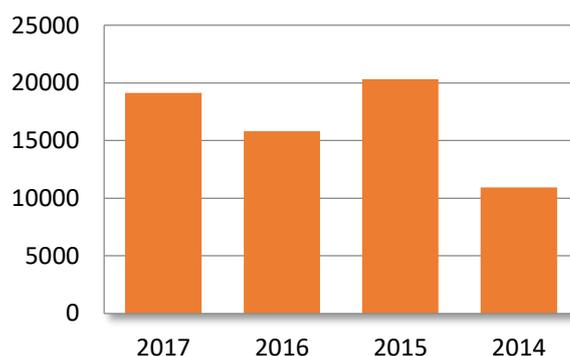
The table and the graphs below show certain key economic indicators from the consolidated financial statements of the SAGAT Group for the year 2017, compared with the 3 previous years.

The Group's net profit for the year stood at 11.187 million euro, for an increase of 4.426 million euro compared to the net profit of 6.761 million euro registered in the previous year.

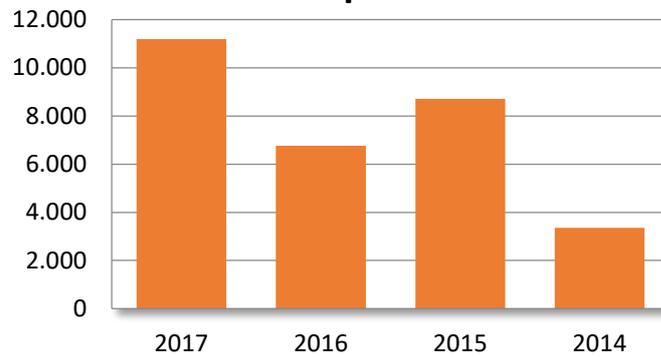
Thousands of euro

	2017	2016	2015	2014
<b>GOM</b>	19,147	15,813	20,320	10,942
<b>Net profit</b>	11,187	6,761	8,709	3,357
<b>ROI</b>	27.68	24.76	22.93	3.25
<b>ROE</b>	21.80	12.96	18.29	7.33

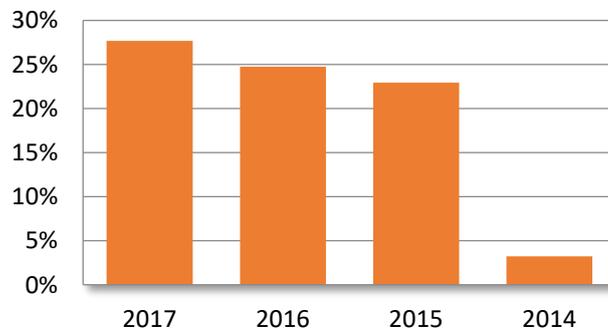
## GOM



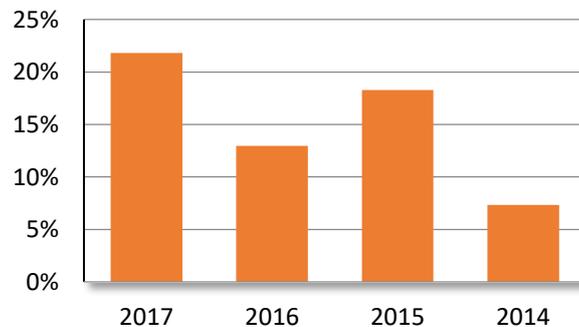
## Net profit



## ROI



## ROE



### ECONOMIC VALUE CREATED

The financial statements are made up of the balance-sheet, income statement and notes, and provide a true and accurate presentation of SAGAT Group's financial position.

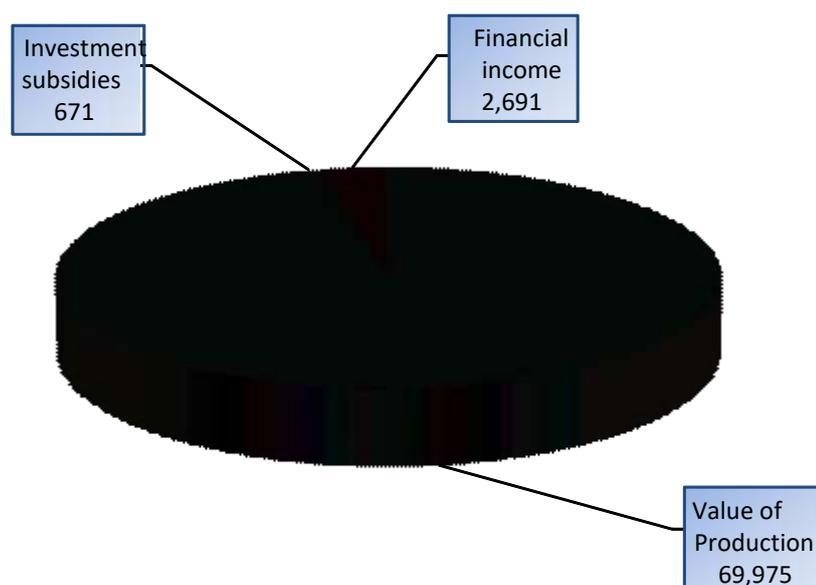
The Corporate Social Responsibility Report is meant to present the same figures, but seen from a different viewpoint based on the concept of economic value, i.e. a quantification of the wealth created by the Company in a given timespan. The review of how this economic value is created and, above all, how it is distributed, gives an idea of the Group's social importance for the territory.

The SAGAT Group identifies as economic value created the sum total of consolidated revenues and financial proceeds earned in the year in question. In 2017, these totalled 73.337 million euro and consisted primarily of the value of production, which amounted to 69.975 million euro. The economic value created also included both the residual accrual of the grants received from the Piedmont Region and from the ENAC for the investments made to improve airport infrastructures in preparation for the 2006 Turin Olympic Games, equal to 671 thousand euro in 2017, and the positive balance of the Group's financial operations.

Thousands of euro

	2017	2016	ABSOLUTE VARIATION	%
Value of production	69,975	65,238	4,737	7.3%
Investment subsidies	671	671	-	0%
Financial income	2,691	388	2,303	N/A
<b>Economic value created</b>	<b>73,337</b>	<b>66,297</b>	<b>7,040</b>	<b>10.6%</b>

## Economic value created



## ECONOMIC VALUE DISTRIBUTED

In the course of its business operations, the SAGAT Group continually interfaces with its stakeholders, making it possible to quantify the economic value created and “distributed” to certain stakeholders, including:

- human resources, through the payment of wages and all the contributions related thereto;
- vendors, that are paid in following purchases of their products and services;
- the Public Administration, through the payment of current taxes, tax charges, concession fees;
- the community, including the costs and depreciation of major investments in environment protection, sponsorships, donations and collaborations with local agencies, local taxes and local concession fees;
- financiers and shareholders, through the distribution of dividends and the payment of interest on borrowed funds.

Therefore, the amount and destination of the economic value distributed are a meaningful parameter to assess the social benefit that SAGAT Group contributes to achieving, as it is perceived by its stakeholders and by the local community. In 2017, it amounted to 65,378 million euro, for an increase of 19.2% compared to the same value for 2016:

Thousands of euro

	2017	2016	ABSOLUTE VARIATION	%
Compensation of suppliers	26,732	25,720	1,012	3.9%
Compensation of human resources	20,497	20,713	(216)	-1%
Compensation of the Public Administration	7,037	5,679	1,358	23.9%
Compensation of the shareholders	10,731	2,202	8,529	387.3%
Community	229	306	(77)	-25.1%
Compensation of financers	151	209	(58)	0%
<b>Economic value distributed</b>	<b>65,378</b>	<b>54,830</b>	<b>10,548</b>	<b>19.2%</b>

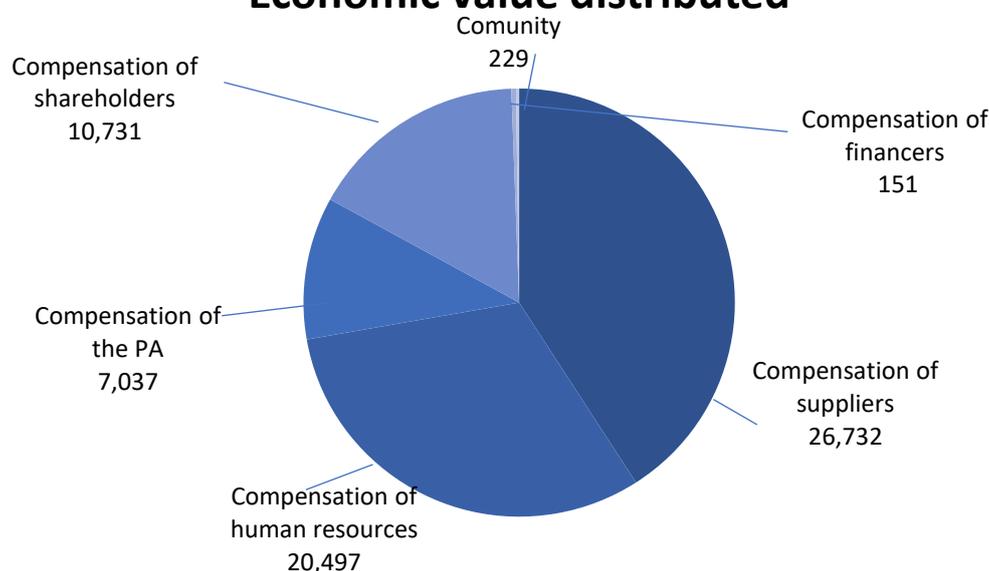
In the case of suppliers, meaning the recipients of all costs incurred on purchases, maintenance, utilities and services, they received 26,732 million euro, an increase of 3.9% over the previous year, while human resources received 20,497 million euro, 1% less than in 2016.

The portion of the economic value from which the Public Administration benefitted was equal to 7,037 million euro in 2017, for an increase of 23.9% compared to 2016, while the portion of the net year-end result for 2017 allocated to compensation of the shareholders was 10,731 million euro.

The economic value distributed to the community, inclusive of the depreciation of the most significant assets likely to have an effect on the environment (approximately 172 euro in 2017), local taxes and contributions and donations to local entities, amounted to 229 thousand euro in 2016, down from the previous year.



### Economic value distributed



## ECONOMIC VALUE RETAINED

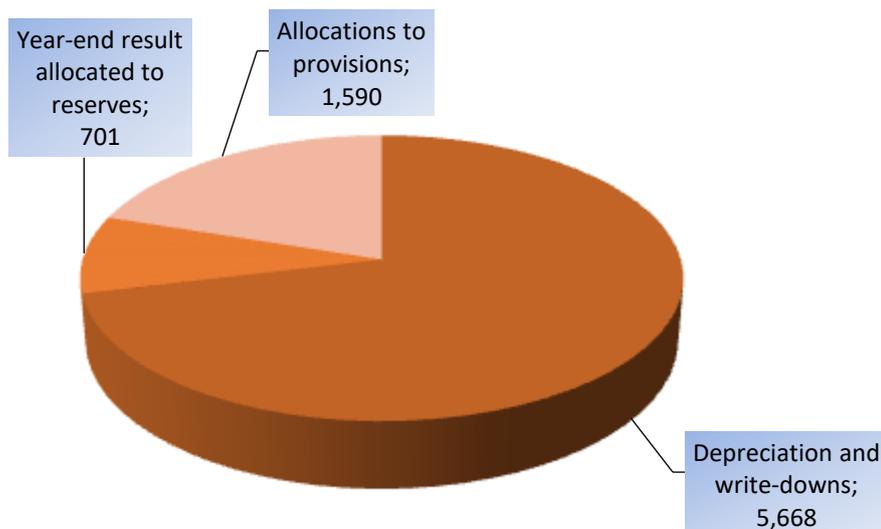
The difference between economic value created and economic value distributed are those accounting entries that do not generate financial transactions, such as allocations to provisions, value adjustments/reinstatements, net balance of valuation activities, current taxes, deferred income tax assets and liabilities, and the portion of profit allocated to reserves. This difference is the economic value that is not distributed, or, in other words, that is retained.

The economic value retained for the year 2017 is equal to 7,959 million euro, down 30.6% from 2016. The variation is traceable to the increased provisions for 2017, to the decrease in the portion of the net profits for 2017 allocated to reserves and to the lower depreciation and write-downs compared to the previous year.

Thousands of euro

	2017	2016	ABSOLUTE VARIATION	%
Depreciation and write-downs	5,668	6,355	(687)	-10.8%
Year-end result allocated to reserves	701	4,702	(4,001)	-85.1%
Allocations to provisions	1,590	409	1,181	288.8%
<b>Economic value retained</b>	<b>7,959</b>	<b>11,467</b>	<b>(3,508)</b>	<b>-30.6%</b>

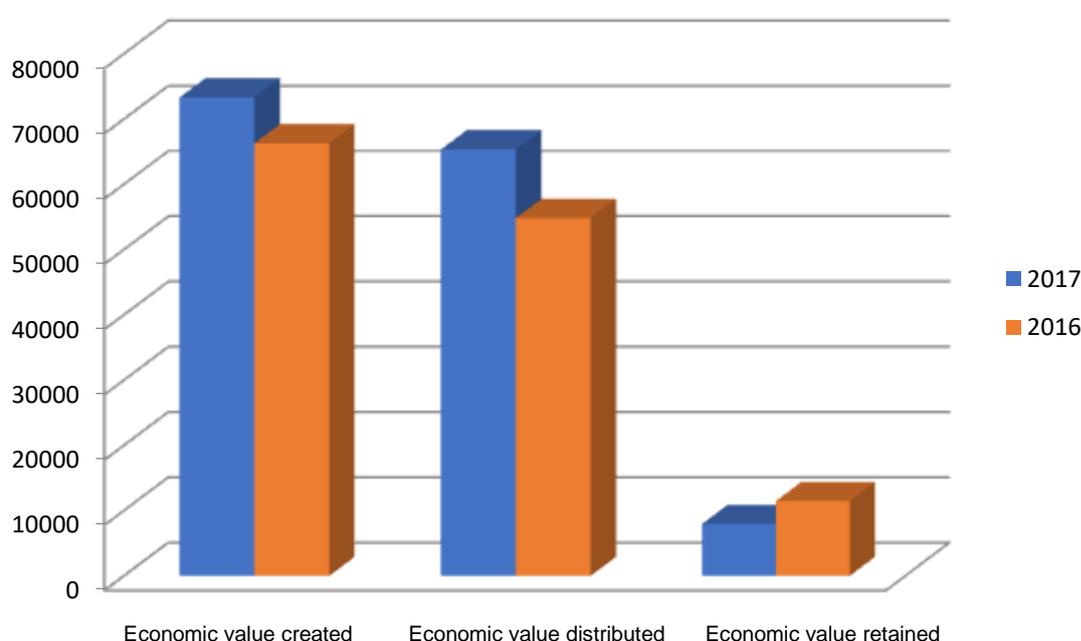
### Economic value retained



Thousands of euro

	2017	2016	ABSOLUTE VARIATION	%
Value of production	69,975	65,238	4,737	7.3%
Investment subsidies	671	671	-	0%
Financial income	2,691	388	2,303	NA
<b>Economic value created</b>	<b>73,337</b>	<b>66,297</b>	<b>7,040</b>	<b>10.6%</b>
Compensation of suppliers	26,732	25,720	1,012	3.9%

Compensation of human resources	20,497	20,713	(216)	-1%
Compensation of the PA	7,037	5,679	1,358	23.9%
Compensation of the shareholders	10,731	2,202	8,529	387.3%
Community	229	306	(77)	-25.1%
Compensation of financiers	151	209	(58)	0%
<b>Economic value distributed</b>	<b>65,378</b>	<b>54,830</b>	<b>10,548</b>	<b>19.2%</b>
Depreciation and write-downs	5,668	6,355	(687)	-10.8%
Year-end result allocated to reserves	701	4,702	(4,001)	-85.1%
Allocations to provisions	1,590	409	1,181	288.8%
<b>Economic value retained</b>	<b>7,959</b>	<b>11,467</b>	<b>(3,508)</b>	<b>-30.6%</b>



#### DEVELOPMENT IN THE PERIOD 2014-2017

As part of the drafting of this edition of the Corporate Social Responsibility Report, an effort was made to take a more all-encompassing look at the values that characterised the period of 2013 to 2017. In terms of the economic overview, the following table compares the performance of the three most socially significant economic values for the period 2013-2017.

	2017	2016	2015	2014	CAGR 2014-2017
<b>Economic value created</b>	73,337	66,297	68,290	58,162	8%
<b>Economic value distributed</b>	65,378	54,830	50,126	41,797	16%
<b>Economic value retained</b>	7,959	11,467	18,163	16,364	-21.4%

# SOCIAL RESPONSIBILITY REPORT

## COMMUNICATIONS AND MEDIA RELATIONS

Torino Airport constantly promotes its own network of destinations, as well as joint initiatives with its partners, using all available means of communication, including:



- advertising campaigns to highlight the flights offered at the Airport, covering the territory of Piedmont and, in some cases, reaching as far as Liguria, to take in the Airport's entire catchment area. In addition, joint campaigns with air carriers have been undertaken to promote flights to and from Turin;



- press releases and press conferences to announce new routes, the achievement of important company objectives, the opening of new stores at the Airport and the start of working relationships and partnerships, drawing on all the means of communication at its disposal, including more than 30 different media and institutional databases;



- newsletters sent both to the various mailing lists of final clients and to travel agencies to publicise seasonal networks, promotions on flights and parking, so that they reach an audience of more than 47,500 passengers and 830 travel agencies, plus communication of new developments and promotions over the channels made available by institutional bodies and partner companies;



- digital PR activities, in collaboration with partners, to promote the Airport and the use of its network of flights to arrive at the most important local events, which every year draw visitors from all over Italy and abroad, and to extend the reach of SAGAT's advertising campaigns, using the social-media channels made available by partners to promote Turin as a tourist destination.

## ACTIVITIES WITH THE SURROUNDING AREA

SAGAT continues its efforts to reinforce and further develop relations not only with passengers and those who accompany them to the Airport, but also with the different realities of the local area, including neighbouring towns, schools, charitable and cultural associations and organisers of events, contributing its efforts to the most significant local events while using all channels of communication to promote its flight offerings, new retail developments and initiatives taken in favour of the public and the passengers.

In this way, Torino Airport continues to position itself increasingly as a site to experience, rather than simply pass through, thanks to numerous new initiatives that allow the public to take advantage of the Airport structure for more than just flying, while, at the same time, adding further enjoyment to the travel experience of passengers.

The management company in charge of Torino Airport has continued to cultivate direct relations with companies, organisations and local governments, strengthening the idea of the Airport not only as a valid tool for getting to know the world, for doing business, for traveling and discovering new destinations, but also as a showcase able to lend visibility to local companies and initiatives of excellence.



SAGAT and its cultural, institutional and sports partners in the local area have benefitted from reciprocal visibility while undertaking numerous initiatives, thanks to the more than 15 working agreements signed in 2017, plus the 10 affiliation pacts whose benefits have reached all employees.

Relations with the local area have been developed by:



- **promoting the network of flights at event locations:** in recent years, Torino Airport has established close relations with the highest profile subjects in the local area, participating in key events while finding new opportunities to increase its visibility and reinforce its presence through direct contact with the public. In 2017, the Airport took part in:
  - the Turin Book Show, fully branding its exhibition booth, as well as the space set aside for encounters and direct marketing activities in the BABEL international area;

- the Turin Car Show, with a booth for the distribution of promotional materials;
  - the Collisioni Festival, with a booth publicising the “Give Yourself the World” campaign;
  - the Sottodiciotto (“Under Eighteen”) Film Festival, with promotion of the network of flights through a contest that challenged young video-makers to create a work dedicated to one of the destinations reached by flights from Torino Airport;
  - Tuttadritta and the Turin Marathon, through the distribution of information materials on the flights offered.
- **Improving the passenger experience by jointly organising events and initiatives in the Airport** with local leaders from the worlds of culture, art and sport, in order to turn the Airport into a stage for its passengers.



The following events were held in 2017:

- with Thales Alenia Space, an exhibition area on successful space programs, marking the event “Turin Space City” and featuring exposition in the IXV, or Intermediate Experimental Vehicle, the European atmospheric re-entry simulator, plus a mock-up of ExoMars, the European program for the exploration of the Planet Mars, positioned in the departures area, next to the security checkpoints, and on the balcony of the Boarding Lobby;
- with the Parco Valentino Auto Show, hosting of the exhibit “The Masters of Automotive Design from the Parco Valentino Auto Show on Display at Torino Airport”, featuring the prototypes and plans of designers in an exhibit held at the Airport;
- with the National Film Museum of Turin, renewing the materials on display at the permanent exposition in the arrivals area;
- with the Luxemburg book store, the BookCrossing station found in the Boarding Lobby, offering a selection of 100 titles made available to domestic and international passengers of all ages;
- with the Turin University Sports Centre, for set-up in the new retail concourse of the Boarding Hall of the interactive station “Wellness Techniques to Prepare for Flying”, a totem-pole display to help passengers relax before their flights;
- with the IGAV – the Garuzzo Institute of the Visual Arts – for the “FLY ART” project, an exposition of the works of modern Italian artists in the Boarding Lobby and in the Piemonte Lounge, with the goal introducing the artists to an international public;
- with Turin's Teatro Regio opera house, for “The Torino Airport Musical Season with the Teatro Regio”, holding concerts open to everyone in unaccustomed setting of the Boarding Lobby, adding a distinctive touch to the trips of passengers, while allowing non-travellers attending the concerts to discover the Airport to a backdrop of music;
- in collaboration with the Turin Music Festival Movement and with the *La Stampa* daily paper, for the event “La Stampa SoundJourney”, the first time a live performance of electronic music had been held for an audience preparing to take off;
- with Baladin, for a concert by pianist Matthew Lee, to mark the opening of the beer and hamburger establishment “Baladin Caselle Aeroporto”, and for a Christmas gospel concert with the group “Michael Smith and Friends”.



**Airport spaces made available to give visibility to charitable events and associations:**

- a welcome desk and publicity panels on the occasion of the major events that draw international

travellers to the Airport: Artissima, the International Lions Convention, the World Chambers of Commerce Convention, the Labour Festival, the Turin Film Festival and the View Conference;

- in September 2017, for a summit of the Ministers of Industry, Science and Labour, Torino Airport did its part to welcome the delegates by making available a room in the General Aviation Terminal; also in 2017, the Airport hosted the General Council of the industrial Union of Turin;
- logistical assistance was made available to the City of Turin for the TODays Festival and the event Jazz Refound, and to showcase the Turin Contemporary Art Exhibit, as well as to the Turin Repertory Theatre and to the Club2Club event, along with arrangements providing visibility at the Airport to Movement and the Kappa Future Festival;
- the sports initiative “Just the Woman I Am”, organised by the Turin University Sports Centre in support of research, was given visibility;
- the towns of Ciriè, Nole, San Francesco and San Maurizio were lent space and visibility to promote the International Street Theatre;
- promotion, together with Blue Air, of the “Volans” project of the Levi Montalcini association and the Au.Di.Do non-profit group for the self-sufficiency of the diversely able, as 25 mentally disabled guests were able to fully experience at the Airport, in an event designed especially for them, the world of aircraft and aviation, aboard a Blue Air plane that eliminated all barriers of architecture and cognition;
- inside the Airport, continued visibility was given to the fundraising initiatives of social welfare associations such as the Italian Association to Fight Muscular Dystrophy and the Telethon, in collaboration with Assaeroporti, as well as the campaigns “Travelling Safe” and “Johnny: a consumer’s journey through rights denied, the sharing economy and new purchasing channels”. Also continuing was the working relationship with the Advisory Board for Individuals in Difficulty, for the transport of individuals with reduced mobility to and from the Airport, while the working relationships with the national Italian associations to fight leukaemia and muscular dystrophy, to increase the visibility of their campaigns;
- finally, Torino Airport served as the set for a promotional video for UNIDO, in a welcome to the delegates to the event Entrepreneurs For Social Change, who met in Turin in October.



#### **Events for the development of outgoing and incoming tourism:**

- through the event “Torino Airport Meets Travel Agencies”, organised in January with the goal of spreading word of the new additions to the network of flights and favouring b2b encounters between travel agents, air-travel companies and tour operators. Organised as a road show, the event was held in three stops in 2017 (Cuneo, Turin, Asti and Alessandria), in order to maximise the participation of travel agencies in provincial areas;
- meeting with buyers from Northern Europe, Canada and the United States who had come to Piedmont to take part in the “Pre-tour TTG Encounters” organised by the Piedmont Region;
- supporting the arrival of English golf agents, in collaboration with the Royal Park i Roveri, in order to make Turin known as a golfing destination;
- hosting an education session for journalists from St. Petersburg, organised by DMO Piedmont and welcoming a delegation from Seville, in collaboration with Visit Seville, Blue Air, Turismo Torino and the City of Turin;
- promoting presentations of the local features of Piedmont in Seville, in collaboration with Turismo Torino, plus support of an event in Copenhagen, together with DMO Piedmont and Blue Air, for the promotion of direct flights to Turin.



## THE AIRPORT FOR CHILDREN AND SCHOOLS

Students from schools in the greater Turin area (the towns of Borgaro, Leinì, Fiano and San Maurizio) were also able to get an up-close look at the Airport: more than 360 pupils of primary and secondary schools, as well as students of vocational institutes, were taken on tours of the Airport during the year.

Torino Airport hosted the children of employees of the ENAV air traffic control authority for the “Kids at Work 2017” day, allowing the smaller ones to visit the Airport.

This year, SAGAT once worked alongside the Turin Flying Institute in holding the school’s “Open Day”.

The initiative “Open Door Airport”, first held four years ago, continued to meet with tremendous success, in terms of the number of visitors, growing from year to year.

For 2017, the event presented a number of significant new developments, as more than 1,000 children accompanied by their parents were welcomed in the course of the two-day affair, more than double the number of visitors registered in the previous year. The youngsters were able to take an up-close look at the Airport and its different operating units: the falconry squad, the fire-fighters detachment and the canine unit of the Treasury Police; also on display were the small aircraft used to train flight-school students. In 2017, visitors were also able, for the first time, to go inside the hangar of the Leonardo company, which looks out onto the runway, and see up-close some of the aircraft that have written pages in the history of aviation. The children’s experience was made complete by a visit, in the role of real-life passengers, to the inside of the Boarding Lobby in the Departures Hall.

## QUALITY AND SAFETY AT THE SERVICE OF PASSENGERS

The quality of service, along with the safety and security of passengers at the Airport, are a constant focus of SAGAT’s operations, representing priority values in the Airport’s day-to-day operations.

### QUALITY: A PRIORITY VALUE

SAGAT has made quality a top priority for all the Company’s operations, working to ensure rigorous application and constant improvement of the Quality Management System.

This strategic approach is grounded both on an awareness that the manager of a key public service must necessarily make the user the focus of its mission, together with the conviction that the combination of the direct competition of other airports and the indirect competition of high-speed trains obliges airport management companies to be even more scrupulously attentive to the quality of the product offerings and services it provides to its customers.

In an increasingly competitive market, excellence of service can prove to be a critical factor of success. It follows that considerations of quality have been taken extremely seriously by SAGAT in the performance of its role as the overseer of the “airport system”, a complex reality in which multiple operators with a variety of functions provide services to the same client-passenger.

And so it is no accident that, as early as 2016, our Company had made timely conversion of its certified Quality Management System to meet the most recent requirements of the UNI EN ISO 9001:2015 standard. SAGAT was one of the first Italian airport managers to upgrade its Quality System to meet the new version of the standard, an additional guarantee of satisfaction not only for customers but, more generally speaking, for all stakeholders.

Especially since the new ISO standard introduces a further evolution in the concept of quality, transforming from a principle of mere compliance to one of sustainability: for in addition to respecting the provisions of the standard, the Company must combine successful business performance with the creation of value, a key factor for an enterprise that has such a significant impact on its surrounding area, as does an airport.

Rigorous risk management is called for, with mapping of potential risks making it possible to identify the steps to be taken to effectively mitigate those risks while increasing the efficiency of each and every process, so as to pursue the aim of continuous improvement.

The key concept of continuous improvement underlying the ISO standard is also to be found in the regulations of the ENAC Civil Aviation Authority. In 2014, the Authority updated its memorandums on the quality of services, establishing more stringent standards while obliging airport managers to be more transparent in terms of notifying users of the results achieved, including those involving customer satisfaction.



In 2014, for this very reason, SAGAT radically changed the procedures it uses to collect the opinions of its customers. In order to obtain an increasingly accurate picture of passenger satisfaction, it began carrying out interviews at a different frequency, though without changing the parameters of quality measured, and always complying with the methodological specifications of the ENAC. In the past, an outside firm took three surveys in the field, at points in the year typical of different phases of operation (April, July and November). But for the last three years, the face-to-face questionnaires have been administered on an almost daily basis by suitably trained, in-house personnel.

The evaluation scale has remained unchanged, with an even number of options (as suggested by the ENAC), meaning six levels of satisfaction, where 1 = poor and 6 = excellent. Overall satisfaction is calculated by determining the percentage of positive responses (4, 5 and 6) out of the total of both positive and negative responses.

This change in methodology was not free of repercussions, first of all the “rawer” appearance of the resulting picture of the perceptions of quality of the customers of Torino Airport regarding certain elements of service that, until then, were not thought to be subject to criticism, an example being the “perceived cleanliness and functional efficiency of the bathrooms”, which showed the percentage of satisfied customers, following internal processing of the interviews, falling to 77.7%.

This led to the prompt implementation of a series of corrective measures (reorganisation of the service, disciplinary action, internal organisational initiatives, a competitive procedure to select a more suitable contractor, insertion in the contract of a bonus-penalty system tied to quality ratings) that significantly improved both the quality supplied and that perceived by our customers, to the point where the level of satisfaction for the parameter in question rose from 77.7% in 2014 to 94.56% in 2017.

This positive result can also be credited to more intensive oversight in the field by SAGAT itself, in the form of recurring inspections at the sites where the various services are provided.

The Observatory for Quality (a company body specifically organised for the purpose, coordinated by the Quality Service and consisting of eight pairs of observers) carries out systematic visual audits of all areas of the terminal, adopting the point of view of the “attentive host”, based on a predetermined schedule and using specially designed checklists.

A similar approach underlies the activities of the Quality Service, which supports the Company’s different departments not only by carrying out objective monitoring of performance levels (in 2017 the rating of received quality analysed totalled 66,000), but also by analysing the figures for passengers’ perceptions of quality (2,875 interviews were carried out in 2017, of which 1,590 were with reduced-mobility passengers), together with their suggestions and complaints.

Quality serves the Company as a “partner in growth”: the analysis of the figures and the auditing activities provides the departments involved with tools for evaluating the situation, helping to bring to light potential problems while identifying steps to mitigate them, as well as instances where there is further room for improvement.

Generally speaking, 2017 was a year of positive results in terms of the satisfaction of our customers. In fact, all the customer-satisfaction results came in at 94% or higher, with peaks of 99% customer satisfaction (comfort 99.45%; professional approach of the personnel 99.11%).

What is more, thanks to the noteworthy efforts expended by SAGAT, customer perceptions of a number of quality factors improved considerably over time:

	2017	2016	2015	2014
Availability of baggage carts	99.4%	98.1%	92.8%	84.5%
Restaurants	99%	93.4%	87.5%	74.9%
Stores/newsstands	98.1%	90%	94.4%	94.6%
Wi-fi in the terminal	95.9%	82.9%	88.2%	69.5%

The overall level of satisfaction rose in 2017, though only slightly (99.53% compared to 99.4% for 2016). This result appears all the more impressive in light of the noteworthy increase in volumes of traffic (in 2017, Torino Airport set an all-time record, breaking the barrier of 4 million passengers, as well as the record it had set the previous year, for a total of 4,176,556 passengers moved, representing growth of 5.8% in commercial aviation, regularly scheduled and chartered, as compared to 2016).

For our Company, gauging levels of passenger satisfaction constitutes an irreplaceable tool for the periodic evaluation of perceived quality, extending beyond mere compliance with the established norms and standards. Indeed, in 2016 SAGAT voluntarily agreed to be subject to the ASQ - Airport Service Quality - benchmark of the Airport Council International, the sole instrument recognised internationally by the airport industry for the monitoring of levels of customer satisfaction in airports, with more than 300 airports involved worldwide, over a hundred of them in the European Union.

The initiatives undertaken in the last few years, as part of the constant search for excellence, have met with a positive overall response from the quality certification system as well. In the course of the most recent audit to allow the Company to maintain its ISO 9001:2015 certification – the result of which was positive, as no instances of non-conformity were detected – the certifier made a number of positive comments, confirming the wide-ranging effort made by SAGAT to sustain levels of service quality.

Naturally, the positive results of 2017 do not lessen the need for our Company to continue pursuing its commitment to optimising operating procedure while continually improving levels of performance, in order to achieve both efficiency and ever levels of customer satisfaction.

## THE TWO BODIES OVERSEEING AIRPORT QUALITY

SAGAT coordinates the Committee for the Suitability and Quality of Airport Services, as called for in ENAC Memorandum GEN-06 of 31 October 2014. This committee is the body through which the Manager – under the supervision of ENAC – engages in systematic discussions with the representatives of the airport operators, with the goal being to identify - of common accord - the most appropriate initiatives to take to improve services, in the course of periodic encounters or even extraordinary sessions, should the latter prove necessary.

The quality levels of the Airport are also the subject of an additional periodic control on the part of the Advisory Board on the Quality of Airport Services and Infrastructures – a company body established by the Manager – which carries out recurring inspections of all the areas open to the public, for the sake of constantly improving the overall service provided to customers by pointing out any anomalies or other situations - even if they are only isolated episodes - that could be improved upon.

## THE QUALITY POLICY

Through its Quality Policy, the Company highlights its priority objectives:

- to supply services meeting standards of excellence in the course of the activities for which the Airport Manager is responsible, interacting with business and institutional contacts in a dynamic and reliable way;
- to exercise the Manager's own role of oversight, ensuring the quality of the "airport system" as a whole by raising awareness and, when necessary, taking action with the airport operators;



- to render the Company's organisational structure increasingly efficient through the training, refresher instruction and upgrading of human resources, controlling their effective performance in terms of the services provided and their compliance with required procedures;
- to closely monitor the indicators of quality, both supplied and perceived, analysing the results to identify any initiatives or opportunities for further improvement of Company performance;
- to operate under rigorous respect for the rules and statutes currently in force with regard to the Quality of Services, as well as in compliance with the provisions of the UNI EN ISO 9001 standard.

The Quality Policy is distributed inside the Company, using the in-house systems of communication, to all the personnel whose activities contribute to the supply of services or who are involved, in various capacities, in the strategic process of quality management.

The policy is also made available to passengers, customers and suppliers on the Airport's internet site, in the section on the Manager's commitment to Quality.

### ISO 9001:2015 CERTIFICATION

In November of 2017, the certification agency DNV GL carried out the audit needed by the Company to maintain its ISO 9001:2015 certification.

The Certification, which had already been obtained under the most recent standard in 2016, calls for the Company to combine high levels of performance with the creation of value, a key factor for an enterprise that has a significant effect on its surrounding area, such as an airport.

The results of the audit were positive, with no non-conformities observed. Positive comments were also made regarding the following areas::

- support of the upper management in implementing the Quality Management System;
- transparency and collaboration of the personnel interviewed;
- exercise of SAGAT's role as overseer of the airport system;
- synergy between the manager and the regulatory body;
- increased non-aviation retail offerings;
- further control of services provided by the Quality Observatory;
- centralised management of training activities and support of the various airport operators.

### THE 2017 SERVICES CHARTER

In 2017, the usual activities were carried out to control the quality provided and gauge the perceived quality.

Performance levels were monitored at the same time as the data recorded by the Airport's information system on different aspects of the service were analysed.

In carrying out the surveys measuring customer satisfaction, the provisions of the relevant standard were followed.

ENAC memorandum GEN-06 (Annex 2 - Methodology, page 11) stipulates, for airports with traffic of between 2 million and 5 million passengers, that the sample group consist of a minimum of 1,100 interviewees, with a resulting statistical error of  $\pm 3\%$ .

The surveys contemplate responses on a uniform scale (as recommended by the ENAC), divided into 6 levels of satisfaction, with 1 = poor and 6 = excellent. To measure the percentage of satisfaction, the percentage of positive responses (4, 5 and 6) out of all responses, positive and negative, is calculated.

The overall level of satisfaction rose in 2017, though only slightly (99.53% compared to 99.4% for 2016), a result appears all the more impressive in light of the noteworthy increase in volumes of traffic compared to the previous year.

In 2017, all the parameters of the Services Charter measured in terms of passenger satisfaction were reached (perceived quality), meaning that solutions had been found for mild criticism recorded the year

before regarding the indicators for security (respectively of travel and in the airport), as well as satisfaction with the wi-fi, the retail offerings and the indoor signage.

In terms of the objectives having to do with the quality supplied, and which were therefore expressed in objective terms (time of service), only two of the indicators on the Services Charter were not reached, and namely the time needed for the return of the first and the last piece of luggage.

On these points, although the responsibility for the service lies with the handlers, as is common knowledge, the manager is constantly involved not only in activities of oversight and control in the field, but also in a series of measures meant to lessen the risk that the problem persists.

Below is a comparison of some of the commitments made with the quality results achieved in 2017.



INDICATORS	UNIT OF MEASURE	OBJECTIVE 2017	RESULT 2017
Overall perception of service of security control of individuals and carry-on luggage	% of satisfied passengers	96%	96.9%
Overall perception of level of security of individuals and their property at the Airport	% of satisfied passengers	94%	96.76%
Overall on-time record of flights	% of flights on-time out of total departing flights	80.5%	81.3%
Overall mislaid departing luggage for which the Airport is responsible	Number of piece of luggage not boarded with departing pax/1,000 departing passengers	1/1,000	0.88
Time for return of first piece of luggage from block-on of aircraft	Time in minutes from the block-on of the aircraft to the return of the first piece of luggage in 90% of cases	18'20"	19'49"
Time for return of last piece of luggage from block-on of aircraft	Time in minutes from the block-on of the aircraft to the return of the last piece of luggage in 90% of cases	25'	26'54"
Waiting time aboard before first passenger disembarks	Time in minutes from block-on in 90% of cases	4'	4'
Overall perception of services received at the airport being proper and punctual	% of satisfied passengers	97.5%	98.81%
Perception of levels of cleanliness and functional efficiency of the bathrooms	% of satisfied passengers	88.1%	94.56%
Perception of the level of cleanliness in the terminal	% of satisfied passengers	95.5%	98.9%
Perception of availability of luggage carts	% of satisfied passengers	90%	99.4%
Perception of availability/quality/prices of stores and newsstands	% of satisfied passengers	91.5%	98.1%
Perception of availability/quality/prices of cafés and restaurants	% of satisfied passengers	90.5%	99%
Perception of clarity, ease of comprehension and effectiveness of internal signage	% of satisfied passengers	93%	97.24%
Perception of professional competence of personnel (infopoint, security)	% of satisfied passengers	96%	99.11%
Overall perception of effectiveness and accessibility of public information services (monitors, announcements, internal signage etc.)	% of satisfied passengers	95.5%	98.57%
Waiting time at check-in	Waiting time in minutes in 90% of the cases recorded	9'	6'12"
Perception of waiting time at the passport control	% of satisfied passengers	93%	94.57%
Perception of adequacy of city/airport transportation	% of satisfied passengers	91.5%	93.97%

## THE QUALITY PLAN 2017 – PROGRAM AGREEMENT

As is known, one of the fundamental documents for the drafting of the Program Agreement is the Quality Plan, calling for the monitoring of ten indicators selected in accordance with the instructions of the ENAC and analysed in relation to the figures effectively recorded in the benchmark year.

A number of the indicators regard facets of service for which handlers are responsible, though the Manager must monitor the anyway, seeing that they contribute to determining the performance of the airport as a whole.

Of the targets set for 2017, three were not reached:

INDICATORS	UNIT OF MEASURE	OBJECTIVE	RESULT
Time for return of 1 <sup>st</sup> piece of luggage	time in 90% of cases	18'20"	19'49"
Time for return of last piece of luggage	time in 90% of cases	23'52"	26'54"
Perception of level of cleanliness and functional efficiency of bathrooms	% pax satisfied	86%	94.6%
Waiting time at security checkpoints	time in 90% of cases	8'40"	5'47"
PRM – Waiting time for departing pax to receive assistance they reserved once they notify they are present	lapsed time (in 90% of cases)	7'	4'38"
PRM – Perception of effectiveness of assistance	% pax satisfied	99.1%	100%
Overall departing luggage mislaid due to the Airport	number of mislaid bags/total number of departing bags	0.14%	0.21%
Reliability of the baggage handling system (BHS)	% time working/Airport operating hours	100%	100%
Efficiency of indoor transport systems (elevators and escalators)	% time working/Airport operating hours	98.3%	98.99%
Perception of proper form and punctuality of services received at the Airport	% pax satisfied	97.4%	98.8%

Mention was already in the section on the Services Charter of the luggage return times.

As for the number of mislaid bags out of total departing luggage, an analysis of the codes ties the result to the insufficient hold capacity of the aircraft, a factor that depends completely on the carriers, and which accounts for 60% of all left-behind luggage.

### ACI ASQ – AIRPORT SERVICE QUALITY

In late 2016, SAGAT joined the ASQ - Airport Service Quality benchmark of the Airport Council International, the sole instrument recognised internationally by the airport industry for the monitoring of levels of customer satisfaction in airports, with more than 300 airports involved worldwide, over a hundred of them in the European Union.

The first full year of ratings, therefore, was 2017, with the research based on regulations drawn up by ACI ASQ (sampling plans are established on the basis of the traffic forecasts that the ACI itself supplies to each airport). The quarterly field work must cover all the days of the week, as well as the full span of the airport's opening hours.

The data is collected using a questionnaire that passengers fill out by themselves and which consists of a set of questions to which they respond on the basis of a uniform scale where 1 = poor and 5 = excellent.

The results for overall satisfaction, the general satisfaction index, show an upward trend for 2017:

Q1\_2017 3.64

Q2\_2017 3.66

Q3\_2017 3.76

Q4\_2017 3.84

The result for the first quarter of participation in the benchmark (Q4\_2016) had been 3.66. The final figure for 2017 was 3.73.

## PASSENGERS WITH DISABILITIES OR REDUCED MOBILITY (PRM)

In 2017, the number of passengers with disabilities or reduced mobility who used Torino Airport, at 29,000 units, represented growth of approximately 12% compared to the previous year.

In surveying customer satisfaction among passengers with reduced mobility in 2017, SAGAT interviewed a sample group of almost 1,600 passengers.

The satisfaction of PRM customers who arrived at or departed from Torino Airport remained unquestionably excellent levels this year as well (all the result fell between 99% and 100%).

In 2017, the traffic represented by reduced-mobility passengers grew at a higher rate than overall volume (+9.4%). The result should be considered especially praiseworthy, as well as further confirmation of the care and professionalism with which our Company services this particular category of customer.

On questions of service for passengers with disabilities or reduced mobility, SAGAT works alongside the CPD, or Advisory Board for Individuals with Difficulties. Our Company provided the CPD with economic support for the project "Caselle for All", an effort designed to make the Airport increasingly easy to use for travellers with specific needs, physical or movement-related disabilities or sensory problems. One such initiative is the transport service of social solidarity between the city and the Airport (reservations can be made at the dedicated toll-free number run by the CPD). Also check the site of Torino Airport, on the page [www.aeroporto.torino.it/it/tofly/informazioni-utili-per-il-volo/passeggeri-a-ridotta-obilita/trasporti-e-parcheggi](http://www.aeroporto.torino.it/it/tofly/informazioni-utili-per-il-volo/passeggeri-a-ridotta-obilita/trasporti-e-parcheggi).

On the subject of PRM passengers, mention should also be made of:

- the talk given by the head of the Quality Department of the Airport Manager at the conference "Opportunities of Mobility for an Increasingly Accessible City", organised by the City of Turin on 22 September 2017, on the occasion of the European Week of Sustainable Mobility (title of the talk: "Torino Airport – Ground Services for the Disabled");
- the "Volans" project, an idea of the Levy-Montalcini Association and AU.DI.DO (Self-Sufficiency of the Diversely Gifted), held at Torino Airport on 4 December 2017: a simulated airplane trip for diversely able young people, involving a total of approximately fifty travellers, individuals accompanying them, organisational staff and operators of SAGAT and SAGAT Handling, that was also reported on by the RAI television program "Leonardo".

## MANAGEMENT OF REPORTS FROM PASSENGERS

In 2017, SAGAT received and handled 71 reports and/or complaints from passengers (two of which were from passengers with reduced mobility). The overall number of requests for contact remained essentially unchanged, compared to the previous year, a noteworthy result, given the growth in traffic, plus the more than proportionate increase in PRM customers.

## SECURITY AND SAFETY

### CONTROLS AT SECURITY CHECKPOINTS

In accordance with Ministerial Decree no. 85 of 29 January 1999, *Regulations Stipulating the Measures Governing the Awarding of the Operating Concession for Security on the Airport Grounds*, SAGAT holds the



operating concession for the services involved in the control of departing passengers and passengers in transit, plus their baggage, an assignment that was competitively tendered to a specialised firm that fulfils the prerequisites contemplated under the law.

In compliance with art. 6, paragraph 1, of Legislative Decree no. 101 of 31 August 2013, *Urgent Measures for the Pursuit of Objectives of Rationalisation in Government Bodies and Authorities*, since 2014 SAGAT exercises direct management, through its own personnel, of the service checkpoints, meaning those checkpoints established specifically for airport operators and flight crews, as well as for vehicles and heavy equipment, that operate inside the airport's "sterile area", and which also serve as the points of transit for general aviation and commercial passengers transported by ambulance or escorted by the Penitentiary Police. In addition, between the second half of 2016 and the early months of 2017, in accordance with the National Civil Aviation Security Program (ENAC), SAGAT took on responsibility for the direct management of the service of video surveillance and patrolling of the airport grounds.

At least twice a year the Airport undergoes security inspections on the part of the competent national authorities, and at times international authorities as well. In 2015 a team of European Union inspectors, together with observers from the U.S. Transportation Security Administration, evaluated the compliance of Torino Airport with the requirements of the European regulations governing security, finding it to be fully in line with the highest standards of security, with a ranking on a par with Europe's best airports.

SAGAT, through the quality audits called for under security regulations and the Quality Management System governed by the UNI EN ISO 9001:2015 standard, constantly monitors correct application of the procedures, together with the levels of quality of the service provided to the customer.

During the period 2014-2017, the following steps were taken to ease the flow of passengers through the security checks:

- a preliminary filter was established to control boarding passes and prepare the passengers for the subsequent x-ray controls;
- a computer system was created and implemented, based on a forecasting algorithm designed to calculate the most effective number of checkpoints to be opened during the day, based on the expected traffic, so as to minimise the time passengers have to wait on line.

Major investments were made in 2017 (approximately 1,200,000 euro), in particular to replace the security equipment with more technologically advanced models:

- 11 x-ray machines for the control of hand luggage;
- 2 x-ray machines for the control of parcels/shipments of supplies;
- 8 ETD machines (explosive trace detectors).

In 2017, a new, more functionally efficient and accessible checkpoint was also set up in the terminal for suppliers/couriers, so that the flow of supplies to the Airport could be separated from that of passengers.

The airport security infrastructure is outfitted with sophisticated systems and equipment for the control of individuals, carry-on luggage, luggage to be stowed in the hold and cargo, all of it meeting the pertinent civil-aviation regulations. Each of the checkpoints is manned, as required under law, by bonded security guards certified to carry out such activities in airports, with the checkpoints being opened on the basis of the flight schedules and the operating and business demands of the Airport.

The passenger terminal is equipped with 13 security checkpoints distributed on 3 levels (ground floor, departures and indoor shopping/food service plaza), of which:

- 1 is set aside for the control of supplies to the commercial outlets inside the embarkation area;
- 1 is set aside for controlling passengers and staff in the "Fast Track" mode;
- 10 are used to control departing passengers and carry-on luggage;
- 1 is used to control the staff (24 hours a day), the crews and suppliers.

The General Aviation Terminal, which handles private flights, and the Cargo Terminal are each equipped with one security checkpoint. Finally, there is also a vehicle/pedestrian checkpoint open 24 hours a day and set aside for the entry of all authorised airport vehicles and operators.

The Baggage Handling System - the technological infrastructure for the handling and distribution of the departing baggage to be stowed in the hold - screens 100% of the luggage by passing the bags through an

integrated system of conveyor belts and x-ray machines with multiple levels of control, as called for under current regulations and standards.

## FALCONRY



A partnership of nature and technology

A problem shared by all airports is the potential presence in areas where planes manoeuvre of birds and other wild animals that can pose a potential hazard for safe air navigation, should there be contact with the aircraft during operations of landing or take-off.

To address the problem, SAGAT's Airport Readiness Service – in operation 24 hours a day, 365 days a year - carries out daily monitoring of the areas inside the airport grounds, paying particular attention to the runway. The point is to determine when wild animals are present, and birds in particular, studying their behaviour in order to be able to send them away or discourage their presence, in this way reducing the possibility that they can strike aircraft during arrival or departure, an event referred to with the technical term "birdstrike".

The team that carries out this task goes by the title of Bird Control Unit (BCU). Organised and coordinated by the Airport Readiness Service, it works with the support of a falconer service contracted to an outside firm.

The control of the manoeuvring area is performed at every daytime hour and whenever requested by the airport authorities responsible for flight safety.

The controls are intensified when the presence of the birds is found to be massive.

Removal of the birds without bloodshed is accomplished through techniques of falconry or the use of electronic instruments (such as distress calls, bi-tonal sirens etc.).

The falconry service is on duty at the Airport throughout the year, 7 days a week, for eight hours a day, with the scheduled time distributed among the day-parts when there is the most activity on the part of birds and animals. Torino Airport was a pioneer in Italy with the use of this natural method for dissuading birds; in fact, the number of impacts in the airport area is far lower than the national average, to the point where, in recent years, the parameter for measuring the risk of impact, in force under current ENAC regulations and entitled BRI2 (Birdstrike Risk Index), has stayed below the threshold limit of 0.50.

The falconry service at the Airport has at its disposal 15 winged predators and 2 thoroughbred collie dogs.

The predator squad consists of a golden eagle with a wingspan of approximately 2.4 metres, a gyps himalayensis, part of the family of griffon vultures originally from the mountains of Himalaya and Tibet, an eagle owl, normally used at dawn and dusk, an African eagle owl, similar to the previous species but smaller, 2 purebred Saker falcons and 6 peregrine falcons deployed to drive away birds at high altitude, along with 3 Harris's hawks that, unlike any of the other predators, can be used in couples, plus a goshawk use to chase birds away at low altitude.

The group also includes 1 border collie that chases away birds and 1 border collie that chases away ground-based animals (such as mini-hares, hares and badgers).

The presence of a falconer at the Airport is an aid for all the operative personnel of the BCU, seeing that they can always draw on the knowledge of a professional able not only to recognise the different species, but also to interpret and forecast their behaviour, making it possible to address the problem without altering the ecosystem and without resorting to a massive use of mechanical or electronic systems.

Furthermore, the presence of winged predators and dogs, together with the use of systems of electronic dissuasion and a human presence, make it possible to vary the threat, preventing the birds from becoming accustomed to it while avoiding situations in which bad weather lessens its effect.

During the period 2014-2017, SAGAT renewed the stock of systems of dissuasion available at the Airport, purchasing 3 new distress-call devices, a pistol that shoots blanks and a gas cannon.

For years now, along with these techniques, SAGAT has undertaken, with the aid of agronomists and biologists with expertise in the sector, studies focussed on the neighbouring habitat, in order to identify possible sources of attraction at the Airport or in its surroundings. Thanks to these activities, the sites of attraction can be reduced and any risks can be reported to the competent authorities, with annual controls of the state of things.

To this end, a roundtable has been active since 2013, bringing together representatives of the local territory (the province government, the municipalities, the prefecture, the managers of disposal sites etc.) with the airport authorities and companies (ENAC, ENAV, Leonardo, Finmeccanica etc.) that play a role in preventing the risk of bird strike. This workgroup meets annually to share proposals for initiatives to be taken to reduce the sources of attraction for birds and animals found outside of the Airport.

In 2016 and 2017, SAGAT also played an active Services Conferences held by the Metropolitan City of Turin on waste-disposal sites found within a 13 km radius of the Airport. As is known, such sites can attract birds, posing a threat to air navigation in the vicinity of airports.

The following table shows that, despite the increase in air traffic, all the measures taken in the period 2014-2017 to reduce the risk of bird strikes have been effective, as the number of strikes and the risk index have remained unchanged (BR12 – Bird Risk Index 2, ref. ENAC Memorandum APT-01B).



	2013	2014	2015	2016	2017
<b>Number of impacts</b>	4	11	9	18	12
<b>BR12</b>	0.08	0.19	0.14	0.18	0.07

## THE SAFETY MANAGEMENT SYSTEM

### The Airport's operations management system.

The primary purpose of the Safety Management System (SMS) is to ensure the safety of operations, with the ultimate goal of guaranteeing that airport operations are carried out under pre-established conditions of safety, periodically evaluating their effectiveness, in order to correct any discrepancies and pursue continuous improvement.

Full implementation of the SMS, including its integration into the organisational structures, the corporate cultures and the working practices of all the subjects operating at the Airport, has taken a number of years, ultimately arriving at approval of the system by the ENAC in 2012.

With the enactment of (EU) Reg. 139/2014, the SMS became an integral part of the Airport's operating management system, together with the proves of Compliance Monitoring, which more specifically guarantees constant compliance with national and international regulations and statutes, as well as with industry standards.

SAGAT regularly carries out procedures to confirm compliance, manage changes and identify potential dangers, constantly monitoring, assessing and mitigating the risks tied to operations, in the interest of limiting risk to the greatest possible extent (ALARP- As low as reasonably practicable).

By examining performance levels, reports received, the outcomes of programs of auditing and monitoring, and records of incidents registered internationally, as well as the pertinent literature, the applicable standards of safety are constantly assessed, hazardous situations are identified and systems are prepared for mitigating risks, with the identification of potential areas for improvement as well.

The compliance with the norms of the organisation, the infrastructures, the systems and procedures, as well as the proper operating on the management system, are demonstrated by the conversion of the airport Certificate, which occurred on 10 August 2017, a number of months in advance of the date set.

## INDICATORS OF THE SAFETY MANAGEMENT SYSTEM

	2017	2016	2015	2014
Reports received	184	281	340	259
Laser rays	36	61	44	56
Damage sustained by aircraft, equipment, airport resources, infrastructures	16	8	7	11
FOD	6	7	7	14
Spills	6	22	27	17
Wildlife strikes				
Number of impacts below 300 ft	17	18	9	11
Index of BRI2 risk	0,07	0,18	0,14	0,19

## THE AIRPORT EMERGENCY PLAN

The Airport's Emergency Plan consists of a series of focussed, constantly updated emergency plans that make possible an effective response to the various types of emergency scenarios that could arise within the airport grounds (such as aviation emergencies and accidents, terrorist threats, medical emergencies, fires, structural collapses etc.). It is part of the broader Provincial Emergency Plan of the Metropolitan City of Turin.

In the case of an aircraft accident, SAGAT is responsible for the first response, until such time as outside emergency personnel can arrive, and it must request aid forthwith from the emergency-response structure of the surrounding territory and from law-enforcement authorities, in addition to providing assistance to the families and friends of the individuals affected, until the airline involved is able to organise its own structure of assistance, also supplying the vehicles, equipment and personnel needed to carry out whatever support tasks are required by the emergency responders.

Since 2009, an annual, full-scale emergency drill has been held at Torino Airport, involving all the organisations and authorities that play a role in the emergency and support operations of the first responders: the Fire-Fighters Corps, the ambulance service, the national police, the Treasury Police, the Carabinieri Corps, the local police of the municipalities involved, the Airport First Aid Service, the Italian Red Cross, the forensic medical department of Local Board of Health 04, the ENAV, the ENAC, plus – on a rotating basis – other subject that operate at the Airport, such as the airlines and the handlers.

In addition, in-house and external "observers" are always invited to monitor the exercise and provide suggestions on possible improvements of the plan; over the years, participants have included airlines that operate out of other airports, the October 8<sup>th</sup> Foundation, the association Psychologists for Peoples etc..

Also taking part, as players in the simulation, together with numerous professionals of the Italian Red Cross, will be students of the Turin Flying Institute and the Carlo Grassi Technical Institute of Turin.

The simulated incident scenarios always vary (occurring in the daytime or night-time hours, in the Airport or outside of its grounds, during landings, take-offs or taxiing, during fuelling etc.), and are not made known in advance, in order to verify response and reaction times, as well as knowledge of all the procedures called for under the Airport Emergency Plan, plus confirmation of their validity.

The results of the simulations will be addressed in joint debriefings that have led, over the years, to ongoing refinement of the emergency procedures.

## THE DEVELOPMENT OF TRAFFIC AND RELATIONS WITH AIR CARRIERS

The Turin International Airport is a key contributor to the socio-economic development of its home territory. Over the last four years, in addition to the traditional focus on business travel and the North-South domestic corridor, an effort has been made to leverage growth from the sectors of incoming and outgoing tourist travel.

To achieve increasingly positive results, the initiatives have emphasised:

- development of the flight network and of traffic: through long-term business agreements with airlines, in order to establish new destinations and intensify activity at existing ones, in this way expanding the range of potential markets for both outgoing and incoming;
- promotion of destinations: carried out with the collaboration of the airlines as well, in order to stimulate incoming demand while offering an increasingly wide range of possibilities to the outgoing market.

## TRAFFIC RESULTS

The figure for total traffic in 2017, at 4,176,556, marked the best year-end result ever, breaking the barrier of 4 million, as well as the previous annual record, set in 2016, for growth in regularly scheduled commercial and charter traffic of 5.8% compared to the previous year.

Since 2013, commercial aviation traffic has recorded overall growth of 32%, with the domestic component increasing by +19% and international traffic by 49%.

The general load factor rose from 70% to 75.9%, while the passenger average (the average number of people aboard the flights) increased from 95 in 2013 to 106 in 2017.

Approximately 1 million passengers who previously flew from other airports now choose Turin and its network of both direct connections and flights to hubs from which the entire world can be reached.



Passengers A/D	2017	2016	2015	2014	2013	2017 vs. 2013
Domestic	2,123,108	1,998,979	1,863,573	1,830,609	1,776,970	19%
International	2,042,813	1,939,503	1,791,239	1,588,493	1,372,231	49%
General Aviation	7,700	7,613	6,936	7,791	7,358	5%
In transit	2,935	4,813	4,676	5,093	3,728	-21%
<b>Overall total</b>	<b>4,176,556</b>	<b>3,950,908</b>	<b>3,666,424</b>	<b>3,431,986</b>	<b>3,160,287</b>	<b>32%</b>

## THE DEVELOPMENT OF THE NETWORK AND OF TRAFFIC



The significant growth registered over the last four years is the outcome of a multiyear business strategy that includes incentive policies which have been published, and are available for consultation, on the Airport's site, as per the guidelines issued by the Ministry of Infrastructures and Transportation (Ministerial Decree of 2 October 2014). The incentive programs were specifically granted to carriers that committed to developing and increasing their operations at Torino Airport, and who met the preconditions for the development of traffic listed below:

- launch of new regularly scheduled flights: the carrier proposes a commitment to a destination that is not serviced, or to a destination regarding which the dominant carrier has announced the cancellation of its operations;
- entry of a new air-travel company: a new carrier commits itself to starting to fly out of Torino Airport;
- increased passenger volume: a new carrier, or one that already operates flights out of the Airport, makes the commitment to develop at the Airport, in a relatively brief period of time, a network of destinations (with or without planes based at the Airport) able to lead to a noteworthy and rapid increase in the volumes of passengers while optimising the use of the infrastructures of Torino Airport; the carrier also commits to further developing this network in the years to come.

The agreements with the air-travel companies contemplate incentives that last for a maximum of five years and that vary, depending on the strategic value to Torino Airport of the program for the development of destinations proposed by the company in question; SAGAT can choose to combine the incentives, based on the importance of a given development program to the connectivity objectives of Torino Airport, with

contributions to co-marketing efforts in the local territory (advertising campaigns, press conferences, events tied to the presentation of the program etc.).

SAGAT business strategy in its dealings with the air-travel companies this stresses the construction of reciprocal benefits in the pursuit of shared objectives.

This approach has proven to be an effective, winning strategy from any number of perspectives:

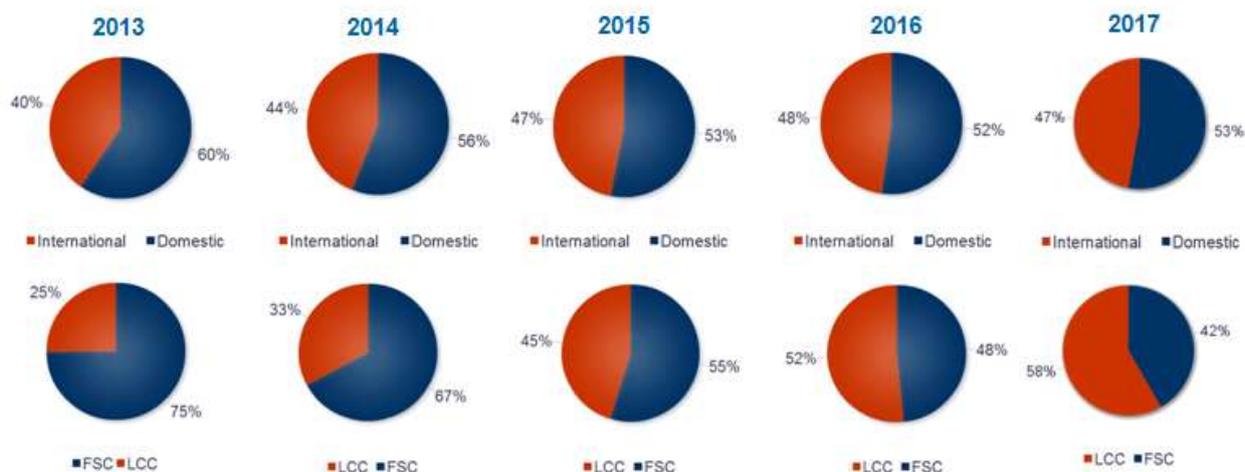
- relations with air-travel companies: as shown by the growing number of carriers that choose to operate out of Torino Airport, or that have reinforced their business ties, starting up new destinations and/or intensifying the frequencies of those already in operation;

#### Air-travel companies

The business strategy undertaken by SAGAT has resulted in an increase in the number of air-travel companies operating out of Torino Airport. In 2017, there were 26 commercial carriers that transport passengers, for an increase of 13% compared to 2013: Air Dolomiti, Air France, Air Italy, Air Moldova, Air Nostrum, Alitalia, Blu Express, British Airways, Brussels Airlines, Blue Air, easyJet, Jet2.com, KLM, Lufthansa, Luxair, Monarch Airlines, S7 Airlines, Royal Air Maroc, Ryanair, Transavia, Tarom, TUI fly, Turkish Airlines, Volotea, Vueling and Wizz Air.

- Attracting passengers: the record number of passengers transported in 2017, and the increase of +32% since 2013, are the result of:
  - the introduction of new direct flights to major European cities, routes capable of generating outgoing and incoming traffic, and to destinations typically associated with outgoing leisure travel;
  - increased offerings to hub destinations, with KLM having begun, in 2014, to offer 14 weekly flights, year-round, on the Turin-Amsterdam route, while Air Nostrum is constantly increasing the frequency of its flights;
  - growth in passenger traffic on low-cost flights: +212% in the period 2013-2017. The leading carrier in 2017 was Ryanair, with 991,534 passengers transported and 24.75% of the total market, followed by Blue Air, whose 984,102 passengers and 24.56% of the total market put it in a close second place;
  - the offer of flights for different ethnic groups, in order to increasingly cater to the main foreign communities that have settled in the local area (Bacau, Bucharest, Chisinau, Suceava, Casablanca);
  - reinforcement of the snow line and winter charter segment, especially from Northern Europe, guaranteeing the arrival of skiers from multiple international destinations, with positive fallout in terms of the number of presences at the main ski areas of Piedmont and the Val d'Aosta.

The attractive force of the new carriers, together with the reinforcement of ties with those already in operation, has made it possible to put together a diversified, balanced mix of offerings capable of meeting the different air-travel needs expressed by the passenger market.



The number of destinations serviced also increased: in 2017, there were 56 destinations with direct connections to Torino Airport, 41 of them international and 15 domestic, for respective positive increases, since 2013, of 86% and 7%:

Regularly scheduled destinations			
	2013	2017	% growth
Domestic	14	15	+7%
International	22	41	+86%
<b>Total</b>	<b>36</b>	<b>56</b>	<b>+56%</b>

In the period from 2013 to 2017, the leading destination for regularly scheduled domestic flights continued to be Rome-Fiumicino, though its traffic fell by 17% over the four years, to 546,325 passengers transported in 2017. The main reason for this downturn was the increasing competition from high-speed rail travel. The positive performance of the domestic segment was driven by other domestic destinations, thanks in large part to the excellent performance of the new low-cost carriers that have entered this market, resulting in double-digit growth for some destinations (Catania, Naples, Bari, Brindisi, Cagliari), and even triple-digit growth for others (Palermo, Lamezia Terme, Alghero). A major story was the growth of the Turin-Catania route, which, by itself, accounted for 341,090 passengers in 2017, up 16% from 2013, confirming its status as the second most popular destination for passengers flying out of Turin.

PASSENGERS- REGULARLY SCHEDULED	2017	Variation from 2013
ROME Fiumicino	546,325	-17%
CATANIA	341,090	18%
LONDON grouping	319,416	35%
NAPLES	276,154	22%
PALERMO	256,796	305%
BARI	215,608	36%
FRANKFURT	192,104	-5%
MUNICH	180,845	14%
BARCELONA	178,920	140%
PARIS Charles de Gaulle	171,355	-4%
LAMEZIA TERME	127,081	119%
AMSTERDAM	116,252	718%
MADRID	114,953	69%
BRINDISI	89,955	27%
<b>Total for top 14 destinations</b>	<b>3,126,854</b>	<b>27%</b>
<b>Other destinations</b>	<b>880,014</b>	<b>70%</b>
<b>Total</b>	<b>4,006,868</b>	<b>57%</b>

MOVEMENTS- REGULARLY SCHEDULED	2017	Variation from 2013
ROME Fiumicino	5,412	-17%
CATANIA	2,316	2%
LONDON grouping	2,375	38%
NAPLES	2,836	-1%
PALERMO	1,670	135%
BARI	1,423	24%
FRANKFURT	2,770	-1%
MUNICH	2,973	4%
BARCELONA	1,202	84%
PARIS Charles de Gaulle	2,533	-3%
LAMEZIA TERME	880	58%
AMSTERDAM	1,471	1136%
MADRID	1,467	50%
BRINDISI	513	19%
<b>Totale for top 14 destinations</b>	<b>29,841</b>	<b>14%</b>
<b>Other destinations</b>	<b>8,217</b>	<b>45%</b>
<b>Total</b>	<b>38,058</b>	<b>19%</b>

London is the leading international destination chosen by passengers flying out of Torino Airport, and the third most popular over. The figures point to Turin's strength as a feeder terminal, especially, in terms of international destinations, to Frankfurt and Munich, but also to Paris, Amsterdam and Madrid. Barcelona turned in an excellent result, in line with the trend of one of Turin's key markets, meaning Spain, which has recorded overall growth of +193% in regularly scheduled passenger traffic since 2013, while the Romanian market, with Bucharest and Bacau ranked among the top ten international destinations, showing growth of 737% in traffic to the country since 2013.

## RETAIL AND TRANSPORT OFFERINGS SERVING PASSENGERS



The passenger experiences, and levels of satisfaction, are also affected by arrival at the Airport and the time spent there. To make this more pleasant and varied, SAGAT has expanded the number of its stores and food-service outlets, while contributing to improving the transportation services available.

The start-up of new retail operations, emphasising international operators and major regional concerns, together with the wide assortment of retail and food&beverage offerings, has supported the Airport's development.

From 2014 to the present, SAGAT has followed a plan for the development of retail operations based on the underlying assumption that, while the retail offerings should definitely reflect the characteristics of the Airport's surrounding area, as well as the habits of the customers in its home market, they should also be open to tastes and preferences of an increasingly varied clientele that is accustomed to travelling.

The retail "gallery" of Torino Airport includes 24 stores and 11 food-service establishments, covering approximately 5,700 square metres of space, 70% of which has had its surface renovated in the last four years, as numerous new operators have arrived (+52%).

Achievement of this result was favoured by the synergy with the holders of the sub-concessions to the retail spaces, who are part of a reciprocally advantageous relationship that provides passengers with offerings which vary not only in terms of the type of product, but with respect to price as well, guaranteeing a top-quality, diversified assortment.

In the event, an analysis of customer satisfaction shows that passengers are fully satisfied with the improvement and development of Torino Airport's retail offerings, with the level of satisfaction rising from 94.43% in 2015 to 98.1% in 2017, while satisfaction with the food&beverage outlets reached the outstanding level of 99%, after having stood at just 74.9% in 2014.

## PARKING AND MOBILITY SERVICES AT THE AIRPORT



The parking system of Torino Airport is designed to meet the full range of needs with regard to comfort, convenience and practicality.

It consists of:

- a multi-storey facility with spaces for 2,370 vehicles, of which 1,890 are covered from above (50 spaces on the departure level are set aside for individuals with reduced mobility) and 480 place on the 5<sup>th</sup> floor are uncovered (Uncovered Long-Term Parking);
- Kiss&Ride express stopping: a new area for brief stops on the 0 level of the multi-storey parking facility, set aside for express stops that are free for up to 10 minutes. Available on the 0 level are 110 spaces, while the arrangement also provides access to all the covered spaces of the multi-storey facility, with the Kiss&Ride rates remaining valid, as well as the 10 minutes of free parking;
- Bye&Fly express stopping: an area on the departure level offering 20 uncovered spaces and 10 minutes of parking free;
- Low-Cost online: an area located at the entrance to the Airport, with 160 uncovered spaces that can only be paid for on-line;
- Long-term parking: an area just a short distance from the terminal, offering 140 uncovered spaces. There is no free parking;
- Buses and shuttles: a parking area connected to the terminal by a short pedestrian walk, with 12 spaces set aside for buses and 4 for shuttles;
- Motorcycles: covered spaces are available on the arrivals level, alongside the information office of the parking facility.

Inside the multi-storey parking facility (2<sup>nd</sup> floor), Torino Airport makes available 54 covered, easy-to-reach parking spaces located just a short distance from the terminal and reserved for women and families, complete with enhanced lighting, an SOS call system, bathroom services on the floor and automated machines for payment in the immediate vicinity.

The parking spaces are marked for easy identification:

- 27 spaces marked by blue stripes as being reserved for families;
- 27 spaces marked by pink stripes as being reserved for women.

There are also 50 spaces on the second floor of the multi-story parking facility, at the departures level, marked in yellow as being reserved for disabled passengers.

The brief-stop parking spaces in front of the terminal, Bye&Fly on the departures level and Kiss&Ride on the arrivals level, have become the favourite option of those who come to pick up or let off passengers. The offer of an extremely convenient express stopping area, making possible rapid loading and unloading of passengers and luggage, and including 10 minutes of free parking, speaks to the needs of a growing group of users.

The customer assistance service was recently upgraded with the introduction of LiveChat, which allows customers to interact with an operator via instant messaging and receive information or assistance.

The low-cost on-line parking facility is also equipped with an automated system for reading license plates, facilitating access both for users of car-sharing and for those who pay for parking on-line.

The CAR2GO car-sharing service has met with a high level of user satisfaction, leading to an increase in the number of spaces set aside for it.

The bus service between the Airport and downtown Turin has been reinforced and improved, both in terms of the signs marking it and the positioning of the stop near the terminal, creating a safer, more welcoming setting at just a short distance from the terminal.

The schedule has also been improved, with the addition of more runs, and the fleet of buses has been modernised. And once aboard, there are screens that display the flight schedules in real time. The backs of the buses are branded with promotions of the Airport's new routes. The SADEM personnel also offer assistance inside the Airport to passengers who are waiting.

A railway line connects Torino Airport to the Dora station of the Turin GTT train in 19 minutes. From Monday to Saturday, the "Dora Express" service then provides the connection from the Dora station to the Porta Susa station, allowing commuters and tourists to reach either downtown Turin or the Airport on trains with coordinated schedules of arrival and departure.

The bus connections to ski areas have also been improved: the Cavourese Ski Charter, a service that connects Torino Airport to the Olympic mountains of the Vialattea area, is available from December to April, on Saturdays, with two departures daily.

During the winter period, the Resalp bus operator connects Torino Airport with the ski areas of Cesana, Claviere, Montgenèvre, Névache - Vallée de la Clarée, Briançon and Serre Chevalier.

## THE ENVIRONMENT

The awareness and attention of the SAGAT Group with respect to environmental issues has grown in the last few years. Since 2013, in addition to fulfilling regulatory obligations regarding the environment – such as the annual waste report, the annual F-Gas statement, the renewal of pending environmental authorisations etc. – the SAGAT Group expended significant effort on:

- carrying out campaigns to monitor the quality of the air in the zone surrounding the airport grounds;
- enacting and completing the procedure for certification of the environmental management system (ISO 14001:2015) concerning the environment and any negative external factors;

- drawing up, in accordance with the Metropolitan City of Turin and with SMAT S.p.A. (the company that manages the integrated waterworks), the plans for monitoring and managing rainwater from the runway and the aircraft aprons.

## ENVIRONMENTAL POLICY

The SAGAT Group considers the environment to be a key element in the sustainable development of its operations, a consideration reflected in its operational and technical activities, and so it promotes a culture keyed on taking responsibility and pursuing an active commitment to defending the environment while increasing energy efficiency through improvement of activities affecting the environment.

To this end, the SAGAT Group is committed to spreading and reinforcing a culture of environment protection, raising awareness of environmental concerns among all its employees through suitable initiatives of information and training, so as to ensure full and timely compliance both with regulations governing environmental protection and with the relevant internal procedures.

In doing so, SAGAT has undertaken and completed a certification procedure consisting of enactment of an integrated System for the Management of Health, Safety and the Environment (SGSSA), carried out in accordance with the OHSAS 18001:2007 and ISO 14001:2015 standards.

Traffic growth and infrastructure enlargement have environmental impact on the territory and the surrounding residents: the actions actually implemented for our environmental policy allow us to handle such impact, reducing them to a minimum and making airport growth sustainable.

Aware of this important connection, SAGAT Group holds environmental sustainability as a strategic and functional factor of its business as airport management company, and consistently with its environmental policy the Group has set the following objectives:

- continuing improvement of environmental and energy efficiency performance;
- prevention of water, air and soil pollution;
- cooperation with local and institutional players;
- monitoring of the environmental standards of customers and vendors;
- integration of the Environment Management System with safety and health;
- prevention of the risk of accidents and improvement of environmental risk management;
- continuing compliance with the laws;
- rationalization of environmental impact reduction procedures;
- use of "green" aircraft de-icing fluids;
- bloodless bird control;
- appropriate and effective waste management, limiting waste production and providing incentives for differentiated collection.

In conclusion, and based on the objectives above, SAGAT Group's intent is to guarantee continuing efforts for the achievement of a real and persistent improvement of its environmental performance with the fundamental help of its own employees and of the infrastructures.

In particular, the Group knows that the involvement of all employees is an essential and unavoidable basis for achieving its objectives and is therefore committed to providing adequate education and to having, at its various organizational levels, people responsible for environmental issues and for Group-wide communication of initiatives and achievements.

This intent was carried through by the decision to introduce, starting in 2016, an Environment Management System organized according to ISO 14001:2015 requirements and to have it certified.

## REGULATORY AND ORGANISATIONAL FRAMEWORK

The airport is affected by many different environmental issues that are governed by multiple sources of law, including the EU, Italian national legislation and regional measures, as well as regulations issued by ENAC and the requirements of ISO 14001:2015 standards.

In terms of organizational framework, the company functions that deal with environmental issues are many and distributed across various levels.

In order to handle such an articulated regulatory and organizational framework at best, SAGAT Group has improved the coordination of the competencies and activities of the following functions, which are involved, in a variety of different ways, with environmental issues:

- the Environmental Service: a general role of coordination, management and monitoring;
- the Technical-Operations Department: addresses environmental considerations pertinent to the design and maintenance of infrastructures, as well environmental factors that play a role in airport operations, both airside and landside;
- procurement: handles the preparation of contracts with vendors and monitors the environmental impact of purchasing;
- the Non-Aviation Retail Department: handles the preparation of contracts with clients, keeping the environmental impact of new business developments to a minimum;
- the Human Resources Department: works to continually expand environmental awareness among all the personnel of the SAGAT Group, through training and internal communications.

## SYSTEM FOR THE MANAGEMENT OF THE ENVIRONMENT

At a distance of a year from the first certification of the Integrated System for the Management of Health, Safety and the Environment, in accordance with the most modern international standards in the field (ISO 14001:2015), in the month of November 2017, the certifying agency TÜV Italia carried out the audit needed to maintain the certification, and the outcome was positive.

The implementation of the Integrated System for the Management of Health, Safety and the Environment, together with scrupulous respect of the system's protocols and procedures, has allowed SAGAT to comply with the highest standards of environmental performance recognised internationally, above and beyond fulfilment of the minimum requirements called for under national regulations and standards.

With the System for the Management of Health, Safety and the Environment fully operative, the following are guaranteed:

- updated mapping of all the environmental considerations pertinent to the airport grounds;
- identification and updating of the regulatory references applicable to each environmental consideration;
- identification and implementation of the structural or management initiatives needed to ensure defence of the environment;
- making of modifications and/or additions to the operating and management protocols, as well as to the procedures for each environmental consideration.

In short, the System for the Management of Health, Safety and the Environment has proven to be of strategic importance to all activities carried out on the airport grounds: development, the management of services - whether enacted directly or indirectly - the planning, construction and maintenance of infrastructures, and aviation operations.

What is more, achievement of the environmental certification – based on the ISO 14001:2015 standard – demonstrates SAGAT's determination to comply with the maximum standards of environmental performance recognised internationally, exceeding the minimum requirements set under national regulations and standards.

In conclusion, SAGAT Group has identified, within the framework illustrated above, the following primary environmental factors, examined in further detail in the remainder of this chapter:

- energy;
- emissions in the air;
- noise;
- water resources;
- waste;
- soil.

### THE ENERGY MANAGEMENT SYSTEM

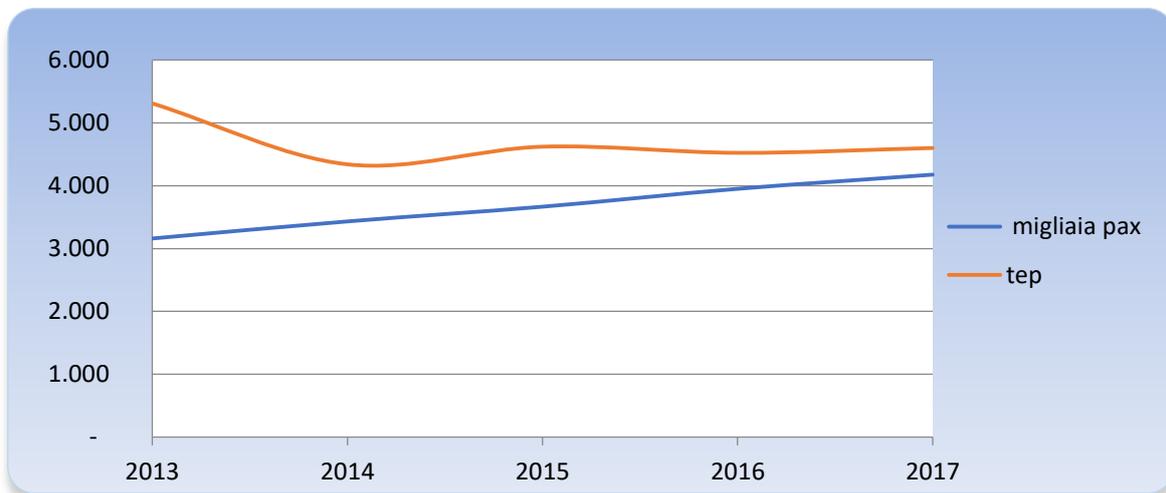
SAGAT is an energy-intensive enterprise that has always regarded energy management as a fundamental factor of its sustainable development. The constant, ever increasing attention paid to issues of energy savings and environmental sustainability have resulted in the planning of increasingly significant investments tied to energy savings.

In June 2012, Torino Airport became the first airport in the world to obtain the TÜV 50001:2011 certification of its energy management system, and it was among the first airports in Europe to obtain energy certification.

In the three-year period 2012–2014, initiatives were undertaken that made it possible to increase the efficiency of the final uses of energy in the Airport’s infrastructures, reducing overall consumption by approximately 25% while enhancing all company procedures meant to achieve improved energy performance.

In accordance with one of the priority objectives of SAGAT’s energy policy, in what represents an incentive for energy production from renewable sources, contracts for the supply of electric energy call for 20% of the energy to come from certified renewal sources.

The graph plots the levels of consumption (tonnes of oil equivalent) against the number of passengers over the last four years.



In the month of December 2015, Torino Airport completed an energy diagnosis, as per the procedures contemplated under Legislative Decree 102/2014 (in implementation of directive 2012/27/EU on energy efficiency), updating the previous diagnosis of 2011, which had been drawn up during the certification of the energy management system.

In the month of July 2016, SAGAT renewed the certification with DNV GL and drew up an energy-improvement plan focussed on two main areas of intervention:

- upgrading of the indoor and outdoor lighting systems;
- increasing the energy efficiency of the climate-control systems.

The investments contemplated under the improvement plan are part of the Four-Year Plan (2016–2019) of initiatives of the SAGAT Group included with the Program Agreement signed with the ENAC.

In the month of October 2017, work began on the revamping of the refrigeration unit serving the passenger terminal, an effort completed with the placement in operation of two new high-yield refrigeration groups (EER 6.20), at an installed power of 2.6 MW.

In November of 2017, SAGAT initiated activities designed to satisfy the prerequisites of the ACA Protocol – Level 1 Airport Carbon Accreditation – Mapping and identify possible points of integration between the systems of energy and environmental management and the ACA Protocol.

By integrating the systems for energy and the environment, and despite the fact that separate certifications are maintained, ISO 50001 and 14000, the documentation of the two systems can be rationalised, and the procedures for acquiring and analysing data can be unified.

The following tables illustrate the break-down of consumption in 2017, subdivided by energy source and CO<sub>2</sub> emissions. While there was a 5.8% increase in passengers compared to the previous year, levels of consumption remained essentially unchanged.



### Consumption by energy source for 2017

energy source	2017 consumption	toe coefficient	toe
Electric energy	19,706 MWh	0.187 toe x MWh	<b>3,685</b>
Heating oil	95,905 kg	1.02 toe x 1,000 kg	<b>99</b>
Diesel fuel	42,999 kg	1.02 toe x 1,000 kg	<b>44</b>
Methane	924,341 Sm <sup>3</sup>	0.836 toe x 1,000 Sm <sup>3</sup>	<b>772</b>
Petrol	1,298 lt	0.765 toe x 1,000 lt	<b>1</b>
<b>TOTAL toe</b>			<b>4,601</b>

### CO<sub>2</sub> emissions in 2017

<b>SUMMARY OF THERMAL ENERGY AND CO<sub>2</sub> EMISSIONS</b>		
<i>data processed by SAGAT march 2017</i>		
Total electric energy consumed by site	70,942	GJ/year
Total thermal energy consumed by site	3,328	GJ/year
<b>Total energy consumption</b>	<b>74,269</b>	<b>GJ/year</b>
Consumption of primary energy tied to electric energy	3,685	TOE/year
Consumption of primary energy tied to thermal energy	916	TOE/year
<b>Total consumption of primary energy</b>	<b>4,601</b>	<b>TOE/year</b>
CO <sub>2</sub> emissions tied to electric energy	8,560	t/year
CO <sub>2</sub> emissions tied to thermal energy	2,127	t/year
<b>Total CO<sub>2</sub> emissions</b>	<b>10,687</b>	<b>t/year</b>

## EMISSIONS IN THE AIR

While it is difficult to measure the direct effects of airports on air quality, Torino Airport has carried out several monitoring campaigns outside the airport grounds, in compliance with ministerial orders and in cooperation with the ARPA (Regional Environmental Protection Agency) of Piedmont.

Monitoring of concentrations of sodium dioxide in the vicinity of the Airport was concluded in 2016, having been initiated in 2015, in collaboration with the Piedmont ARPA, in accordance with notification of the outcome of a 2013 measure of the Ministry of the Environment and Defence of the Land and Sea.

The results of those monitoring campaigns showed concentrations of polluting gases always below threshold values, and the data collected did not give evidence of connections with air traffic; instead, the pollution sources detected were related to vehicle traffic and heating systems.

## NOISE POLLUTION

The noise generated by aircraft taking off and landing is the environmental factor perceived to the greatest degree by the communities that live in the proximity of Torino Airport. It is the sum of multiple factors: aircraft propulsion technologies, the take-off and landing procedures utilised, and land development planning in the areas surrounding the Airport.

As to the first factor, the responsibility lies with the airlines who decide their own aircraft overhaul and replacement policies. In recent years, newer aircraft have been gradually employed at Torino Airport, equipped with state-of-the-art, low-noise turbofan engines. This has caused a reduction in the noise pollution from aviation activities.

The following table shows the break-down of aviation movements based on the acoustic certification of the aircraft, as per Annex 16 ICAO (from categories 3 to 5, acoustic emissions decrease, meaning that the aircraft make less noise).

	2015	2016	2017
<b>CATEGORY 3</b>	70.5%	71.9%	67.3%
<b>CATEGORY 4</b>	29.5%	28%	32.2%
<b>CATEGORY 5</b>	<0.1%	0.1%	0.5%

Percentages of aviation movements based on noise certification, as per Annex 16 ICAO

As the airport management company, SAGAT, through the involvement of the competent aviation agencies (ENAC and ENAV) and of local authorities (Municipalities, Province, Region), is responsible for taking action to reduce noise levels and the number of people exposed to airport noise. The key activities performed by SAGAT are:

- permanent monitoring of airport noise levels;
- verification of compliance with anti-noise procedures;
- handling of residents' complaints through an analysis of the factors that caused them and proposals for mitigating actions;
- sharing of airport and land planning instruments with the territorial authorities and establishment of an open and cooperative relationship with them, in order to prevent and handle possible problems;
- cooperation with the authorities in charge of airport noise pollution management, in the form of dedicated round tables;
- promotion of transparency and direct contact with citizens.

## THE MONITORING SYSTEM

In order to keep the noise generated by aviation activities under control, in accordance with Ministerial Decree 20/05/99, "*Criteria for the design of monitoring systems for the control of noise pollution levels near airports and criteria for the classification of airports according to noise pollution levels*", Torino Airport has been equipped since 2007 with 8 permanent and 1 mobile noise measurement stations. These have been brought fully up to date, in terms of both their software and hardware.



Figure 1 – Positioning of noise measurement stations



This system allows the acoustic "climate" around the Airport to be monitored, so that those carriers that fail to abide by our anti-noise procedures may be fined.

In 2014, SAGAT purchased another mobile sound measurement station to support its monitoring activities, and launched a two-year plan for the upgrade of the electric systems of these stations.

In 2015, SAGAT repositioned the noise measurement station "VVF San Maurizio" (LIMF09) at the playground in San Maurizio Canavese (LIMF19) on the Via Alcide De Gasperi, to improve noise measurements on the West side of the Airport, as agreed with the members of the Airport Commission.

In order to promote a transparent addressing of the airport noise issue, SAGAT granted ARPA Piedmont (the regional environment protections agency) the right to access the airport noise monitoring system via a webpage where ARPA engineers can check noise levels daily.

Shown below are the values for the ANA (Airport Noise Assessment) parameter for the period 2010-2017 at each of the 8 noise-measurement stations, showing levels that essentially remained unchanged.



Station code	Station name	Town	ANA	ANA	ANA	ANA	ANA
			2013	2014	2015	2016	2017
LIMF01	Playground	San Francesco al Campo	54.7	56.2	55.8	55.0	55.0
LIMF02	Cemetery	San Francesco al Campo	58.0	59.4	60.6	60.0	60.4
LIMF03	S. Giacomo	San Francesco al Campo	53.4	55.3	54.2	54.2	54.4

LIMF04	Pozzo Bona	Caselle Torinese	47.1	46.5	47.2	48.3	48.3
LIMF05	Ceilometer	Caselle Torinese	61.8	62.3	62.5	63.9	63.7
LIMF06	Prato Fiera	Caselle Torinese	61.1	61.9	62.3	62.6	63.6
LIMF07	Malanghero	San Maurizio Canvese	60.7	61.6	60.1	59.2	60.5
LIMF09	Fire Department	-	44.6	47.1	45.7	-	-
LIMF10	Playground	San Maurizio Canvese	-	-	-	50.8	53.3

Table 1 – ANA values

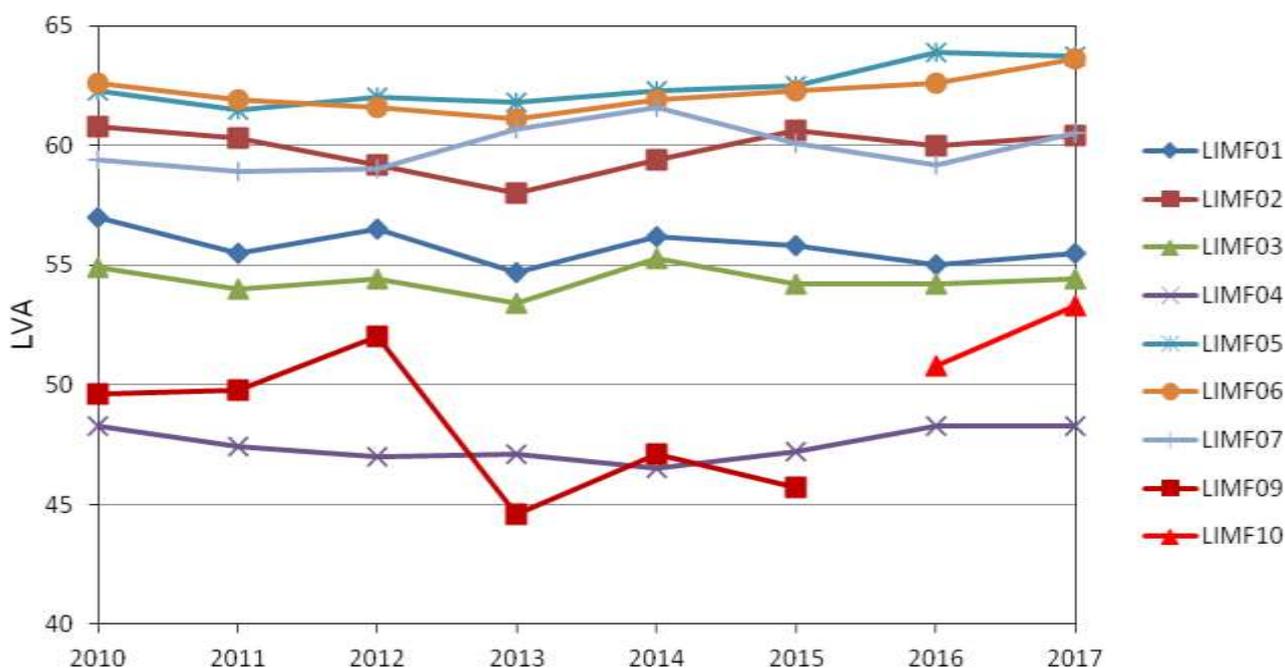


Figure – ANA levels measured in the period 2010-2017

## TERRITORIAL PLANNING

The area of the Turin Caselle Airport, located approximately 15 km North of the city of Turin, is distributed among the territories of the towns of Caselle Torinese, San Maurizio Canvese and San Francesco al Campo.

The runway of the Airport can be used in both directions and takes, by aeronautic convention, the number that characterizes its inclination with respect to the North, divided by ten: when it is taken in a Northerly direction, it is referred to as runway 36, as it is precisely aligned to the North (direction 360°), and when it is taken moving Southwards, it is referred to as runway 18 (direction 180°).

Runway 36 is used in about 98% of cases, while reverse use (runway 18) is limited to special operational requirements in order to reduce the noise over the homes of Caselle Torinese, which are located immediately South of the runway and are flown over by aircraft as they land.

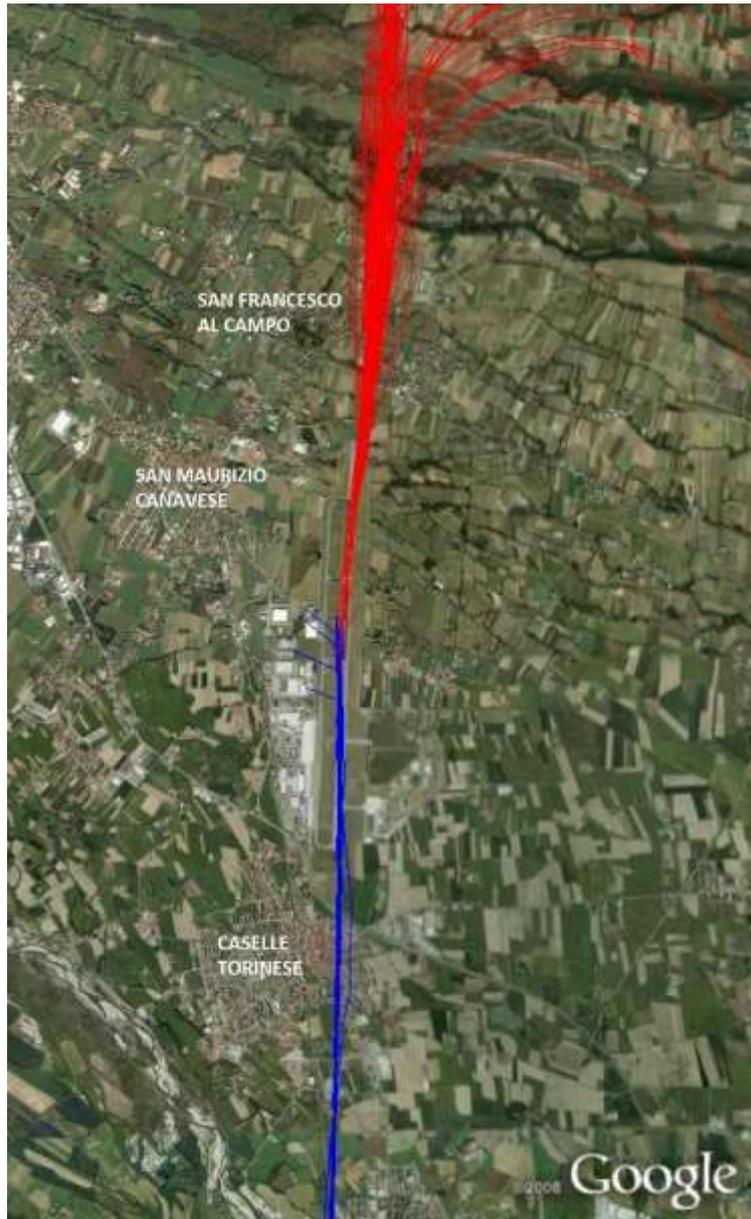


Figure 2 – Radar tracking of landings (in blue) and take-offs (in red)



The planning of residential developments near the airport is crucial for a sustainable development of the Airport. Therefore, SAGAT has focused in particular on the definition of Airport Noise Zoning pursuant to Ministerial Decree 31/10/97 "*Methods for the measurement of airport noise*", that is the key planning tool for a territorial development compatible with the acoustic impact of aviation noise.

The zoning in question was approved unanimously in January 2013 by the "Airport Noise Commission" formed by ENAC, ENAV, Ministry of the Environment, ARPA Piedmont, Piedmont Region, Province of Turin, Municipality of Caselle Torinese, Municipality of San Francesco al Campo, Municipality of San Maurizio Canavese, airlines (AOC) and SAGAT.

The area surrounding the Airport was classified, in accordance with regulatory provisions, into three buffer zones (A, B and C) characterized by a given Airport Noise Assessment (ANA) value and by the corresponding types of constructions permitted:

- Zone A:  $60\text{dB(A)} \leq \text{LVA} \leq 65\text{dB(A)}$
- Zone B:  $65\text{dB(A)} < \text{LVA} \leq 75\text{dB(A)}$
- Zone C:  $\text{LVA} > 75\text{dB(A)}$

To define the portions of land included in such buffer zones (A, B and C) the so-called “planning approach” was followed, which is the state-of-the-art method to find a balance between airport enlargement plans, town plans and municipal noise pollution classification plans. The result obtained could match the need for protecting and improving the territory with the Airport enlargement forecasts for the coming years.

Zones A and B cover a small portion of the territory of the neighbouring municipalities (Caselle Torinese, San Francesco al Campo and San Maurizio Canavese), while zone C is entirely within the airport grounds. The zones are coloured; green for Zone A, yellow for Zone B and red for Zone C.



Figure 3 – Noise zoning as per the Ministerial Decree of 31 October 1997

### NOISE-ABATEMENT PROCEDURES

The noise-abatement procedures listed in the table below are currently into place at Torino Airport. The table also describes the benefits in terms of reduction of noise levels for the residents affected by airport noise.



	<b>NOISE-ABATEMENT PROCEDURES IN PLACE</b>	<b>BENEFIT FOR THE RESIDENTS</b>
1	Preferential use of runway 36	The benefit applies to all the residents of the town of Caselle Torinese. Thanks to this procedure, the area is only affected by the noise generated by landing aircraft, which is lower than the noise generated at take-off (when landing, the engines do not run at full speed).
2	Reduction of night flights	This procedure significantly reduces the noise impact during night hours and represents a benefit for all the towns surrounding the Airport.
3	Restrictions on the use of reverse thrust	The benefits arising from the restrictions to the use of reverse thrust affect mostly the residential areas located East and West of the runway, as well as the Airport infrastructure itself.
4	Restrictions on the use of APUs	This type of restriction leads to benefits in terms of reduction of aviation noise in all the areas surrounding the Airport.
5	Restrictions on engine testing	This restriction produces benefits in terms of reduction of aviation noise in all the areas surrounding the Airport.
6	Take-off and initial climb procedure	Reduction of noise for the residential areas that are flown over.

Table 3 – Noise-abatement procedures

The procedures listed in the table were introduced at Torino Airport already in 1998, verified by the engineering sub-commission in the period 2009-2012 and confirmed by the Airport Commission at the end of the zoning stage, which was completed during the general meeting of 16 January 2013. The ANA values

measured in the period 2013-2016 also confirm the validity of the noise-abatement procedures put into effect.

In 2017, SAGAT carried out the following initiatives:

- control of the acoustical “climate” in the area around the Airport, using the noise monitoring system;
- monitoring of the application and effectiveness of the noise-abatement measures in place.

## SYSTEM FOR MANAGING COMPLAINTS

SAGAT has in place a system for the collection and monitoring of residents’ complaints. Available on the website of Torino Airport, ([http://www.aeroportoditorino.it/it/aeroporto\\_it/responsab\\_it/rumore\\_it.html](http://www.aeroportoditorino.it/it/aeroporto_it/responsab_it/rumore_it.html)), the system receives the complaints of residents affected by airport noise and correlates them to specific events tied to noise and aviation operations.

This computerised procedure for the presentation of complaints, which facilitates direct communication between local residents and the Airport Manager, was approved by the Airport Commission.

The complaints received are used to determine how many operations, and which ones, bother or disturb local residents. This information, once it has been corroborated and analysed by technical experts, is forwarded to the members of the Airport Commission for assessment of possible modifications, or new implementations, of noise-abatement procedures, or other measures to safeguard local residents.

During the period 2014-2017, no significant complaints were received regarding the noise produced by commercial planes.

## WATER RESOURCES

The environmental impact on surface waters deriving from the operations at Torino Airport relates in particular to the management of rainwater on the runways and aircraft aprons, which is treated by means of dedicated purification plants.

The rainwater sewerage network within the airport grounds is a huge system consisting of drainage channels, secondary evacuation lines and main sewers.

## APRON RAINWATER

Proper handling of surface water is supported by the following elements:

- the aircraft aprons are equipped with a rainwater drainage system, plus a system for separating off hydrocarbons;
- the runway is equipped with a system for the drainage of rainwater, which is channelled into first-rain collection tanks before being released into the public sewer.

Rainwater is collected from aircraft aprons by a drainage system that channels the water to a plant where whatever portion has been polluted by hydrocarbons is separated off; this portion can later be recovered, using special equipment, and disposed of.

The system for the collection and treatment of the rainwater on the runway, the “first-rain tanks”, is designed to collect the first 5 mm of rainfall for subsequent channelling to the main sewer. The system is composed of 3 underground tanks capable of collecting 900 m<sup>3</sup> each, for a total of 2,700 m<sup>3</sup>. Rainwater is disposed of under the technical specifications of SMAT, the municipal water company, with release at a maximum controlled flow rate beginning 24 hours after the rain event, in order to avoid an overload of the public sewerage network.

## WATER CONSUMPTION

The Environmental Service continuously monitors and analyses the water consumption of the largest users, comparing the results with past records as well, in order to identify consumption patterns as a basis for detecting any deviations potentially caused by leaks in the supply network or by abnormal use.



Benchmark year	Water consumption
2017	153,782 litres
2016	157,756 litres
2015	167,451 litres
2014	155,219 litres

The consumption of drinking water supplied by the SMAT aqueduct over the last four years, 2014-2017, points to a rational use of drinking water by all the users installed within the airport grounds. In fact, despite the growth in the number of passengers in transit through the Airport during the last three years, 2015-2017, a decrease in consumption was recorded.

### WASTE MANAGEMENT

SAGAT deals with the management – from collection to delivery to a disposal site, or to authorised recyclers – of the waste produced both by its own operations and by the subjects that, in various capacities, are present within the airport grounds. To this end, ecological areas and islands have been set aside for collection of the different types of waste, while an information bulletin has been distributed to raise awareness among all Airport authorities and operators regarding proper waste differentiation, in order to facilitate diversified disposal.

### URBAN WASTE AND OTHER WASTE CLASSIFIED AS URBAN WASTE

Urban and similar waste (EWC Code 20/03/01) is taken daily from the Airport's numerous collection points (containers and/or ecological islands). In the summer and winter months, when charter flights are more frequent, waste collection is made twice a day.



Year	Quantity collected and disposed of
2017	568,570 kg
2016	579,250 kg
2015	543,900 kg
2014	546,220 kg

Variations in the quantities of waste collected and disposed of, as shown on the table, are the result of increased differentiated collection, thanks to efforts to heighten awareness among the Airport's sub-concession holders.

### DIFFERENTIATED WASTE COLLECTION

The SAGAT Group makes differentiated collection of various types of waste, such as plastic, glass and printer toner, in addition to handling in differentiated fashion special waste to be disposed of or recycled, such as batteries, neon lamps, tyres, wood, metals, spent oil, rubble, or waste from out-of-use electrical and electronic equipment (RAEE).

In contrast, paper and cardboard waste is recycled directly by the Arcobaleno social cooperative, within the framework of "Cartesio" paper recycling project. The paper and cardboard are disposed of at the pulping mills indicated by COMIECO, the national consortium for the recycling of cellulose-based materials.

The following table reviews the waste-differentiation index for the three-year period of 2015-2017, calculated using the normalised method, as per the Ministerial Decree of 26 May 2016, transformed by the Piedmont Regional Council into Decree no. 15-5870 of 3 November 2017:

Differentiated collection	Year 2015	Year 2016	Year 2017
DC index [%]	5.43	19.71	17.91

### PREVENTION OF SOIL POLLUTION

SAGAT Group is very much aware of the issue of soil pollution and has studied the possible sources of pollution, carefully mapping them and drawing up specific procedures under its Environmental Management System, in cooperation with its Safety Management System:

- mineral oil tanks, buried or elevated;
- battery recharging areas;
- operations involving the movement of chemical materials.

The mineral oil tanks located in various areas of the airport grounds have been expressly authorised by the City of Turin and are subject to seal tests carried out by qualified engineers at a frequency specified in the acts of authorisation.

There are certain outdoor areas at the Airport - used for the recharging of lead batteries containing electrolyte solution or gel - equipped with adequately sized absorption equipment, in compliance with current regulations, for use in the event of spillage.

In the event of accidental spills of chemicals - e.g. fuel, oil, de-icing fluid - there are specific technical-operational instructions in place for response by the units assigned to contain the spill with absorbent materials and/or neutralizers to protect the soil and the water table, preventing contamination.

Other steps taken to protect surface water include:

- aircraft aprons are equipped with a rainwater drainage system and a system for separating off hydrocarbons;
- the runway is equipped with a drainage system that channels water to the "first-rain" collection tanks before disposing of it in the public sewer system.

### HUMAN RESOURCES

The underlying guidelines of the approach taken by the SAGAT Group to managing human resources are making the best possible use of the resources while ensuring that they grow professionally.

Another cornerstone of personnel management is training, meant both for the Group's employees and for outside firms that operate at the Airport.

The Company is also attentive to the social needs of its surrounding area, as shown by the operating agreements established with schools and, through local government bodies, with social welfare organisations that have made it possible to place numerous students in projects that alternate school and work, in addition to helping disadvantaged individuals take part in apprenticeships for the purpose of regaining employment.

### THE PERSONNEL AND THE ORGANISATION

During 2017, the Head Company SAGAT S.p.A. made major changes in its organisational structure, leading to considerable gains in terms of the efficiency of the Group as a whole.

This wide-ranging, carefully structured internal reorganisation involving 22 employees, equal to 9% of the staff, was implemented under the organisational structure that went into effect on 1 January 2017.

What it amounted to was restoring to the Company's in-house structure activities that had previously been outsourced to other firms, and specifically the VIP Room and Fast Track services, previously operated by SAGAT Handling, and the management of the sales outlet under the brand name CRAI.

This also allowed SAGAT Handling to use the resources previously assigned to the VIP Room and the Fast Track to strengthen the passenger check-in services.

In addition, SAGAT Handling returned to its internal structure the management of working shifts, previously managed for it by the Head Company.

The most noteworthy of the initiatives that made this restoration of efficiency possible included the creation of a secretarial pool whose responsibilities are also to cover administrative procedures and the employee registration office, thus freeing up four resources for the activities returned to in-house status, plus the reassignment to other activities, including some entailing increased responsibility, of the resources who had been managing employee shifts for SAGAT Handling.

All the employees affected by the reorganisation took specific retooling courses

### THE GROUP'S STAFF

As of 31 December 2017, the total number of employees of the SAGAT Group had increased by one unit compared to the same period of the previous year.

The staff totalled 382 people, of which 32 work under contracts of permanent employment.

Of these units, 242, or 63.4%, belong to SAGAT S.p.A., while 140 work for SAGAT Handling (36.6%).

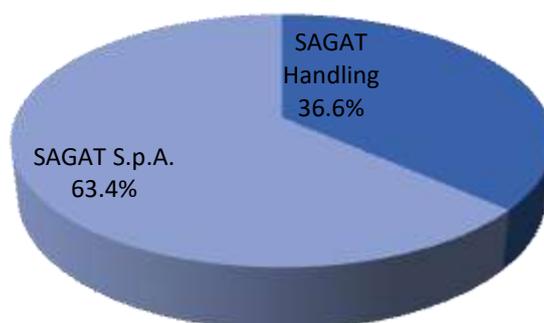
The figures indicated do not include temporary workers whose services the Group draws on for seasonal activities tied to charter traffic.

The break-down by gender remains essentially unchanged compared to 2016.



2017	Individuals	%
SAGAT S.p.A.	242	63.4%
SAGAT Handling	140	36.6%
Group	382	100%
Permanent employees	350	91.6%
Set-term employees	32	8.4%
Women	149	39%
Men	233	61%

Employee breakdown by company as of 31/12/2017



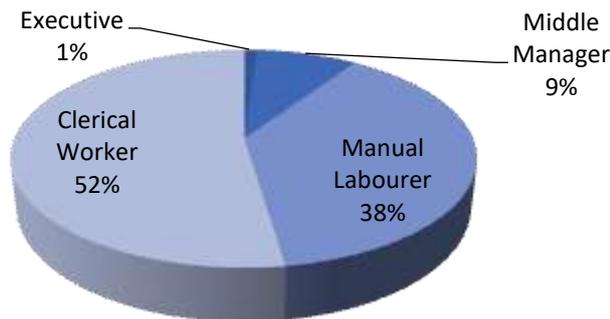
In compliance with the laws in force, SAGAT Groups employs persons with disabilities and persons in protected groups. The tasks assigned to the employees in protected groups are compatible with their psychic and physical conditions and are always monitored by the HR Management.

The Group's professional categories present a station essentially unchanged from 2016, with a predominance of clerical personnel (52%), reflecting the nature of the primary airport operations, followed by manual labourers (38%). Middle-management personnel account for 9%, while the Group has a total of 4 executives.



JOB LEVEL	Executive	Middle-Manager	Clerical Worker	Manual Labourer	
SAGAT S.p.A.	4	26	104	108	
SAGAT Handling	0	6	96	38	
<b>Total</b>	<b>4</b>	<b>32</b>	<b>200</b>	<b>146</b>	<b>382</b>

Employee job level



The following table shows that the average age of the employees has not undergone significant variations since 2016, while the average seniority is 18 years for SAGAT S.p.A. employees and 17 for SAGAT Handling.

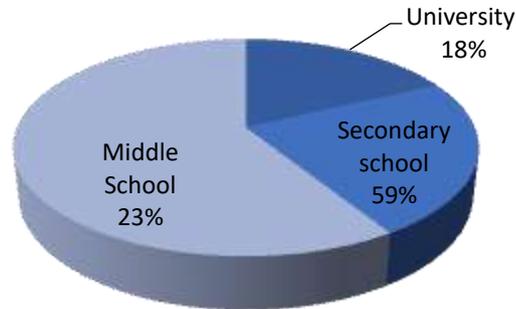


AVERAGE	AGE	SENIORITY
SAGAT S.p.A.	45	18
SAGAT Handling	47	17
<b>Average</b>	<b>46</b>	<b>17.5</b>

The break-down in terms of level of education shows that most employees are secondary-school graduates (59%), while those with only middle-school diplomas (23%) are found primarily in the manual-labourer category. University graduates (18%) are most often found among executives and middle-managers.



LEVEL OF EDUCATION	
Middle school or lower	89
Secondary school	225
University	68
<b>Total</b>	<b>382</b>



### TRAINING

The SAGAT Training Center plays a key role in organising and providing direct training not only for the almost 400 employees of SAGAT and SAGAT Handling, but also for those of other companies that operate in various capacities at the Airport, and of government bodies and authorities.

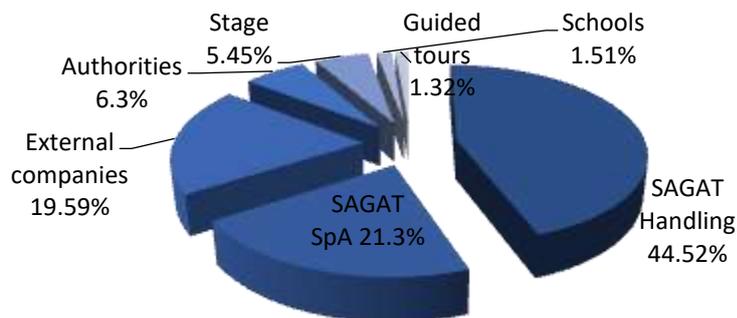
The total number of airport personnel who come to SAGAT to take obligatory courses or advanced professional instruction, or to obtain airport licenses, amounts to almost 5.000 people. For each of these individuals, the Training Center handles the requested training, registers and files the related documentation, manages deadlines and notifies the various companies when their employees need to renew the certifications of their authorisations or skills.

A portion of this training was financed by professional funds, such as Fondimpresa, or through the implementation of company training plans.

During the audit performed in November 2017 to maintain the Company's certification under the ISO 9001:2015 standard, the certifier listed the training system among the strengths observed, citing the centralised management of the courses of training and refresher instruction established by SAGAT in support of all airport operators.

The following table provides an overview of the sum total of subjects to which SAGAT provided training courses in 2017.

### Training Hours, 2017

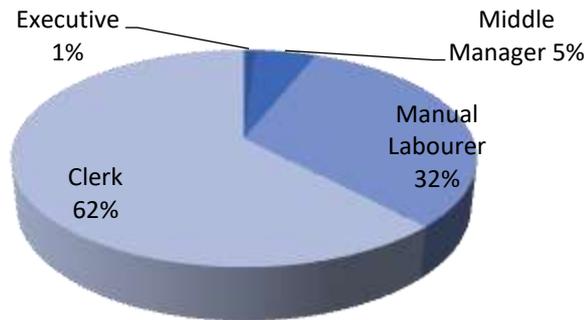


As of the date of 31 December 2017, each SAGAT S.p.A. employee had received an average of 21 hours of training, and the employees of SAGAT Handling 38 hours, for an overall annual Group average of 27 hours.

Broken down by recipients, the training went: 1% to executives; 5% to middle-managers; 62% to clerical personnel; the remaining 32% to manual labourers.

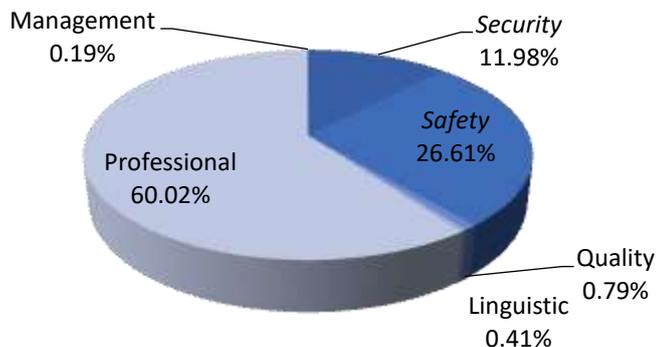


### Training Hours, SAGAT Group Employees, 2017



In terms of the types of courses taken by employees, the most frequent involved professional instruction, followed by courses involving safety and security.

### Type of Training, SAGAT Group Employees, 2017



In addition to the standard modes of training, either in the classroom or on-the-job, the Training Center offers the possibility of *e-learning* by means of the Company's on-line DOCEBO platform.

This method, which reached the level of 9.7% of the training provided in 2017, allows employees who work shifts, in particular, to manage their training needs with the utmost flexibility, taking as little away as possible from their operating capacity.

As called for under the procedures of the Company Quality System, each instance of training received by SAGAT employees concludes with the participants compiling a questionnaire that gauges their satisfaction.

The number of evaluations collected during the year 2017 totalled 2,117, with the overall level of satisfaction with how the courses were held reaching 94.7%. The level of satisfaction rose to 95.5% when only courses given by SAGAT instructors were considered, while the score for courses given by outside instructors was 92.2%.

## **EFFORTS TO ASSIST INDIVIDUALS IN DIFFICULTY AND STUDENTS**

SAGAT is involved in projects meant to favour the entry into the working world of individuals who find themselves in especially disadvantaged conditions, as well as the training of students enrolled in the aeronautical vocational schools of the local area.

The local government bodies – the Piedmont Region, the Metropolitan City of Turin and the City of Turin – promote operating agreements between entities that assist individuals in difficulty and the entities that participate in such initiatives. The goal is to achieve the entry in the working world, or the return to gainful employment, of individuals who, whatever the reason, are dealing with periods of particular difficulty.

The categories of individuals identified under the legislation governing such initiatives include individuals who suffer from problems of health or have been unemployed for long periods of time, but also refugees and asylum seekers.

During 2017, SAGAT worked alongside non-profit organisations and institutional bodies that offer such assistance, as in the case of an effort that, carried out in collaboration with the Pious Company of St. Paul, found jobs for five people.

Another important initiative meant to facilitate entry into the working world is SAGAT's participation in projects of alternating school/work instruction promoted by the Ministry of Education, University Affairs and Research.

As a statement from the ministry explains: *“Alternating school/work instruction is an innovative educational strategy that employs practical experience to reinforce the knowledge obtained at school, testing the aptitude of students directly in the field, adding value to their training while providing guidelines for further studies, and for their future employment, thanks to projects aligned with their program of studies”.*



Being the manager of an airport, SAGAT naturally gravitated towards signing the operating agreements promoted by the Ministry with aeronautical secondary school of professional instruction, such as the Carlo Grassi ITIS of Turin and the Turin Flying Institute of Caselle Torinese.

The students participating in the course of study for 2017 took classes held by the SAGAT Training Center. The following table shows the significant increase in classroom hours compared to 2016.

**Hours of training received by secondary-school students at the SAGAT Training Center**

<b>School</b>	<b>2017</b>	<b>2016</b>	<b>% variation</b>
ITIS Carlo Grassi	828	176	370.45
ITAer Turin Flying Institute	2,240	1,974	13.48
<b>Total</b>	<b>3,068</b>	<b>2,150</b>	<b>42.70</b>

The projects gave students in the upper classes the chance to engage in certain operational activities, under the supervision of a SAGAT tutor and in collaboration with the teachers of the schools involved.

In this way, the young people were able to test out, through practical activities in the field, the concepts they had been taught during their school studies and their training at the Airport.

## **CORPORATE MUTUAL ASSISTANCE**

The Company's efforts in the area of mutual assistance focus primarily on the families and children of employees.

In 2017, SAGAT continued to stand by its commitment to reimburse 50% of the costs sustained by employees to enrol their children in nursery schools or day-care centres.

Summer trips were organised for children aged 6 to 14, and study-vacations for young people 15 to 17, with the wide range of offerings, plus the reimbursement of 77% of the costs, leading to increased participation compared to 2016.

In addition, children up to 14 years of age received the traditional Christmas gift voucher.



2017	number of beneficiaries of nursery-school and day-care reimbursements	number of beneficiaries of children's gift pack	number of beneficiaries of summer camps
SAGAT S.p.A.	30	130	31
SAGAT Handling	15	74	19
<b>Group</b>	<b>45</b>	<b>204</b>	<b>50</b>

## OCCUPATIONAL SAFETY

The SAGAT Group has always paid the utmost attention to all issues related to employee safety and health, as well as safety at the workplace.

In fact, SAGAT S.p.A., through its enactment of, and full compliance with, the protocols and procedures of the System for the Management of Health, Safety and the Environment – implemented in accordance with the most modern international standards of workplace health and safety (OHSAS 18001:2007) – is able to manage with the utmost attention even factors tied to the prevention of fires and conditions of hygiene and health in buildings and other types of workplaces.

Through the prevention and protection services of its two companies, the Group constantly monitors rigorous compliance with the relevant regulations and provisions of law, in addition to taking a proactive role both with employees, by stressing the importance of proper conduct (such as the use of PPEs and DPEs), and with employers, by proposing improvements in production processes and working environments.

The guiding principles of the SAGAT Group's efforts in favour of occupational safety and health can be summarized as follows:

- compliance with general and special rules on occupational accidents, safety and health;
- compliance with operating procedures and standards of safety;
- protection of the safety and health of airport employees and of all others who, for various reasons, work there;
- prevention of accidents and professional illnesses;
- promotion of healthy lifestyles and conduct at the workplace;
- promotion of correct and responsible conduct to guarantee safety.

The companies of the Group also give continuous training on the various issues of occupational safety, especially the risks related to the various job tasks.

Safety training goes well beyond regulatory obligations and is planned every year, with the preparation of a training plan that takes into account the training requirements identified on the basis of regulatory updates, of the Risk Assessment Report (RAR), of the needs reported by the persons in charge of the various departments and of the corrections implemented after accidents and/or inconveniences.

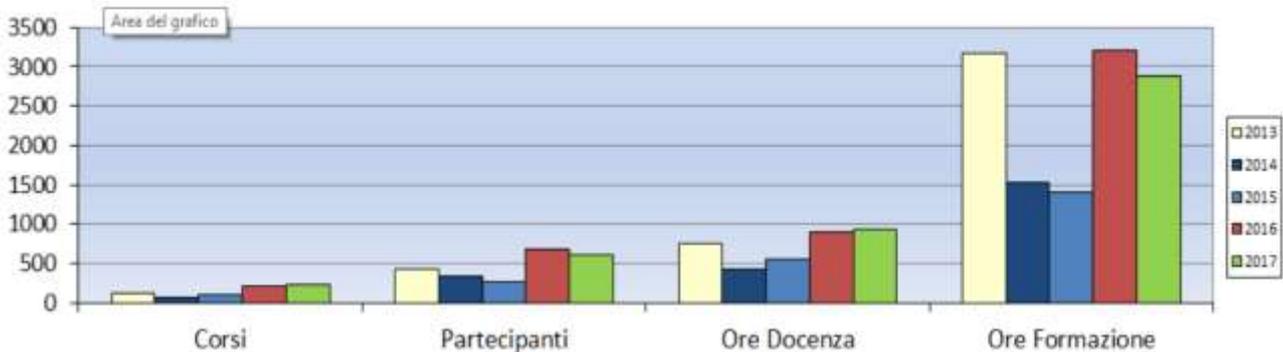
SAGAT S.p.A.	Safety training				
	2013	2014	2015	2016	2017
<b>Courses</b>	126	68	106	200	233
<b>Participants</b>	426	337	256	681	602
<b>Hours of teaching</b>	748	417	544	895	926
<b>Hours of training</b>	3,180	1,520	1,395	3,210	2,877

SAGAT Handling	Safety training				
	2013	2014	2015	2016	2017
<b>Courses</b>	144	189	97	154	337
<b>Participants</b>	357	466	296	352	649
<b>Hours of teaching</b>	617	483	378	484	751
<b>Hours of training</b>	1,889	1,734	1,168	1,169	2,345

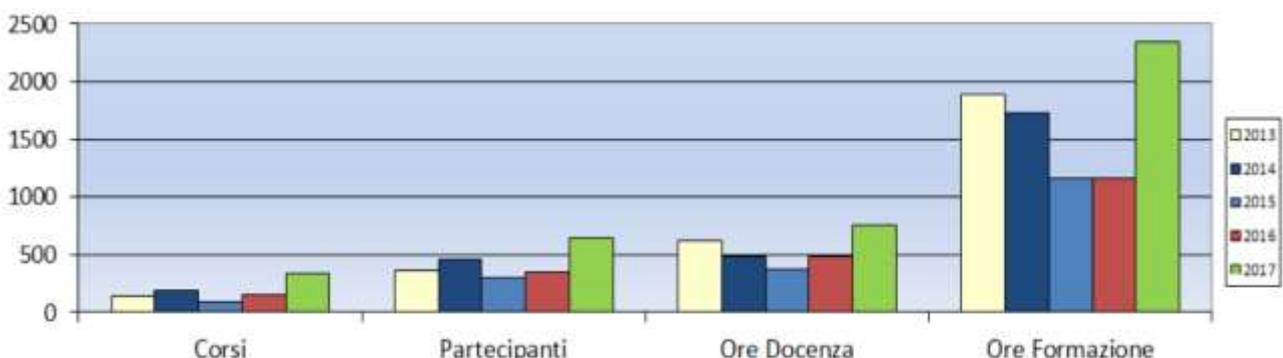
Specifically, the training offerings include the following types of courses:

- basic training for the employees;
- training on job-specific risks and measures of prevention and protection;
- training for managers and supervisors;
- specific training for holders of airport vehicle driving licenses;
- training for specific professional profiles:
  - Prevention and Protection Service Manager/Operator (RSPP/ASPP);
  - Employees Safety Representative (RLS);
  - emergency and first-aid team operators.

**Formazione Safety per SAGAT S.p.A.**



**Formazione Safety per SAGAT Handling S.p.A.**



## Accidents

The following table illustrates injury trends for the companies of the SAGAT Group.

Injury trend - SAGAT S.p.A.					
Injuries	2013	2014	2015	2016	2017
<b>Number of injuries</b>	2	3	1	2	5
<b>Days of sick leave</b>	19	22	3	61	139

Source: Company Accident Register

Injury trend - SAGAT Handling					
Injuries	2013	2014	2015	2016	2017
<b>Number of injuries</b>	8	5	4	1	2
<b>Days of sick leave</b>	169	105	17	13	94

Source: Company Accident Register

The accidents recorded by the companies showed no statistically significant results for specific departments or sectors of work, in proportion to the number of employees working in them.

An analysis of the five-year period under examination showed that the number of sick days taken for injuries at the workplace were 642, as a result of 33 accidents reported.

As part of their constant monitoring of injury trends, the companies of the SAGAT Group also utilise the Index of Frequency (total number of accidents that occur at the company) and the Index of Seriousness (total number of sick days on account of injury):

SAGAT S.p.A.					
Injury indexes	2013	2014	2015	2016	2017
<b>I<sub>f</sub>: Index of frequency</b> (Total work-related injuries/hours worked) * 1,000,000	5.27	7.73	2.52	4.85	12.17
<b>I<sub>g</sub>: Index of seriousness – aggregate</b> (Aggregate days of work lost/hours worked) * 1,000	0.05	0.06	0.01	0.015	0.34

SAGAT Handling					
Injury indexes	2013	2014	2015	2016	2017
<b>I<sub>f</sub>: Index of frequency</b> (Total work-related injuries/hours worked) * 1.000.000	31.65	22.14	16.30	3.81	8.32
<b>I<sub>g</sub>: Index of seriousness – aggregate</b> (Aggregate days of work lost/hours worked) * 1,000	0.67	0.47	0.07	0.05	0.39

## INDUSTRIAL RELATIONS

There are 4 main national labour organisations representing workers in the SAGAT Group (FILT-Cgil, FIT-Cisl, UILT Trasporti and UGL Trasporti). In 2017, their members accounted for approximately 44% of all workers.

The downward trend in union membership is in line with developments nationally, as shown by the recent studies on the question, with the latest figure from the European Commission putting the rate of union representation in Italy at 37%.

Employees belonging to unions as of 31 Dec. of each year		
Total 2013	222	59.33%
Total 2014	209	55.59%
Total 2015	216	54.41%
Total 2016	190	49.87%
Total 2017	168	43.98%

SAGAT has always established continuing and constructive relations with unions, resulting, over the years, in the signing of important supplementary on company welfare, increased efficacy and organisational flexibility, so as to be able to respond to an increasingly competitive market. All this was achieved, in large part, through an ongoing dialogue with the employees' representatives (RSU), making possible in recent years, including 2017, untroubled, fruitful relations between the parties..

## VENDORS

### VENDOR SELECTION PROCEDURES

SAGAT, as a private entity operating under special and exclusive rights and as an airport management company, is subject to certain parts of Legislative Decree 163/06 (Public Contracts Act). Therefore, our subcontractors for works, services and supplies exceeding EU-set thresholds (4443,000 euros for services and supplies and 5,548,000 euros for works) are selected in accordance with the public tender procedures set forth in the Act.

Even below those thresholds, SAGAT always selects its vendors through procedures that can secure the highest competition among market operators and guarantee maximum transparency and equality of treatment. Our current corporate policies normally require the resort to competitive bidding, in the form of open calls for tenders or, alternatively, for contracts of lower value, of a negotiated procedure with multiple parties. Direct awarding is only allowed under specific circumstances subject to very strict rules, or for contracts with less-than-minimum value (40,000 euros for works, 20,000 euros for services and 10,000 euros for supplies).

SAGAT uses objective awarding criteria that guarantee the proper weighing of quality of the services provided and the related economic conditions, as well as a fair return for the vendors.

In fact, the awarding criteria that is used the most in our awarding procedures is that of the most cost-effective bid, that reflects an accurate and balanced assessment of the quality and the price of the bid.

The lowest-bid principle is used only where the technical/performance features of the works/services/goods to be provided do not appear to be decisive with respect to the prospective contract. Besides, this awarding method is usually calibrated through the so-called "wing-cutting" established in art. 97 of the Public Contracts Act to detect abnormally low offers and guarantee, even in this cases, a fair compensation of the services offered.

As shown by the table below, the average length of traded payables is essentially in line with the trend observed in recent years, with the slight increase due in large part to investments made in the final part of the year.

	2013	2014	2015	2016	2017
Average length of trade payables	134	130	150	196	209

An assessment of payables to the Lead Company's vendors as of 31 December 2017 showed that 75.65% of them are owed to counterparties whose registered offices are in Italy:

Thousands euro, minus intercompany transactions

Registered office	Payables	
Italy	12,848,700	75.65%
Rest of world	4,135,651	24.35%
<b>Total</b>	<b>16,984,351</b>	<b>100%</b>

### INVESTMENTS IN INFRASTRUCTURES

All the principal and secondary infrastructures that enable airport operations for civil and cargo aviation are located within the airport grounds.

Some of them are closer to the usual passenger experience (passenger terminal, runway, access roads, parking lots, etc.), or to some extent perceivable (heating and power plants, hangars, offices, etc.). However, there are also less known but not less important infrastructures within the airport grounds:

- the cargo terminal (covering an area of 6,000 square metres);
- the building that accommodates the offices of the state authorities at the airport;
- the police station;
- the Revenue Department Police station, with its kennel and canine units;
- the building that houses the birds of prey used for bird control;
- the building housing the personnel and the emergency response equipment of the Fire-Fighters Corps;
- the building and control tower operated by the ENAV air traffic control authority;
- the weather station, also operated by the ENAV.

The management of all the airport infrastructures for which SAGAT Group is responsible has the objective of guaranteeing their perfect operating status and working to improve the standards of service for users (passengers, airlines, cargo carriers, service providers, subcontractors etc.).

Some of the most prominent and significant investments made in 2017 were those for the opening of new retail establishments and for the repositioning and upgrading of a number of retail spaces, such as the Marina Militare store.

## ICT INVESTMENTS



During 2017, SAGAT continued with its thorough renewal, initiated in 2015, of ICT platforms that play a strategic role in its operating and administrative-accounting activities.

It also implemented new advanced solutions involving its ERP and business intelligence systems, in the interests of increasing the percentage of coverage and automation of the main operating procedures (i.e. accounts payable and receivable, payroll, general accounting and cash on hand, analytic accounting) and favouring the benefits offered by new functional features.

Of particular note among the new improvements made to the Airport's systems and infrastructure are:

- reinforcement of the platform used to collect sales data tied to the boarding pass of the purchaser through specific hardware devices owned by SAGAT and interfaced with the cash registers of the operators of the stores in the terminal (18 devices);
- installation at the gates of latest-generation boarding-card readers (two devices at each entry point, to accelerate the boarding operation) that also support the NFC protocol, making them fully compatible with the technological standards indicated by the IATA as suitable for accelerating and simplifying check-in and boarding operations through interaction with passengers' smartphone devices (32 already in operation, 12 being installed);
- enhancement, initiated in 2016, of the FIDS/BIDS system (flight information to the public) through the installation and placement in operation of additional monitors of the latest generation ("Smart Public display"), which combine improved legibility of information with simple hardware management and a native connection to the Airport network (36 devices);
- installation of new large-display monitors with an 84" diagonal and UltraHD resolution (4K) for real-time display of service and retail information (2 devices);
- continued implementation of the access-control system for proper management of passenger flows during boarding and disembarkation, so as to channel arriving passengers through the retail area of the Boarding Lobby;
- conclusion of the work (started in 2016) to create a new control room to be used for video surveillance;
- implementation of a new system for fully digital management of incoming telephone calls (Call Manager CISCO) for the operations of the Airport information service, capable of significantly increasing the efficiency and flexibility of the desks, as well as monitoring of the quality of the service provided.

## DIGITALISATION PLAN

In further pursuit of its development strategy, SAGAT initiated an in-house project involving the formulation of a Plan of Airport Innovation and Digitalisation, based on the following strategic objectives:

- increase knowledge of and interaction with, passengers/consumers;
- propose new and innovative service through the digital solutions that enable them;

- increase in-house skills and know-how while spreading the benefits and opportunities offered by the “Digital Transformation”.

During 2017, the “Digital Transformation” strategy was drawn up, together the plan for implementing digital solutions geared towards enhancing the travel experience, optimising the services offered in the retail areas and facilitating the use of solutions for transport to and from the Airport.

A space was set aside in the landside departure area for an Innovation Lab simulating the paths followed by arriving and departing passengers through Torino Airport, with installation of all the technology currently available for testing new digital solutions and assessing their compatibility, as well as opportunities for integration with the existing ICT framework.

## OBJECTIVES AND RESULTS

OBJECTIVES SET	RESULTS ACHIEVED	OBJECTIVES FOR THE FUTURE
<b>GROWTH OF AIRPORT TRAFFIC</b>		
Increasing volumes of traffic, attracting new airlines and further developing connectivity through the opening of new routes.	<p>Business negotiations have led Torino Airport to record its all-time record for passengers transported in a single year: 4,176,556, +5.7% compared to 2016.</p> <p>20 routes have been opened, and 9 new airlines have begun operations, at the Turin terminal since 2013. In the last 4 years, international traffic has grown by +49%, and regularly scheduled domestic traffic by 19%.</p>	Further increasing incoming traffic, in collaboration with the Piedmont Region.
<b>AIRPORT INFRASTRUCTURES</b>		
Guaranteeing perfect operating condition of the airport infrastructures falling under the responsibility of the SAGAT Group, working to improve standards of service for users of the infrastructures.	In 2017, new infrastructure works were carried out to launch new retail activities and open new hospitality facilities in the airside area (repositioning and optimisation of a number of retail spaces, with the opening of new food-service activities and the renovation of existing ones).	Upgrading and modernising airport infrastructures, based on forecast increases in traffic, while performing the work needed to bring aviation infrastructures in line with the new EASA European regulations.
<b>NON-AVIATION RETAIL OFFERINGS</b>		
Ensuring the proper balance between the promotion of top-flight local products and internationally established brands, so as to optimise the offerings and the travel experience of the passengers.	Expansion of the retail-area offerings with two new local food-service operators: Baladin and Agrishop.	Ongoing improvement of the passenger experience; expansion of the retail offerings in the arrivals area.

## OBJECTIVES AND RESULTS

OBJECTIVES SET	RESULTS ACHIEVED	OBJECTIVES FOR THE FUTURE
<b>QUALITY OF SERVICE</b>		
Continuing ongoing improvement of levels of performance and services rendered, given the fact that quality is a value of strategic importance, affecting all the company's processes while serving as a critical factor of success.	2017 was the first full year of operation of both (1) the Quality Management System based on the most recent version of the ISO 9001:2015 standard, and (2) voluntary participation in the Airport Service Quality program of comparative analysis	<p>Continuing to meet the commitment to provide services in line with the highest international parameters, so as to ensure satisfaction of customers and, more in general, of all stakeholders.</p> <p>Satisfying the requirements of the ENAC regarding quality, meeting the increasingly challenging qualitative and quantitative objectives (cf. the targets set in the Services Charter and in the Quality Plan of the Program Agreement for 2018).</p> <p>Monitoring Company performance, including comparative analysis with other airports that participate in the ASQ (Airport Service Quality) benchmark of the ACI.</p>
<b>ENVIRONMENTAL SUSTAINABILITY</b>		
Spreading and reinforcing a culture of environmental protection, heightening awareness of environmental considerations while promoting responsible conduct on the part of the entire staff. Operational management should also comply with criteria of environmental defence and energy efficiency, with constant efforts to improve environmental performance.	<p>During 2017, SAGAT S.p.A. applied the protocols and procedures of the System of Environmental Management certified on December of 2016, in accordance with the ISO 14001:2015 standard.</p> <p>The integrated certification of the System for the Management of Health, Safety and the Environment demonstrates the intention of SAGAT S.p.A. to "voluntarily" meet the highest standards of environmental performance recognised internationally, going beyond compliance with the minimum requirements established under domestic measures.</p>	<p>Maintaining certification of the System for the Management of Health, Safety and the Environment.</p> <p>Sustainable management of core environmental elements (soil, water, air).</p> <p>Continuing the process of raising the awareness of airport operators with regard to environmental issues and differentiated in the management of waste.</p> <p>Increasing the index of waste differentiation, with one measure being the differentiated collection of biodegradable waste from the kitchens of the food&amp;beverage outlets.</p> <p>Participating in the Airport Carbon Accreditation (ACA) Protocol for accreditation at Level 1 –Mapping.</p>
<b>JOINT EFFORTS IN THE SECTORS OF CULTURE AND TOURISM</b>		
Provide passengers with a "calling card" for the surrounding territory, contributing to its development as a cultural beacon and tourist attraction.	Holding of 9 exhibitions and events at the Airport, in collaboration with leading local figures and organisations.	Continue to improve the passenger experience by expanding the number of working relationships, establishing a new area for museum expositions: full-fledged shows at the Airport.

## PROFESSIONAL PROCESS VALIDATION



The Corporate Social Responsibility Report 2017 of SAGAT Group is the result of an internal process aimed at implementing an innovative relational communication system implemented through self-organization of processes, review of organizational structure, informed definition of the stakeholders, presentation of economic and financial data also in terms of lines of intervention, social reporting of intangible assets (starting from the asset represented by human and relational resources), transparency of results for social responsibility purposes.

The quality of the procedures followed to prepare this CSR Report was assessed by means of a professional comparison aimed at verifying their compliance and their meeting of the following requirements of procedural correctness:

<b>PLANNING</b>	<b>MANAGEMENT</b>	<b>CONTROL</b>	<b>IMPLEMENTATION</b>
<ul style="list-style-type: none"> <li>• Clarity</li> </ul>	<ul style="list-style-type: none"> <li>• Accuracy</li> </ul>	<ul style="list-style-type: none"> <li>• Consistency</li> </ul>	<ul style="list-style-type: none"> <li>• Existence</li> </ul>
<ul style="list-style-type: none"> <li>• Rationality</li> </ul>	<ul style="list-style-type: none"> <li>• Completion</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance</li> </ul>	
<ul style="list-style-type: none"> <li>• Exhaustiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Precision and logicity</li> </ul>	<ul style="list-style-type: none"> <li>• Neutrality</li> </ul>	
<ul style="list-style-type: none"> <li>• Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Exhaustiveness</li> </ul>	
<ul style="list-style-type: none"> <li>• Reasonability</li> </ul>	<ul style="list-style-type: none"> <li>• Integration</li> </ul>	<ul style="list-style-type: none"> <li>• Responsiveness</li> </ul>	
	<ul style="list-style-type: none"> <li>• Exhaustiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency</li> </ul>	
	<ul style="list-style-type: none"> <li>• Adequateness</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing</li> </ul>	

In its review of the CSR Report resulting from this process, the validating body assessed whether the social reporting structure was consistent with the methods chosen and the expectations of stakeholders, promoting listening capabilities and dialogue forms.

In this fourth edition of the Corporate Social Responsibility Report, the SAGAT Group: (i) has illustrated with specific tables the results obtained in pursuing the objectives of improvement outlined in the preceding three years, establishing, in accordance with the scientific underpinnings of the Piedmont Method, as provided by the Department of Management of the University of Turin, an organic system of rational process management capable of representing the external benefits generated in favour of the surrounding community; (ii) has reinforced the framework for the socially responsible reporting of intangibles by implementing indicators that measure structural capital, meaning the value of the organisation; (iii) increased the effectiveness of the system for reporting to the stakeholders. All the above is a further step in the ongoing process of establishing policies that ensure dialogue with, and the involvement of, specific categories of stakeholders that exemplify the system of relations with the context of the surrounding territory (carriers, passengers, local communities etc.).

The assessments performed, with reference to a series of specific qualitative requirements for each stage of the social reporting process, frames our validation opinion within a context of procedural quality both highly evolved and satisfactorily integrated with the Company analysis and with the determination of the objectives of sustainability.

On the basis of our assessment, we hold that the CSR Report 2017 of SAGAT Group was prepared, on the whole, in a manner consistent with the assumptions stated in the Note on Methodology Statement, and so it represents the outcome of appropriate processes and complies with the methodological principles deemed necessary for a positive opinion on validity of the process.

For the Regional Methodology Committee on Corporate Social Responsibility Reports (Gruppo Metodo Piemonte) of the Association of Tax Consultants and Professional Auditors of Ivrea, Pinerolo and Turin:

  
Dor. Giuseppe Chiappero

**CONTACTS:**

**SAGAT S.p.A. – TORINO AIRPORT**

**TEL. +39 011 5676356**

**FAX +39 011 5676413**

**[RELAZIONIERNE@SAGAT.TRN.IT](mailto:RELAZIONIERNE@SAGAT.TRN.IT)**

**NOVEMBER 2018**