

TORINO
AIRPORT
CONNECTED TO



CORPORATE SOCIAL RESPONSIBILITY
REPORT
2015

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LETTER OF THE MANAGING DIRECTOR

The Torino Airport continues its progress in the direction of sustainability, publishing the second edition of its Corporate Social Responsibility Report.

Responsible growth of the Company, with respect for the environment, as well as for the numerous parties with which we work on a daily basis, constitutes a key consideration in every facet of our operations.

Seeking and maintaining a proper balance between the attention focussed on employees, clients, suppliers and the surrounding territory is of vital importance in moving towards an outlook of sustainable growth over the long term.

In this year's report, SAGAT has once again detailed the initiatives undertaken to ensure that the Company's operations are geared towards objectives of social sustainability, analysing the results obtained while implementing virtuous models of conduct, both inside the Company and in relations with the outside world, all in the pursuit of continuous improvement.

The drafting of the Corporate Social Responsibility Report has proven to be a valid tool for further expansion of the culture of sustainability within the Company, increasing awareness of the social ramifications of its different activities.

This year's report was also drawn up in accordance with the Piedmont Method, continuing the ongoing, fruitful dialogue between the Company, the University of Turin and the Order of Certified Public Accountants.

The consolidated management approach brought to light by the analysis of the initiatives undertaken led to the following results in practical terms:

signing of an operating agreement with the ENAC, Italy's civil aviation authority, for the management and development of the Torino Airport through 2035, with the possibility of an extension for 20 additional years;

an increase of 6.8% in passenger traffic, which totalled 3,666,424 (+15.1% for regularly scheduled international traffic), thanks to proactive policies of business promotion funded exclusively with the Airport's own resources;

improvement of the services and infrastructures offered to passengers, thanks to the complete renovation of the airside area, including new layouts and new retail and food-service establishments;

attention to quality as a priority consideration in carrying out all company procedures;

stability of levels of employment and contractual relations, as in the case of 12 employment contracts that were transformed into permanent positions;

transparent procedures for selecting suppliers, favouring competition among the different economic operators involved;

compliance with environmental objectives, through monitoring of energy and water consumption, atmospheric emissions and the handling of rainwater and waste;

listening to the concerns and requests of the surrounding territory, keeping in mind that, in our role as airport manager, we can contribute to the development of the local economy and have an effect on the mobility of people.

The year 2015, therefore, while confirming the growth initiated in the previous year, also laid the ground work for additional socially responsible development designed to establish a lasting bond between the capacity to generate profits and respect for the environment and the social context within which we operate.

Roberto Barbieri
Managing Director of SAGAT S.p.A.

METHODOLOGICAL NOTE



UNIVERSITÀ DEGLI STUDI DI TORINO
DM DIPARTIMENTO
DI MANAGEMENT

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



Ordine dei
Dottori Commercialisti
e degli Esperti Contabili
di Ivrea, Pinerolo, Torino

Mr. Aldo Milanese
Mr. Davide Barberis
Order of Auditors and Accounting Experts of Ivrea, Pinerolo, Turin

Introductory considerations on the content and objectives of the reporting of corporate social responsibility

The contents of this Social Responsibility Report were determined through internal identification of the topics of sustainability addressed by the SAGAT, plus assessment of their relevance to stakeholders' expectations. This process is in line with recent European regulatory measures (Directive 2014/95/EU, currently being transposed into Italian regulations) meant to ensure obligatory presentation by certain types of companies in their annual reports, starting from 2017, of certain items of non-financial information regarding sustainability and diversity. In its Social Responsibility Report for 2015, the SAGAT Group has further enhanced its fulfilment of the objectives met in the first edition:

- 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.

The information and data found in this second edition of the Corporate Social Responsibility Report refer to 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 2015, as well as to their respective performances in the fiscal year 2015 (1 January - 31 December 2015), unless stated otherwise.

Data and figures from earlier years are shown only for comparative purposes, so as to make possible an assessment of the Group's performance over a set period of time.

Methodological references

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.

The Piedmont Method, a reference framework for public accountability, is structured in such that can accommodate the private-sector characteristics of the Group's companies, allowing SAGAT to benefit from its innovative and established features:

- I. establishment of procedural governance,
- II. definition of the methodological approach taken,
- III. professional procedural confirmation.

I. Procedural governance

In keeping with the Piedmont Method, four workgroups were organised to work with one another, as well as with the company managers involved on any given occasion:

- the Strategy Committee, which oversaw the process of "social reporting", establishing the guidelines for achievement of the goal.
- the Technical Steering Committee, which established the methodological references for the formulation of the report, overseeing the entire process.
- The Work Group for Application of the Methodology and Operations, which handled the operational management of the corporate social responsibility report, based on the methodologies and timing indicated on the timeline, and in coordination and collaboration with all the internal structures of the companies of the SAGAT Group.
- The Committee of Professional Confirmation, which judged whether the document met the prerequisites of the Piedmont Method.

The bodies referred to above had the following members:

1) The Strategy Committee:

- Roberto Barbieri (Managing Director of SAGAT S.p.A.)
- Aldo Milanese (President of the Order of Auditors and Accounting Experts of Turin)
- Luigi Puddu (Professor at the Department of Management of the University of Turin)

2) The Technical Steering Committee:

- Dario Maffeo (Director of Human Resources, Corporate Affairs and Quality of SAGAT S.p.A.)
 - Alberto Sartore (Executive of SAGAT S.p.A.)
 - Davide Barberis (the Corporate Social Responsibility Report Study Group of the Order of Auditors and Accounting Experts of Turin)
 - Christian Rainero (Associate Professor at the Department of Management of the University of Turin)
- 3) Workgroup of Methodological and Operational Implementation:
- Michele Barbero (Internal Audit Manager of SAGAT S.p.A.)
 - Francesca Soncini (Manager of External Relations, Communications and Operational Marketing of SAGAT S.p.A.)
 - Elisa Bigando (intern and student at the Department of Management of the University of Turin)
- 4) The Committee of Professional Confirmation:
- Giuseppe Chiappero (liaison with the Corporate Social Responsibility Report Study Group of the Order of Auditors and Accounting Experts of Turin)

II. The methodological approach followed

The implementation of the Piedmont Method is reflected in the methodological approaches chosen and in the format of the report. In methodological terms, a variety of references were drawn on:

- 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 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:

- a) The Identity of the Group: presenting the company mission, the reference context, the mapping of the stakeholders and the intangible assets;
- b) Economic Overview: presenting the economic-financial results for the two-year period 2014-2015, together with the procedures for collecting and utilising resources (economic value created, distributed and withheld);
- c) Report on Social Responsibility: describes the activities and modes of exchange between the SAGAT Group and the primary stakeholders.

These sections are preceded by the present Methodological Note and followed by a concluding section, the Professional Procedural Confirmation.

III. The professional procedural confirmation

The quality of the process and its fidelity to the methodological principles expressed in the manual “The Piedmont Method for Reporting on Corporate Social Responsibility”, as well as to the other standards listed under point II above, has been assessed by the specific committee of confirmation.

This professional confirmation, based on an assessment of the sum total of specific prerequisites of quality pertinent to each phase of the process of social accountability, plays an indispensable role in reassuring outside parties that the report on corporate social responsibility is the valid outcome of a process enacted under a rigorous methodology.

IDENTITY

DESCRIPTION

CONTEXT

MAP OF THE STAKEHOLDERS

INTANGIBLE ASSETS

DESCRIPTION

History

As early as the start of the last century, the city of Turin was at the forefront of motor-vehicle and aeronautical production, boasting what was then Italy's most important airport, the Mirafiori airfield, built in the Winter of 1910-1911. By the early 30's, the small-scale Mirafiori facility was no longer able to satisfy the propulsive thrust exercised by military aeronautical operations, making necessary a new airport located far from the city's residential centre, which had begun to expand. The site chosen was in the lower Canavese area, held to be strategically important and offering favourable weather conditions for aeronautical activities, even in Winter. The new airport structures were officially opened on 27 March 1938. During the Second World War, the airfield played a marginal role, seeing only scarce use for military operations on the part of German troops. At the same time, to keep the large grassy expanse from being used as a landing zone by allied planes, the terrain was damaged. The need for an airport to service civil aviation led the City of Turin to enter into an operating agreement with the Ministry of Aeronautics, in August of 1949, for the construction and operation of the civic airport of Turin, opened on 30 July 1953 in territory falling within the towns of Caselle, San Maurizio Canavese and San Francesco al Campo. On 5 August 1953, a 40-seat ALITALIA Convair 340 inaugurated the Turin-Rome route with its first flight. For the first three years, the airport was managed by the Department of Transportation of the City of Turin, but it soon became clear that operations had to be rendered more dynamic and responsive if the strengths of the airport serving the city and region were to be consolidated and reinforced. In March of 1956, the City of Turin established, together with leading local business associations and banks of the Piedmont region, the "Società Azionaria per la Gestione dell'Aeroporto di Torino", or S.A.G.A.T., assigning it the task of operating the airport.

Turin 2006

In the year 2016, during which the tenth anniversary of the 2006 Winter Olympics in Turin was celebrated, we wish to remember back to the key role played by our Airport, which served as the gateway to the greater Turin area, providing the initial welcome to the Olympic family (athletes, authorities, VIPs and sponsors), which meant handling over 6,000 flights and 320,000 passengers in the month of February alone.

In order to live up to this extremely important role, the Airport radically transformed itself, starting from 2005, building new infrastructure while upgrading and expanding existing ones, enacting the most important modernisation plan carried out since 1993, the year in which the current passenger terminal was built.

The work done for the Olympics included the expansion and modernisation of the departure hall of the passenger terminal, plus the construction of a modern passenger terminal for general aviation (private flights) and an innovative baggage handling system, as well as an additional terminal for remote check-in operations, available for use to respond to exceptional situations tied to peak periods of airport traffic.

The airport infrastructure still benefits today from these massive measures of modernisation.

Vision, Mission

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 the Torino Airport, in order to increase air links within the Piedmont region, in this way contributing to the economic and tourist-industry development of Turin and its surrounding user basin.

The Group's institutional and organisational framework

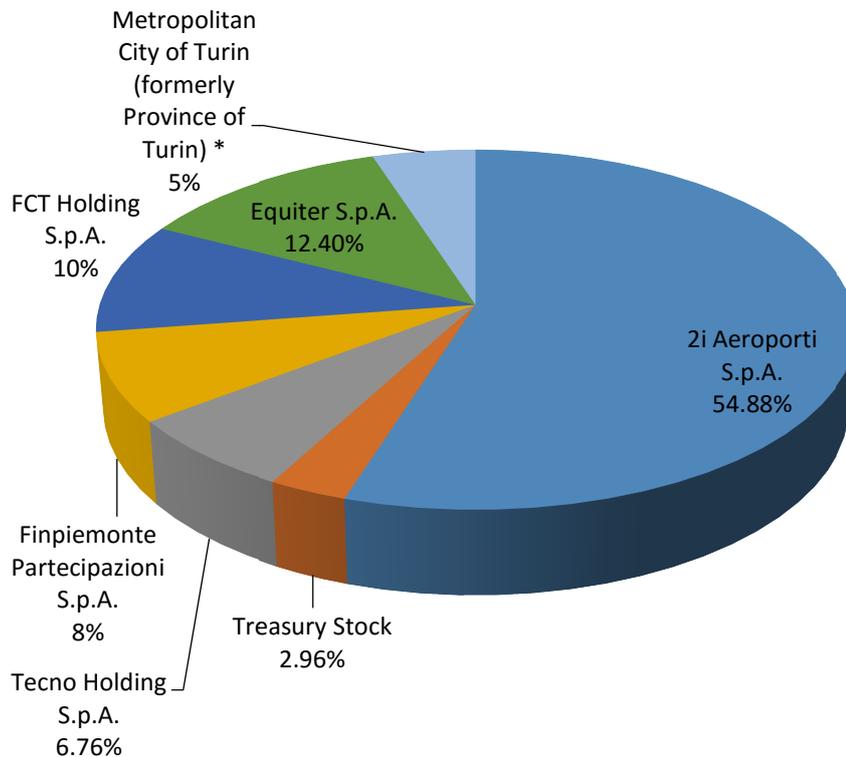
For the purposes of the present Report on Corporate Social Responsibility, the main companies of the SAGAT Group are SAGAT S.p.A., SAGAT Handling S.p.A. and Aeroporti Holding S.r.l., whose management and operating headquarters are found at the Turin-Caselle Airport.

SAGAT S.p.A.

SAGAT, whose tasks and responsibilities are described in a separate box on page 27, is also responsible for the quality and safety standards of the services supplied to passengers, both in terms of activities it performs directly and as regards those carried out by other parties operating inside the airport (air carriers, handlers etc.).

In December of 2000, 41.33% of the shares of SAGAT S.p.A. were privatised.

In January of 2013, 2i Aeroporti S.p.A. became the majority shareholder, so that, as of December 2015, the share structure was as follows:



* In terms of the identity of the Company's shareholders, it should be noted that the Province of Turin, in light of Law 244/2007 (the 2008 Budget Act), under which government bodies are required to sell holdings that are not necessary to the pursuit of their institutional objectives, approved the sale of its holding in SAGAT (equal to 5% of the share capital) in June of 2012, deeming that the preconditions for maintaining possession of the holding did not exist.

SAGAT brought a suit against this ruling, before the Regional Administrative Court of Piedmont, subsequently the decision, which rejected the suit, before the State Council.

The Board of Directors of SAGAT, having received the opinion of the Board of Auditors and of the firm assigned to carry out the statutory audit, calculated the liquidation value of the holding, doing so in accordance with art. 2437-ter of the Italian Civil Code.

In compliance with the provisions of art. 1, paragraph 569, of Law no. 147 of 27 December 2013, the Board of Directors of SAGAT, in February of 2016, held it necessary to proceed with the liquidation of the holding, following the procedure called for under art. 2437-quater of the Italian Civil Code by offering the shareholders a purchase option of the shares of the Metropolitan City of Turin.

The Metropolitan City of Turin made known to SAGAT that, among other matters, it did not hold that it has received proper value for the liquidation of the holding, and so it had initiated the proceeding governed by art. 2437-ter of the Italian Civil Code.

As such, the procedure for offering the shareholders options of the shares of the Metropolitan City shall remain suspended until such time as the proceeding objecting to the liquidation price is settled.

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 2015, the members of the Board of Directors were:

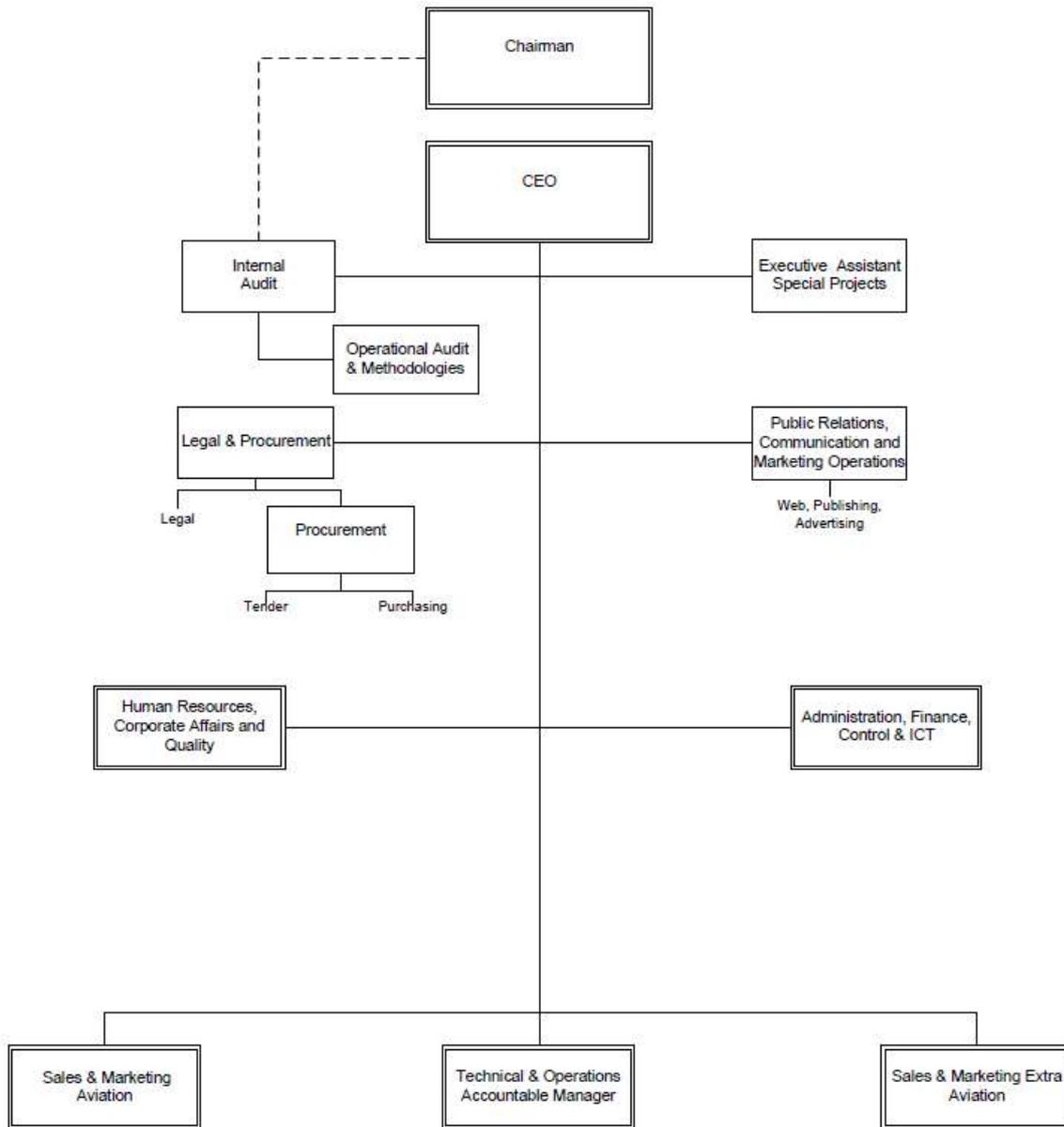
Giuseppe Donato	Chairman
Paolo Venero	Vice Chairman
Roberto Barbieri	Chief Executive Officer
Jean Jacques Dayries	Director
Alberto Eichholzer	Director
Giuseppina Falappa	Director
Gian Luigi Garrino	Director
Rosario Mazza	Director
Paolo Mignone	Director
Laura Pascotto	Director
Fiorenzo Tasso	Director

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 of the Board of Auditors	Lorenzo Ginisio
Standing Auditor	Ernesto Carrera
Standing Auditor	Davide Barberis

As is indicated in the chapter on human resources, as of 31 December 2015, the SAGAT Group had 397 employees (367.17 FTE), of whom 232 (223.79 FTE) were assigned to the structure of SAGAT S.p.A., a modern, streamlined but complete organisation that was updated during the year 2015, and whose main functions are described on the following chart:



Committees and workgroups

The corporate structure of the Group's head company includes a number of inter-departmental committees and workgroups established to optimise interactions between employees, including:

- the Business Plan Committee and the Strategic Marketing Plan Committee
- the Procurement Committee
- the Quality Committee

- the Working Committee on QMS procedures
- the Energy Management System Committee
- the Committee for Monitoring Workplace and Environmental Safety

SAGAT Handling

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 had 165 employees (143.38 FTE) as of 31 December 2015, 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.

Aeroporti Holding

As of 31 December 2015, the company, which has no employees, owned 7.21% of the quotas of the company managing the Bologna Airport.

Code of Ethics, Organisational Model 231 and Oversight Body

SAGAT S.p.A., aware of the need to ensure conditions of fairness and transparency in the performance of company activities, in line with the expectations of its shareholders and with due consideration for the importance of establishing a system of internal control suitable for preventing illicit conduct on the part of its directors, employees, representatives and business partners decided, in accordance with its own corporate policies, to approve its first Organisational Model based on Legislative Decree 231/2001 on the occasion of a meeting of the Board of Directors held on 27 November 2002, at which time a Code of Ethics was also approved.

The Code of Ethics clearly 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 portions of the 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, in non-anonymous form, 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 illicit conduct on the part of subjects who operate, either directly or indirectly, within the sphere of sensitive activities (directors, managers, employees and outside staff), so as to exclude or limit the administrative liability of SAGAT and SAGAT Handling.

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, defining its tasks and position within the company hierarchy, while a subsequent modification in its composition occurred in 2012.

As of 31 December 2015, the Oversight Body, which possesses independent powers of initiative and control, consisted of 2 members from outside the company, plus an internal member, in order to guarantee the impartiality of its activities and opinions:

Chairman	Paolo Venero
Outside member	Lorenzo Ginisio
Internal member	Alberto Sartore

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

Main features

The terminal of Torino Airport consists of a covered surface area of more than 57 thousand square metres divided among three floors and highlighted by the large, modern glass façade of the spacious boarding area that looks out onto the runway.

The fact that the different floors are integrated with one another and free of architectonic barriers favours individuals who experience difficulty in moving, and who may, upon request, draw on specific services.

Apart from the comfort for users, one of the strong points of the Caselle airport is the rapid pace of operations, favoured by the advanced nature of its equipment, including a radio-assistance system that allows aircraft to land in absolutely safe conditions even with horizontal visibility of only 75 metres and absolutely no vertical visibility.

Then there is the baggage handling system (BHS), occupying a surface area of approximately 13,800 square metres and equipped with the most sophisticated x-ray control equipment available, allowing it to handle 3,200 pieces of luggage an hour, for rapid, flexible operations; the remote terminal, found between the railway station and the multi-level parking facility, relieves congestion at the main terminal during periods of heavy traffic; the numerous stations for the control of carry-on luggage help accelerate the performance of operations tied to security.

Torino Airport also has a sizeable terminal for general aviation, meaning private air traffic. Elegant, but at the same time modern and operational, it has a noteworthy visual impact.

Features

Runway	3,300 metres
Passenger terminal	57,000 square metres
Parking	+3,000 spaces

Continuous services

Service hours	24 hours a day
Assistance	passengers/cargo all types of aircraft
Radio-assistance system	ILS-CAT3B continuous operations even in scarce visibility

Airport capacity

Movements per hour	28
Passengers	6 million
General aviation	
Cargo terminal	

Emergency services

Snow squad	86 members
For past 6 years operations never interrupted by snow	
Fire-fighting service	capacity to handle situations up to the highest ICAO category

In 2015 Torino Airport transported 3,666,424 passengers, for growth of 6.83%, over 50% more than the average national rate in Italy. The number of passengers on international flights grew over 15%:

Passengers	2014	2015
Domestic	1,817,333	1,858,557
International	1,423,531	1,638,097
Charter	178,238	158,158
Other	12,884	11,612
TOTAL	3,431,986	3,666,424

The commercial services offer:

Fast Track, VIPs' dedicated area (Piemonte Lounge), Baby Lounge, free and unlimited Wi-Fi in the passenger and general aviation terminals, meeting room, general ticketing area, group check-in counter, services for the PRM (reserved parking, a "Courtesy Room", pillars for calling assistance), infirmary open 24 hours a day.

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 the Torino Airport: SAGAT Handling, a company of the SAGAT Group that had a market share of 74.7% in 2015, and Aviapartner, which accounts for the remaining 25.3%;
 - 2.2 the caterers, meaning the companies that supply the food for the aircraft;
 - 2.3 the fuel-supply companies.
3. The Airport Manager.

SAGAT (for Società Azionaria Gestione Aeroporto Torino) is the manager of Torino Airport. As such, SAGAT 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 bridges for boarding and disembarkation, as well as 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.

Among the main 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 carriers, providing them with aeronautical services as well.
- 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 established in September of 2013 and responsible for regulation of the transport sector.

The Operating Agreement with ENAC

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 the 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 amounted to achievement of an historic objective on the part of 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, complete with fundamental guarantee regarding financial balance and fitting return on the capital invested.

The operating agreement is valid to 3 August 2035, with the possibility of an extension to 2055.

The text of the agreement also includes:

The procedure for setting fees

In implementation of the new rules governing airport fees, it should be noted that the procedure for revising the fees applied to the Torino Airport was initiated during the year 2015.

More specifically, on 7 December 2015 the Consultation of Airport Users regarding the Proposed Revision of Airport Fees for the Fee Period 2016 – 2019 got underway.

A first public hearing of users was held on the date of 8 January 2016, with the objective of sharing with the airport users the document of consultation drawn up by SAGAT through a detailed analysis of the technical documentation regarding traffic, infrastructure initiative, quality and the environment. This initial hearing concluded with the formulation by the users of proposals for modification of the fees applied and of the levels of service guaranteed (SLA).

Following two more public hearings, held on January 22nd and March 23rd, an agreement was reached, backed by the favourable votes of a large majority of the users, regarding the airport fee schedule for the period 2016 – 2019, as well as the SLA and the date on which the new fees would become effective: 1 May 2016.

Positive economic and employment-related fallout on the surrounding area

Airports are among the key elements in national and local strategies and policies of economic development, given that they provide the areas in which they are found with an important competitive advantage, increasing the capacity for competition on the European and world levels and thus serving as a catalyst for increased social wellbeing in the local area.

The presence of an airport produces the following types of effects:

- “direct”, through economic activity in and of itself, generated either inside the airport facility (commercial enterprises, car rental, shipping concerns, state authorities etc.) or outside, as in the case of spending by non-resident travellers or spending by residents to get to and from the airport;
- “indirect”, through the business activities of enterprises involved in the operation of airport activities;
- “induced”, meaning effects resulting from increased spending by the recipients of the income distributed by the enterprises operating in the direct and indirect circuits;
- “dynamic”, or connected to the offer of passenger and cargo transport service, meaning tied to the economic activities that are attracted, maintained or expanded due to the presence of an airport and the destinations that can be reached through it.

A study commissioned by the ACI, or Airport Council International of Europe, and carried out in January of 2015 by the InterVISTAS firm measured the economic and employment-related ramifications of the airport sector.

It was found that, on the European level, airports create jobs for approximately 4.45 million people, of which 1.7 million jobs are created directly, 1.35 million indirectly and 1.4 million in induced fashion.

These levels of employment correspond to 1.5% of the annual GDP of the countries considered by the study, equal to 248 billion euros.

In Italy, the airport sector employs, in direct, indirect and induced fashion, almost 312 thousand workers, generating 1.1% of the GDP, calculated as being worth approximately 18 billion euros.

The study also points to the fact that each increase of 1,000 passengers at an airport with annual traffic of between 1 and 10 million passengers directly generates an average of between 0.85 and 1.2 jobs. This average tends to increase when there is a balanced mix of passengers (meaning when low-cost flights do not predominate) and a prevalence of point-to-point routes, precisely the characteristics to be found at the Torino Airport.

A recent study focussed on the United Kingdom also pointed to the close interplay between air transport and business activities, a link tied not only to cargo operations, but that includes the extensive segment of passenger traffic with business motives. This study highlights the close relationship between the supply of passenger transport and volumes of goods imported/exported: an increase of 10% in the supply of air transport (in terms of ASK, or Available Seat Kilometres) results in a rise of 3.3% in exports and growth of 1.7% in imports. This scenario demonstrates how adequate air connections, in terms of routes and available seats, and

their incentive effect on business traffic, constitute a key prerequisite for the development of business relations in the international level, with readily apparent effects on volumes of foreign trade.

The presence of efficient airport terminals and air connections also has an effect on decisions regarding investments and the selection of locations for the central headquarters of large multinational corporations. It is estimated that growth of 10% in the supply of air transport on intercontinental routes results in growth of 4.7% in direct foreign investment. What is more, adequate air connections can influence the decisions of large multinational corporations on where to locate their operating facilities and offices: an increase of 10% in the offer of air services produces a rise of 4% in the number of plants and facilities located in the proximity of airports.

The air transport market

One of the main factors affecting the size and characteristics of air transport in recent years has been the increasing importance of low-cost carriers, which, in 2015, transported more than 75 million passengers in Italy.

There was no question that the liberalisation of the air transport market would have a noteworthy effect on airports as well.

In the wake of the liberalisation process, new air companies entering the market, and especially low-cost companies (LCC), were able to negotiate advantageous fee levels with airport managers, offering in exchange long-term flows of passengers and the development of new routes, both factors of noteworthy interest, especially for small and medium-size airports.

In parallel with this trend, starting in the 90's, and thanks in part to legislative measures, private capital began to enter the airport sector, in a process of privatisation that recently gained new impetus, leading local government bodies to sell their shares, which often amounted to majority holdings, in airport management companies.

In this way, airport management firms were transformed into joint-stock companies that, in large part, began to operate as private enterprises.

And as private undertakings, the actions of airports are heavily influenced by their relations with the air companies that operate out of them, as well as their ability to attract passengers and cargo traffic.

The term "direct competition" is used to refer to extent to which an airport depends on the carriers that operate out of it, while "indirect competition" has to do with its ability to offer passengers alternative routes to those provided by other airports.

If an airport loses a carrier to another airport, then it must cope with a decrease in both aviation revenues and retail income, seeing that a lower number of passengers will be using the parking facilities, the food-service establishments and the retail outlets in general. On the other hand, the fixed costs of operating the airport shall remain unchanged.

As a result, airports are forced to compete with each other, on terms that have everything to do with business considerations, in order to retain their air-carrier clients and attract new ones, though all the while, as we have seen, their bargaining power is often quite limited.

Seen from the second perspective, meaning indirect competition, or the ability to offer passengers alternative routes to those of other airports, of the 112 airports operating in Italy, 60% have an alternative airport, operated by a different manager, at a driving distance of less than an hour and ten minutes away. And the percentage rises to 95% when the driving distance is increased to 2 hours.

Furthermore, the development of high-speed rail connections has become an especially strong source of competition, of increasingly crucial importance to airports. For trips of less than four hours, a high-speed rail connection is already able to draw away up to 50% of the market of an air route.

Torino Airport and its surrounding territory

The Torino Airport functions 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.

It is an airport that, in addition to its “Keynesian” effect as a major direct source of income and employment (prudently estimated at 12,700 workers, including direct, indirect and secondary employment), has an equally extensive and significant positive impact on the surrounding territory.

There is also a mutually beneficial synergy between the airport and the City of Turin, a tourist destination that has drawn increasing numbers of travellers and recognition, making it the only Italian city included by the New York Times on its list of the world’s cities that should be visited in the year 2016.

In 2015 the tourism sector of the Piedmont Region registered more than 13,680,000 presences of Italian and foreign tourists (+4.75% compared to the previous year).

Turin is a city that hosts major international events, including the “Terra Madre – Salone del Gusto”, or “Mother Earth – Taste Salon”, as well as the city’s film festival and an international book fair, in addition to which it offers museums of international renown, such as the Egyptian Museum and the National Film Museum.

And the rest of the Piedmont Region offers countless reasons to make the trip as well, with the tourism sector, and especially the mountain ski areas, representing one of the strong points of the entire territory, able to draw sizeable flows of visitors, including those from abroad, in the Winter months.

What is more, Piedmont is an increasingly cosmopolitan region, with citizens of foreign countries making up 9.6% of the resident population, at a total of 425 thousand individuals.

In 2015 the number of foreign residents in the city of Turin was 137,963, or 15.4% of the population.

The largest number of immigrants come from Romania, followed by Morocco.

Within Italy, Piedmont stands at the forefront of international cohabitation, being able to point to a percentage of foreign students almost double the Italian average: the region’s universities recorded a significant increase in 2015, to a total of approximately 9,000 students (8.3% of the total).

And then there are the thousands of foreign students that attend training courses at the Turin office of the United Nations.

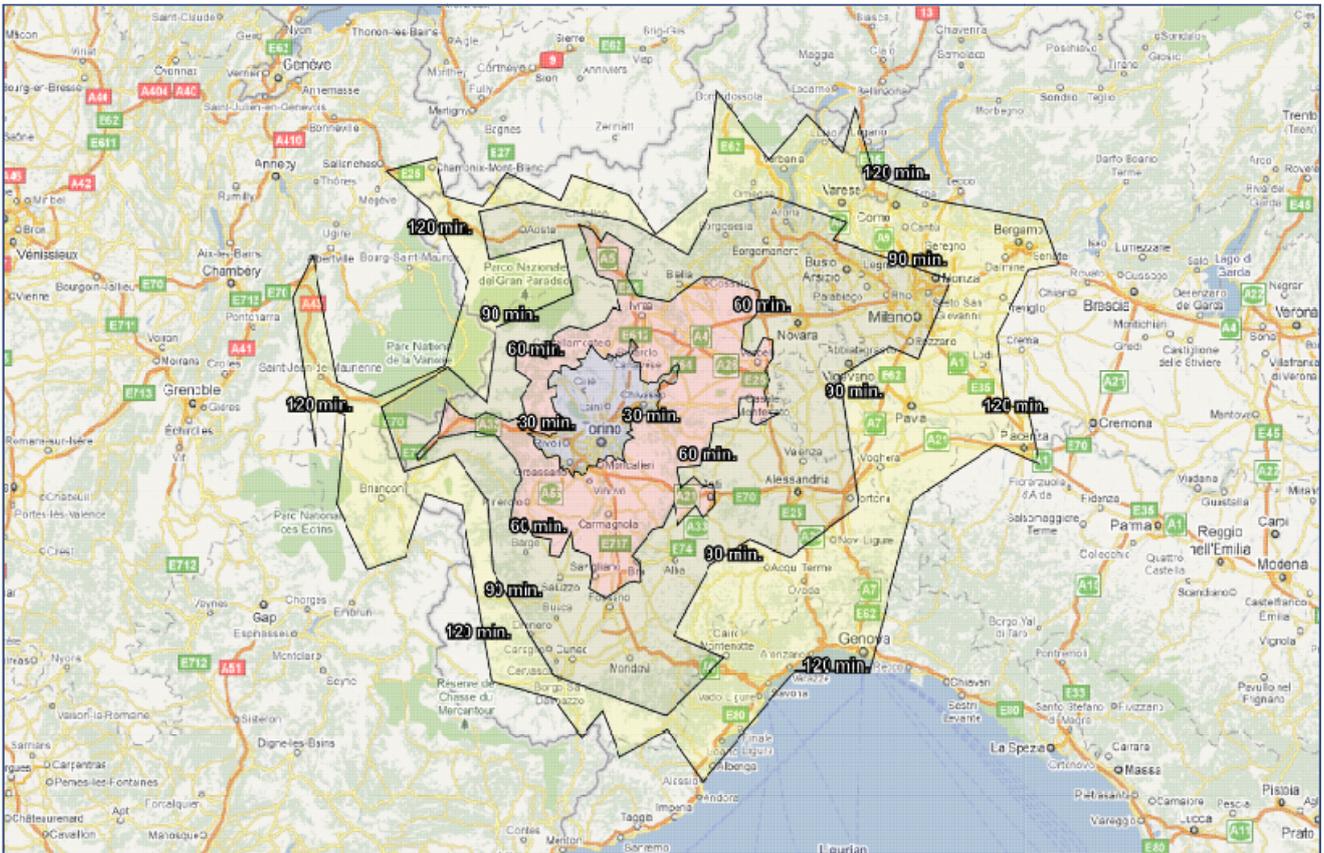
Finally, Piedmont is also ranked Italy’s fourth leading region in terms of exports, accounting for 7% of the national total.

Piedmont is located in a strategic position between northern Europe and the Mediterranean basin, at the crossroads of the two main axes of continental development (Corridor V, Lisbon-Lubiana-Kiev, and the Genoa-Rotterdam corridor of the two seas):



Torino Airport constitutes a strategic hub for the development of the Piedmont region, whose vocation for tourism, industry and crafts activities as the potential to attract significant flows of people throughout the year.

The traffic basin of the Torino Airport, conventionally considered to be the area within two hours' driving distance from the airport, extends into the neighbouring regions of Lombardy, Liguria and Val d'Aosta, as well as certain provinces of France and Switzerland:



Torino Airport can be reached by:

1,250,000 people	in 30 minutes by car
2,464,000 people	in 60 minutes by car
4,316,000 people	in 90 minutes by car
11,760,000 people	in 120 minutes by car

There are other airports within the basin of reference of the Torino Airport:

- The Cuneo Airport, 98,6 km away (travel time by car 1h 10m), 129,85 thousand passengers in 2015.
- Milan's Malpensa Airport, 140 km away (travel time by car 1h 20m), 18,582.04 million passengers in 2015.
- The Linate Airport, 163 km away (travel time by car 1h 35m), 9,689.63 million passengers in 2015.
- The Bergamo Airport, 188 km away (travel time by car 1h 48m), 10,404.62 million passengers in 2015.
- The Genoa Airport, 194 km away (travel time by car 1h 52m), 1,363.24 million passengers in 2015.

The proximity of Turin to Milan’s Malpensa Airport, a large-scale facility for intercontinental and international travel to and from northwest Italy, meant to be Alitalia’s second hub, together with the presence of low-cost carriers flying out of the Malpensa (Easy Jet) and Bergamo (Ryanair) airports, as well as high-speed rail connections, represent the main competitors for the network of connections and services offered by the Torino Airport.

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
Shareholders	Productivity and efficiency Creation of value Respect of strategic guidelines
Local community and the environment	Value created in the surrounding area Concerted development Information Reduced environmental impact
Suppliers and partners	Transparency and fairness Punctual payment Reliability
Passengers	Quality of service Growth of traffic Operating safety Security controls Accessibility Information
Government bodies and authorities present at the Airport	Transparency Compliance with pertinent requirements Sharing of good practices
SAGAT human resources	Equal opportunity Involvement and optimisation Recognition of merit Professional growth Employment stability Health and safety on the job

<p>Holders of sub-concessions and other clients</p>	<p>Development of traffic Fairness Quality of services</p>
<p>Carriers</p>	<p>Fairness Quality of services Operating safety Health and safety on the job</p>

INTANGIBLE ASSETS

In drawing up its second Corporate Social Responsibility Report, the SAGAT Group, in keeping with its decision to follow the Piedmont Method, goes on with the 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, highly motivated by the realisation that they represent one of the main driving forces, if not the enterprise's main generator of value, gain the capacity to monitor and implement the intangible consequences of the company's operations (learning, know-how, processes and interpersonal relations);
- 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 capital of relations, 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 degree of consistency and cohesiveness of management.

In approaching this innovative method of exposition, the SAGAT Group decided to follow an experimental procedure for the reporting of the indicators of human capital and relations.

Listed below are the indicators for human capital and relations, taken from the G.B.S – Research Tool no. 8, “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
	Relation 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, seeing that he provides the pilot with the visual indications for manoeuvres on the ground.

Human capital 		
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	84, 85, 86
Distribution of personnel by gender	Percentages of women and men out of total personnel	85
Break-down of personnel by working hours	Numbers and percentages of personnel with part-time and full-time work schedules	86, 87
Average age of personnel	Average seniority of personnel Age group in which the majority of the personnel are concentrated	86 86
Average age of the management	Average age of the management personnel	86

Index of level of education of personnel	Percentages of employees by level of education	87
Beneficiaries of training initiatives	Numbers and percentages of employees who have benefitted from training initiatives	89
Benefits for employees	Numbers who have benefitted from expense reimbursements for day care, children's gift package and summer camps	91, 92

Relationship capital

Relationship 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, relationship 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 relationship 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.

Relationship capital 		
Chart illustrating indicators		
Indicator	Description	Page references
Institutional map of relations	A succinct illustration of relationships with stakeholders, based on levels of efficiency and effectiveness	35, 36
Information initiatives	Organisation of roundtables, workshops, conferences, seminars, meetings etc.	52
Relationship with media	Communication events and promotional campaigns	51, 52, 53
Events in collaboration with outside partners	Events planned and/or organised in collaboration with outside partners	50, 51, 56, 57
Customers/Users		
Numbers of users/clients	Numbers of passengers and carriers	66, 67
Customer loyalty	Incentive systems promoting customer loyalty	68, 69

Quality of customer/user-organisation relation	Customer satisfaction analysis: <ul style="list-style-type: none"> customer's perception of quality of service perceived level of cleanliness and functional efficiency of bathrooms perceived availability of baggage carts perceived availability, quality and prices of restaurants and cafés waiting time for disembarkation of first passenger 	61, 62
Complaints	Number of formal complaints from customers/users	62
Public institutions and subjects		
Shareholder relations	Levels of shareholdings of public entities in SAGAT	22
Compliance with regulations and statutes	Procedures for legislative compliance	69, 70
Joint projects with the public administration	Joint projects with government bodies and authorities	74, 75, 76, 77, 82
Suppliers and financial institutions		
Relations with suppliers	Procedures for selecting suppliers	69, 70
Timing of payments	Average duration of commercial debt	70
Local fallout	Impact of suppliers in the local area	70
The environment		
Safeguarding animals	Birdstrike Risk Index 2	54
Acoustical impact	LVA parameter Anti-noise procedure	75 79
Electric energy	Tonne of oil equivalent (Toe) per energy source	80
Water resources	Consumption of drinking water	82
Urban waste	Waste collected at the airport Volumes of undifferentiated waste	83 83
Community		
Donations	Joint charity efforts	50
Figures invested in infrastructures	Investments and depreciation of assets for environmental purposes	46

BUSINESS REPORT

GLOBAL, NATIONAL AND LOCAL ECONOMIC SCENARIO

MAIN ECONOMIC INDICATORS FOR SAGAT GROUP

ECONOMIC VALUE GENERATED

ECONOMIC VALUE DISTRIBUTED

ECONOMIC VALUE RETAINED

GLOBAL, NATIONAL AND LOCAL ECONOMIC SCENARIO

The global scenario

Worldwide, the year 2015 registered the highest growth rate for passenger traffic in the last five years (+6.1%). This trend was even more apparent in the countries of the Asia-Pacific area and the Mideast, where the primary markets of the United Arab Emirates, Qatar and Oman recorded double-digit increases (+17.1% and +17.3%), confirming the area's standing as that with the highest rate of growth.

Africa, on the other hand, showed a decrease of 0.1%, due mainly to the air-traffic crisis in Egypt and Tunisia in the wake of the terrorists attacks that occurred during the year.

The air cargo sector - which proved weaker than passenger traffic – recorded an increase of 2.3% compared to 2014, due in large part to the limited growth of the emerging and developing markets, as well as the modest recovery of the advanced economies, with the sole exception of the Mideast, which registered a strong increase of 10.7%.

Source: Aci.aero

The European scenario

Based on the figures released by ACI Europe, in 2015 passenger in the airports of Europe grew by an average of 5.2%. The increase was higher in the airport of the European Union (+5.6%) than in those of non-EU countries (+3.9%), which suffered from a significant decrease in air-travel demand at the airports of Russia and Ukraine, while growth was essentially stagnant in Norway – despite a sharp rise in passenger traffic to Iceland – and the majority of Turkish airports showed healthy levels of growth. Most of the growth in passenger traffic was fuelled by low-cost carriers and non-EU airlines.

European cargo traffic, on the other hand, recorded an extremely limited increase (+0.7%), in line with the situation worldwide.

The Italian scenario

The year 2015 saw confirmation of the growth trend in the air transport market in Italy, a development that had already begun in 2014, following two years of negative results (2012-2013).

The Italian airport system recorded an increase of 4.5% in passenger traffic, equal to that registered in 2014, together with a 3.6% increase in the volume of cargo transported, plus an increase of +1% in the overall number of aircraft movements. This last figure shows that the increase in passenger traffic was due both to the higher occupancy rate of the aircraft and to the increased offer of flights.

During the period in question, more than 157 million passengers passed through the 35 Italian airports monitored by the Assaeroporti industry association, for an increase of almost 7 million passengers compared to 2014.

The strong growth of international traffic (+6.9%), and in particular that of the European Union, which rose by +8.3% compared to 2014, had a positive influence on the overall result. The trend for domestic traffic was also positive, showing an increase of +1.2% compared to 2014.

Source: Assaeroporti

MAIN ECONOMIC INDICATORS FOR SAGAT GROUP

A summary of the main economic indicators for the Group is shown below, together with their trends in the most recent years.

Aviation and handling income

As explained in the chapter on Identity, the activities carried out by SAGAT S.p.A. 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).

	Euro thousand		
	2015	2014	Difference %
Aviation			
Fees	14,665	13,767	6.52%
Centralised infrastructures	6,015	6,161	-2.37%
Assets used in common	256	254	0.79%
Security	6,502	6,096	6.66%
Aviation services (PRM and luggage)	1,628	1,526	6.68%
Total Income Aviation	29,067	27,805	4.54%
Handling			
Handling	9,863	9,077	8.66%
Aviation services (Cargo)	701	805	-12.92%
Total Income Handling	10,564	9,883	6.90%

The year 2015 saw aviation income increase by 4.5%, due primarily to the increased traffic registered by the airport, as described in the section on the subject in the Social Responsibility Report.

Compared to 2014, revenues from handling benefitted from the increase in movements of assisted aircraft, attributable primarily to the presence of a newly acquired client.

Non-aviation income

Non-aviation income decreased by 5.2% during the year 2015, going from 16,329 million euro to 15,556 million, primarily on account of the presence, in the year 2014, of 1,878 million euro of income from the direct management of the duty-free business.

On the other hand, an increase was registered in income from holders of sub-concessions, retail and food-service outlets, due in part to well thought-out policies of business development, restructuring of spaces and passenger flows and the expansion and upgrading of the services offered to arriving and departing passengers.

Euro thousand

	2015	2014	Difference%
Non-Aviation			
Non-aviation services	977	921	6.08%
Ticketing	172	139	23.74%
Airport Retail Corners	-	1,878	-100.00%
Retail and restaurant subcontracts	3,778	2,714	4.79%
Other business subcontracts	1,510	1,441	4.79%
Sublease of spaces	2,565	2,671	-3.97%
Parking Lots	5,396	5,427	-0.57%
Advertising	1,158	1,138	1.76%
Total Income Non-aviation	15,556	16,329	-4.74%

Other income

Other income, which totals 10,732 million euro, showed a noteworthy increase compared to the 1,871 million euro recorded in 2014.

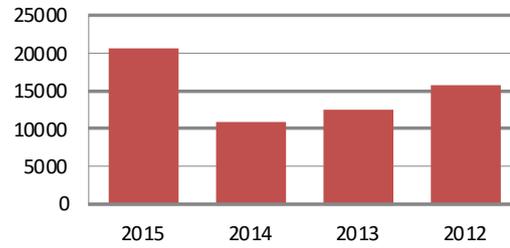
This improvement can be attributed, practically in its entirety, to the economic benefit of the full release of the Provision for the Maintenance of Third-Party Assets, at an overall amount of 8,481 million euro.

Key economic indicators

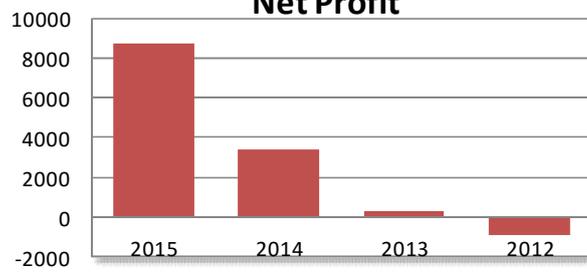
The table below shows certain key economic indicators from the Consolidated Financial Statements of SAGAT Group for the year 2015, compared with the 3 previous years: among these, the net profit of the Group amounts to €8,709 million, for an improvement of €5,352 million compared to the net actual profit of €3,357 million registered in the previous year.

	Euro thousand			
	2012	2013	2014	2015
GOM	15,784	12,485	10,942	20,592
Net profit	- 962	267	3,357	8,709
ROI	- 1.07	1.01	3.25	21.35
ROE	- 1.52	0.42	7.33	16.61

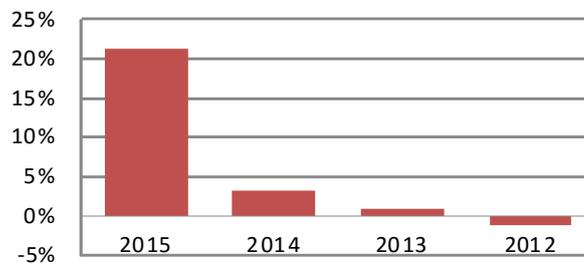
GOM



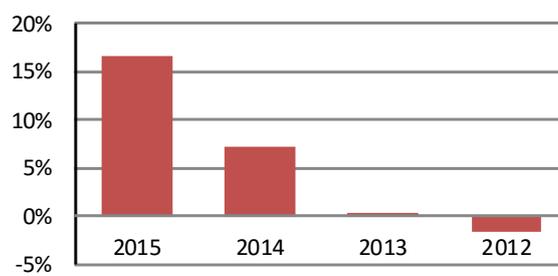
Net Profit



ROI



ROE



ECONOMIC VALUE GENERATED

The Financial Statements are made up of Balance Sheet, Income Statement and Notes, and provide a true and accurate presentation of SAGAT Group's financial position.

This CSR Report intends 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 the idea of the Group's social importance for the territory.

SAGAT Group identifies as Economic Value Generated the total of its consolidated earnings in the reference year. Therefore, in 2015 it amounted to €65,919 thousand, including the accruing portion of the grants received from Piedmont Region and from ENAC in consideration for its investments in the improvement of airport facilities implemented on the occasion of the Turin Olympic Games 2006, which amounted to €2,270 thousand in 2015:

	Euro thousand			
	2015	2014	Difference	
			Absolute	%
Production value	65,919	55,888	10,031	18.0%
Pro-rata of grants	2,270	2,274	-4	-0.2%
ECONOMIC VALUE GENERATED	68,919	58,162	10,027	28.5%

ECONOMIC VALUE DISTRIBUTED

In order to carry out its business, SAGAT Group is always in contact with its stakeholders: therefore, the Group is able to calculate the quantity of Economic Value Created that is "distributed" to a few of them:

- human resources, through the payment of wages and all the contributions related thereto;
- vendors, that are paid in consideration for 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 payment of interest on borrowed funds and the distribution of dividends.

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 2015, it amounted to €48,024 thousand, more than approximately 15% compared to the amount calculated for 2014:

Euro thousand

	2015	2014	Difference	
			Absolute	%
Compensation of vendors	23,898	19,464	4,434	22.8%
Compensation of human resources	19,702	19,161	541	2.8%
Compensation of the PA	3,653	2,648	1,005	37.9%
Community	520	535	-15	-2.8%
Compensation of lenders	249	-12	261	-2122.3%
ECONOMIC VALUE DISTRIBUTED	48,024	41,797	6,227	14.9%

Vendors in particular, i.e. the recipients of all costs incurred on purchases, maintenance, utilities and services, received €23,898 thousand, 22.8% more than in the prior year, while human resources received €19,702 thousand, 2.8% more than in 2014.



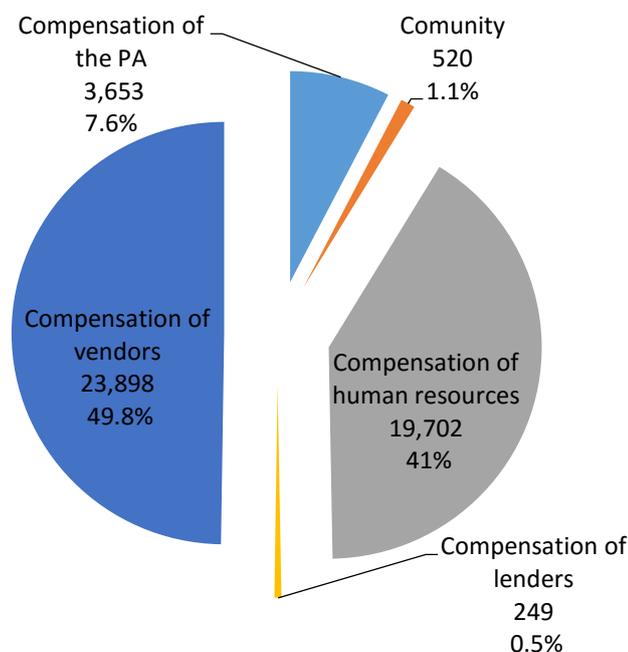
The portion of Economic Value received by the Public Administration in 2015 was €3,653 thousand, rising by 38% compared to 2014.

The Economic Value Distributed to the community includes taxes, local fees and donations made to local organisations and authorities, as well as the depreciation and amortisation of the most significant assets destined to have repercussions on the environment (equal to approximately 143 thousand euro in 2015). The depreciation and amortisation reflect the extent of the investments made in tangible assets in 2015.

In 2015 the Economic Value Distributed to the community was 520 thousand euro, for a decrease of 15 thousand euro compared to the previous year.



Economic Value Distributed



ECONOMIC VALUE RETAINED

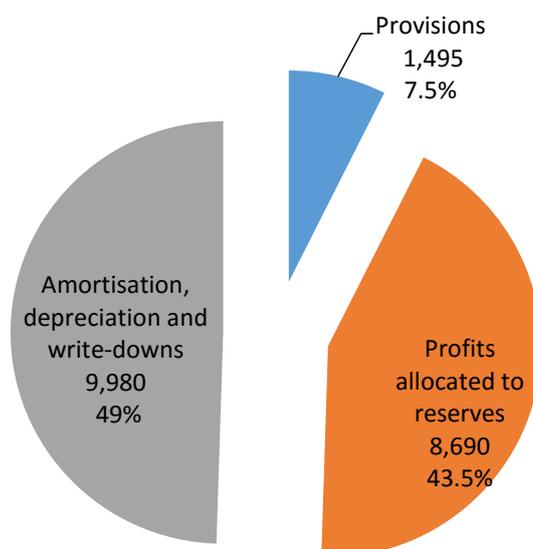
The difference between Economic Value Generated and Economic Value Distributed are those accounting entries that do not reflect in financial transactions, such as allocations to provisions, value adjustments/reinstatements, net balance of valuation activities, current taxes, deferred income tax assets 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 in the year 2015 is equal to 20,165 million euro, for an increase of 23% compared to the year 2014. The variation is the result of the higher value of the reserves allocated in 2015 and the increase on the amount of net profit allocated to reserves in 2015.

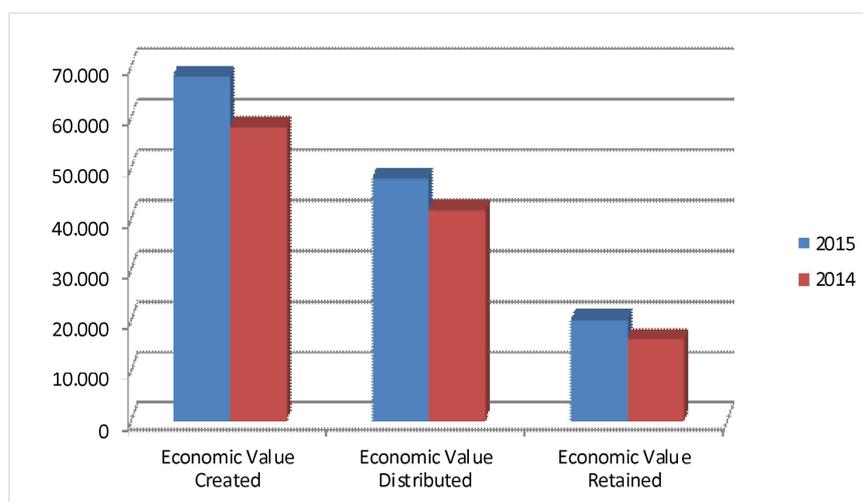
Euro thousand

	2015	2014	Difference	
			Absolute	%
Amortisation, depreciation and write-downs	9,980	10,766	-787	-7.3%
Provisions	1,495	579	916	158.2%
Profits allocated to reserves	8,690	5,019	3,671	73.2%
ECONOMIC VALUE RETAINED	20,165	16,364	3,801	23.2%

Economic Value Retained



Euro thousand				
	2015	2014	Difference	
			Absolute	%
Production value	65,919	55,888	10,031	18.0%
Pro-rata of grants	2,270	2,274	-4	-0.2%
Economic Value Generated	68,189	58,162	10,027	17.2%
Compensation of vendors	23,898	19,464	-1,925	-9.9%
Compensation of human resources	19,702	19,161	541	2.8%
Compensation of the PA	3,654	2,649	1,427	53.9%
Community	520	535	-14	-2.8%
Compensation of lenders	249	-12	261	1916.2%
Economic Value Distributed	48,024	41,797	6,227	14.9%
Amortisation, depreciation and write-downs	9,980	10,766	-786	-7.3%
Provisions	1,495	579	916	158.2%
Profits allocated to reserves	8,690	5,019	3,671	73.2%
Economic Value Retained	20,165	16,364	3,801	23.2%



SOCIAL REPORT

SOCIETY AND THE SURROUNDING TERRITORY

PASSENGERS

CARRIERS

NON-AVIATION SERVICES

VENDORS

ENVIRONMENT

HUMAN RESOURCES

INVESTMENTS IN INFRASTRUCTURES

SOCIETY AND THE SURROUNDING TERRITORY

In 2015 SAGAT continued to work alongside major social and cultural entities, providing visibility inside the airport to 19 non-profit associations and 13 cultural institutions, in confirmation of its commitment of the previous year. SAGAT also supported scientific research in the fight against cancer, participating as a partner in 2 sporting and cultural events.

In addition, SAGAT reinforced its relations with the organisations responsible for promoting the local territory, working with them on initiatives designed to showcase the region's tourist resources. At the same time, the Company intensified its communications activities targeting the business world and passengers, setting aside sites inside the air terminal for welcoming tourists, as well as halls to be used for large-scale events, organising a weekend program for children and promoting advertising campaigns for the airport's services, plus 6 joint advertising campaigns carried out with airlines to promote flights. The attention focussed on passengers led to further practical results, in the form of two new rooms designated for worship and meditation, established in addition to the ecumenical chapel already in place.

Joint efforts in the social sphere

The Airport works together with charitable organisations, non-profit groups and recognised associations, hosting a variety of activities under criteria of equal treatment of all those who present requests, with the goal of providing as much assistance as possible regarding the greatest number of social issues.

To this end, SAGAT has offered hospitality, free of charge, to 9 non-profit associations, plus other forms of assistance to 10 other organisations.

For a number of years now, SAGAT has also worked with the Advisory Board for Individuals in Difficulty, supporting the service for transporting people with reduced mobility to and from the airport.

Other efforts included SAGAT's contributions in 2015 to the work of the Piedmont Foundation for Cancer Research, taking part in the pro-am Golf Tournament of Hope and in the Stars for Thanksgiving Charity Event at the National Film Museum.



Joint cultural efforts

SAGAT has further reinforced working relations already in place in the cultural sphere, in addition to initiating new partnerships with entities that reflect the strengths of the region, showcasing the surrounding territory in the eyes of passengers while contributing to its role as a destination for those seeking tourist pursuits and cultural enrichment.

In 2015, the points of attraction that were offered "hospitality" at our Airport numbered two, as the National Film Museum continued to use an area set aside in the arrivals hall to provide previews of the exhibitions it holds at the Mole Antonelliana building, while the Bioparco Zoom set up "Zoomimagination", an exposition of contemporary art inspired by Nature, in the airside area.

During the year 2015 SAGAT also maintained its ties with leading cultural organisations and institutions, such as the Royal Venaria Hunting Palace, the Egyptian Museum, the Turin Museum Foundation, the Sandretto Re Rebaudengo Foundation, Artissima, the Royal Theatre of Turin, the Turin Jazz Festival, the Book Fair and the



Collisioni and Movement Festivals, in addition to working alongside the City of Turin in promoting its rich calendar of events.

Together with the Interfaith Committee of the City of Turin, SAGAT has completed the array of spaces provided for worship and meditation in the airport, with the opening, alongside the Ecumenical Chapel, of a Muslim prayer room, which joins the Room of Silence already opened at an earlier date.

Joint efforts promoting tourism

SAGAT promotes the region's role as a tourist destination, providing the Tourist Board of the City and Province of Turin with a site at the Airport where a video-calling system puts incoming tourists in touch with offices that welcome and advise tourists. SAGAT also offered support during major events held in 2015, setting aside a room for pilgrims arriving in Turin for the Exhibition of the Holy Shroud and opening an information point for Expo 2015, in addition to entering into agreements with two leading domestic tour operators, in order to increase the flow of incoming tourists on the occasion of the Universal Exposition.



Communications efforts

In 2015 SAGAT initiated the process of renewing and promoting a new image for the Company and for the services offered at the Airport. During the year, it also carried out intensive press and public relations activities both for the development of the aviation and non-aviation sectors and for the promotion of new routes, the restructuring of parking fees and the introduction of new retail facilities.

New system of coordinated communication

The new corporate image speaks to SAGAT's need to harmonise its tools of communication aimed at all segments of the public and to be able to draw on well organised and effective supports, on terms of graphics and concepts. The new, all-encompassing communication project is currently able to integrate all the instruments designed to promote both the management company and the services offered by the Airport, including the traditional media, the system of signs, signals and airport dressing, plus the internet, all beginning from the Airport's new logo.



The coordinated communication system was created by completely renewing the Company's corporate identity, based on the concept of "connection", as expressed in the pay-off of "connected to", which is an integral part of the new logo, appearing in all the applications. The idea is to highlight the various connections: between the Airport and its surrounding territory, to which the Airport serves as gateway, as well as with the world that becomes accessible with air travel, and with passengers as well. The following specific changes have been made:

- a new logo, which takes the old symbol of the SAGAT company and reworks the graphic treatment, to bring it up to date, with the "Torino Airport" logo and the stylised symbol "TO" accompanied by the pay-off of "connected to";
- the new system symbol of three coloured circles that identify the different categories of services offered by the Airport: To Fly, To Live, To Move;
- the new system of indoor signs and signals;
- the new set of outdoor signs and signals for the parking facilities;
- the new website, created in a single responsive edition suitable for viewing on any type of device;

- the new twitter channel;
- new published products;
- the new corporate campaign and the new product campaigns.

The corporate identity was developed with the goal of establishing closer ties with passengers, establishing routes in the surrounding territory and renewing the tools of communication with the public.

Advertising campaigns

During the year 2015, the Torino Airport promoted its business activities and its corporate image through a number of different advertising campaigns.

The first, entitled “An airport that grows, a territory that flies”, was rolled out in Spring to promote the renewed corporate image of the Airport.

A new campaign followed, “Arrive on four wheels, leave on two wings”, to popularise the new e-commerce site and promote the new parking fee schedule.

To publicise the Summer routes available at the Airport, the “Dreaming of Summer?” campaign was created, while the network and the new Winter destinations were presented with the campaign “Torino Airport. Give yourself the world”. To further develop incoming flows, another campaign was designed in 2015, this one for the Anglo-Saxon market, under the slogan “Please fasten your ski boots”. SAGAT also reprised, in collaboration with ENAC, the campaign to make departing passengers aware of the articles that cannot be brought aboard the aircraft, in order to speed up controls at security checkpoints.

Joint campaigns were also carried out to promote flights to/from Turin with the carriers Blue Air, Brussels Airlines, Royal Air Maroc, Turkish Airlines, Volotea and Vueling.

Media relations

Well aware of the importance of relations with the media, SAGAT has highlighted its new flights established and new services offered by holding press conferences. The most noteworthy included those held to launch the Summer routes of Ryanair and Vueling, plus the new Royal Air Maroc flight to Casablanca.

Further press office activities consisted of the communications efforts carried out on the occasion of: the new Turin-Ibiza flight for the Summer, as well as the new domestic flight to Bari by Blue Air; Ryanair’s new Turin-Palermo flight and its schedule for Winter 2015; the new Blue Air flights to Bacau and Bucharest; the promotion of all the Summer flights leaving from the Airport; the launch of the new Blue Air flights operated out of the Torino Airport with a fleet of 3 planes; Volotea’s new Turin-Cagliari flight, followed by the carrier’s offerings for Summer 2016, including new flights to Lampedusa, Corfu and Skiathos; the record number of passengers registered in July 2015, numbering 350 thousand, for the most heavily trafficked month in the Airport’s history; the single-day record, when 29 flights carrying more than 5,400 fans of the Juventus soccer team took off for Berlin and the Champions League final; the departure of special cargo loads for Thales Alenia Space.

Events aimed at business and trade

During 2015, the Torino Airport also organised encounters with the trade & corporate sector, as well as with the airport community, in order to introduce the new services and involve users in the complete renovation of the Airport.

In the month of February, the CRAI supermarket operating inside the air terminal was officially unveiled.

In December, the new IAMme restaurant was inaugurated during an evening event held for the press, the airport community and the most significant local organisations and institutions, an occasion that also saw the presentation of the newly renovated Heinemann duty-free area, along with a number of new stores.

Another initiative held for the trade, this one in the month of May, saw SAGAT and Ryanair join in presenting the carrier’s network operating out of the Torino Airport to travel agents during an event held at the Sandretto Re Rebaudengo Foundation.

In October, SAGAT took part in the TTG Fair in Rimini, presenting its new airport services to the tour operators and travel agents on hand.



The Airport for children

In 2015, the Torino Airport once again opened itself up to families, hosting more than 400 children accompanied by their parents during the two-day event “Open-Door Airport”, held in the first week in September, and with enormous success, seeing that all the available places were taken in just a few days’ time. The children were able to visit the airport and take an up-close look at the various areas of operation, such as the falconry service, the fire-fighters corps and the helicopter pilots’ squad, plus, for the first time ever, they were able to board small aircraft.

PASSENGERS

Airport security

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 S.p.A. 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 called for 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*, SAGAT S.p.A. exercises direct management, through its own personnel, of the service checkpoints, meaning those checkpoints used exclusively by airport operators and by flight crews, as well as by the vehicles and heavy equipment that operate inside the airport’s “sterile area”.

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 the 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 S.p.A., through the quality audits called for under security regulations and the Quality Management System governed by the UNI EN ISO 9001:2008 standard, constantly monitors correct application of the procedures, together with the levels of quality of the service provided to the customer.

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 10 security checkpoints distributed on two levels (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

- 8 are used to control departing passengers and carry-on luggage

The general aviation terminal (private flights) and the cargo terminal are each equipped with one security checkpoint. There are also two staff checkpoints open 24 hours a day and set aside for the entry of all authorised airport 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.

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 deal with the problem, SAGAT's Airport Readiness Service – in operation 24 hours a day, 365 days a year - monitors the areas inside the airport grounds on a daily basis, paying particular attention to the runway. The goal is to determine when wild animals are present, and birds in particular, studying their behaviour, so as 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), being organised and coordinated by the Airport Readiness Service, with the support of a falconry service contracted to an outside firm.

The manoeuvring area is monitored 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 cars equipped with frequency relays that sound recorded distress calls of bi-tonal sirens.

The falconry service is on duty at the airport throughout the year, 7 days a week, for eight hours a day, with the time distributed in 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, an approach that has produced excellent results. In fact, the number of impacts in the airport area is far lower than the national average, and in recent years, the parameter for measuring the risk of impact, entitled BRI2 (Birdstrike Risk Index), in accordance with the ENAC regulations currently in force, 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, usually 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 chase away birds and 1 border collie that chases away ground-based animals (such as mini-hares, hares and badgers).

The presence of the falconer at the airport helps all the operative personnel of the BCU, seeing that they can always draw on the knowledge of a professional well versed in bird behaviour, able to recognise the different species and foresee how they will behave. The approach also serves as a natural solution to the problem,



without it being necessary to throw the ecosystem into disarray or risk the collateral problems that a massive use of mechanical or electronic systems can entail.

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

For a number of years now, SAGAT has also studied the neighbouring habitat, in order to determine if possible sources of attraction exist inside the airport or nearby by carrying out focussed research conducted by experts in the sector, including biologists and agronomists. Based on the study, 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 held since 2013, bring together representatives of the local territory (the Province, the municipalities, the prefecture, the managers of disposal sites etc.) with the airport authorities and companies (ENAC, ENAV, Alenia Aermacchi etc.) that play a role in preventing the risk of bird strike. This workgroup also met during 2015 to share proposals for initiatives to be taken to reduce the sources of attraction for birds and animals found outside of the airport.

The Safety Management System

The Safety Management System (SMS) is designed to guarantee safety during airport operations, with its primary purpose being to prevent inconveniences and accidents.

At the Torino Airport, the objective of safe airport operations is pursued with the utmost intensity, bringing into play a variety of different resources, including the Safety Management System (SMS), to which all the subjects operating at the airport contribute.

By examining performance levels, reports received, records of accidents registered internationally, as well as the pertinent literature, the SMS pursues the objective of identifying areas in which safety can be improved, and not only in the sense of compliance with the standards and regulations, but in terms of continuous improvement in safety performance.

One of the key features of the Safety Management System is the reporting of events that occurred and, either directly or indirectly, could have contributed - or did contribute - to the occurrence of inconveniences or accidents.

Each airport operator has the right/duty to report, eventually in anonymous form, any event they have witnessed and that posed a danger - or could have posed a danger - to the safety of individuals, aircraft, equipment or infrastructures.

The processing and analysis of the data allows the SMS to monitor standards of safety, identifying the dangers and preparing systems for the mitigation/elimination of the risk, with the objective of prevention rather than the assignment of blame and/or responsibility after the act.

Indicators of the Safety Management System

	2015	2014	2013	2012
Reports received	340	259	221	189
Wildlife strikes/presence of birds or animals	33	21	22	38
Laser rays	44	56	36	36
Damage sustained by aircraft, equipment, airport resources, infrastructures	7	11	5	9
FOD	7	14	3	3
Spills	27	17	11	11

The Airport Emergency Plan

The “airport system” must always be prepared and ready to deal effectively with a series of emergencies (an air accident, terrorist threat, flu pandemic, fires etc.) drawing on emergency plans that are constantly updated, taking into account both the experience accrued internally, in real or simulated emergencies, or externally, by learning from events that occur at other airports.

Detailed procedures and check-lists are available at the Torino Airport as support for the personnel called upon to carry out tasks under circumstances of particularly strong emotional pressure, in addition to which a process of ongoing training on the emergency plans is also promoted, eventually including partial or full-scale drills.

SAGAT is specifically required to provide first aid, until such time as outside emergency personnel can arrive, and to request aid forthwith from the emergency structure present in the local territory, as well as from law-enforcement agencies, providing assistance to the family 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 tasks might be of support to the emergency workers.

Since 2009, a full-scale emergency drill has been held annually at the Torino Airport which involves all the organisations and authorities that, under the Airport Emergency Plan, have a role in emergency or support operations (the Fire-Fighters Corps, the Polaria, or aeronautical border police, the Treasury Police, the Airport Emergency First Aid, the Italian Red Cross, ENAV, ENAC, SAGAT, SAGAT Handling), as well as other subjects that operate at the airport, and participate on a rotating basis, including an air-travel company, other handlers, the CITES, the Penitentiary Police etc.. There are always “observers” as well, eventually from the outside, to monitor how the drill turns out.

In order to evaluate the reaction, as well as the implementation of all the procedures called for under the Airport Emergency Plan, the scenario for the simulation – the type and site of the accident, the aircraft/vehicles involved, the number of passengers etc. – is not revealed to the participants in advance.

Taking part in the exercise held in 2015, which took place at night, after the last plane had taken off, were students of the Turin Flying Institute, in the roles of the wounded crew and passengers, plus extras from the Italian Red Cross, playing the parts of family members, along with make-up operators of the Italian Red Cross, plus Red Cross physicians and psychologists to support members, pathologists from local board of health ASL04 and civil defence personnel from the city of Turin. The results of the simulation were subject, as had been done with the earlier drills as well, to analyses and observations that always led to further refinement of the procedures for dealing with emergencies.

Passengers with disabilities or reduced mobility (PRM)

SAGAT handles the supply of assistance to passengers with disabilities.

To this end, so as to allow such passengers to move about the airport with ease and receive assistance with operations of check-in, boarding, disembarkation and waiting in the terminal, SAGAT has made numerous investments in infrastructure, establishing a well-structured service of assistance with personnel specifically assigned to, and trained for, the task, and with constant contact with the Advisory Board for Individuals with Difficulties, which is part of the Piedmont Regional Transportation Commission, for the monitoring and evaluation of the accessibility of spaces and services. Thanks to this working relationship, the Advisory Board for Individuals with Difficulties has carried out – with the support (economic and otherwise) of SAGAT – the project “Caselle for All”, geared towards further enhancing the Airport’s ease of use on the part of travellers with special needs, such as physical-motor or sensorial disabilities. An example is the airport-city assisted transport service (which can be reserved by calling the toll-free number operated by the Advisory Board for Individuals with Difficulties).

In 2015, the number of passengers with disabilities or reduced mobility rose by 6.80% compared to the previous year, for a total of more than 21,930 units.

Upon purchasing his or her ticket, the interested party may notify the air-travel company that they need to receive assistance, at which point the carrier shall inform the Airport Manager over the online reservation systems. In this way, the dimensions of the service can be set correctly as well as the optimal levels of service.

If the interested party arrives at the airport by car, then he or she may use, on the second floor of the covered parking facility in front of the terminal, one of the 38 reserved spaces provided free of charge.

To facilitate movement, the second floor of the parking garage is on the same level as the departures lobby, to which it is joined by two covered walkways.

Assistance by specialised personnel can be requested even if no reservation was made at the time of the ticket purchase, and once again at no charge:

- once inside the airport, by pressing the specific calling key found on the totem poles installed for the purpose in strategic points of the terminal, where they are easily accessible, as shown in figures 1 and 2;
- when checking in at the counters of the air-travel companies;
- at the information counter in the departure lobby.

The service is provided free of charge, using 44 wheelchairs, 4 of which have motors, plus 3 vehicle with variable vertical settings, so that the passenger can easily be raised to the height of the plane door. The staff consists of 4 coordinators and 12 fulltime employees, and the Red Cross personnel assigned to the Airport Emergency Room also assist in providing the service, while additional personnel can be called in to meet requests at times of especially heavy traffic.

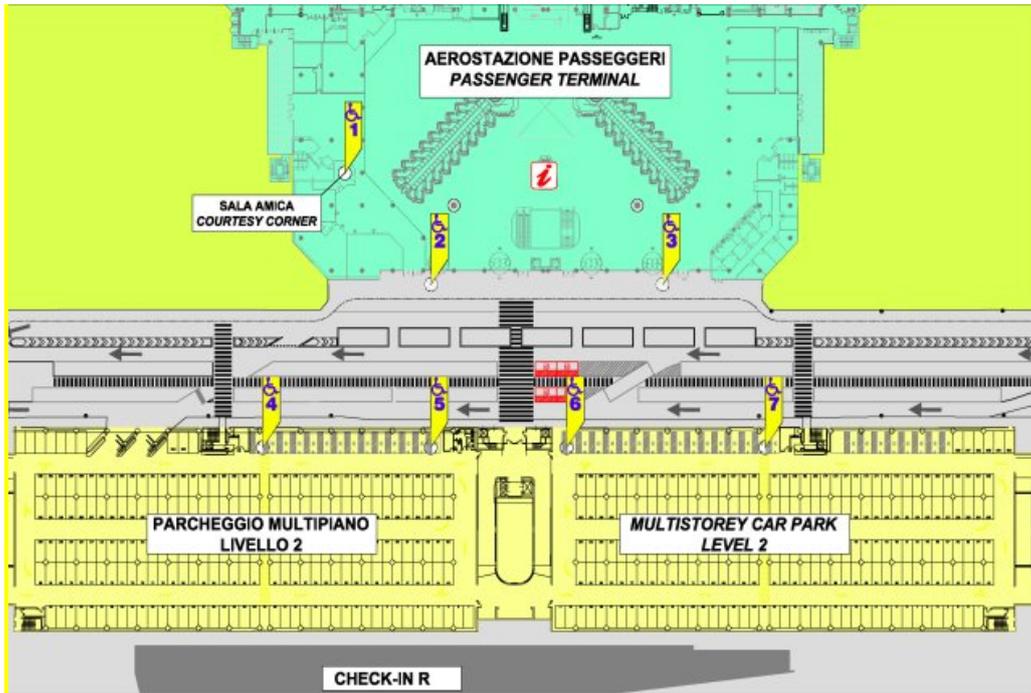


Figure 1

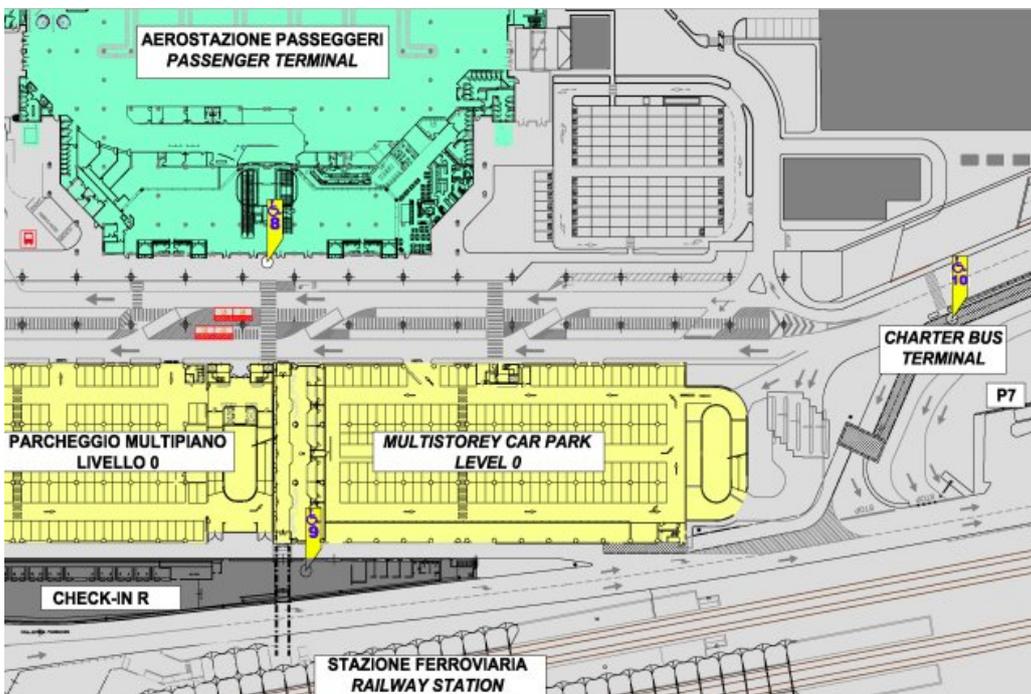


Figure 2

Quality

The Quality Plan

The SAGAT Quality Policy has as its foundation a dual awareness: on the one hand, the Manager of a key public service, such as an airport, cannot help but view the customer-passenger as the central element of its corporate mission; at the same time, the increasingly high level of competition among airports, as well as from the alternative of high-speed railway links, makes it necessary to pay scrupulous to the quality of the offerings and services supplied to users.

With this in mind, SAGAT has made Quality a top strategic priority, applying it to all the Company's procedures through a commitment to rigorous enactment and ongoing improvement of the Quality Management System.

The Quality Policy summarises the Company's priority objectives:

- a) to supply services meeting standards of excellence in the course of the activities of the Airport Manager, interacting with business and institutional stakeholders in a dynamic and reliable way;
- b) 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;
- c) to render the Company's organisational structure increasingly efficient through training, refresher instruction and professional qualification of its human resources, evaluating the effectiveness of the services provided and their compliance with procedures;
- d) to closely monitor the indicators of quality, both supplied and perceived, analysing the results, in order to identify any initiatives or opportunities for further improvement of company performance;
- e) to operate in rigorous compliance with the regulations and statutes currently governing the Quality of Services and in accordance with the provisions of the UNI EN ISO 9001 standard.

Ongoing improvement of the infrastructures and services available to clients

The Torino Airport possesses an excellent infrastructure that had already been thoroughly renovated for the Turin Winter Olympic Games of 2006.

It was no accident that, in 2007 and 2008, the Torino Airport won the prestigious ACI Europe Best Airport Award in the category of 1-5 million passengers, based on the quality of its services.

In 2015 SAGAT's commitment to continually improve the quality of its services resulted not only in a significant increase in the numbers of flights and destinations reached, but also in numerous infrastructure investments designed to further improve passenger comfort. The shopping gallery was completely renovated by rearranging the layout of the existing sales outlets and expanding the retail and food-service offerings.

The two bodies overseeing Airport Quality

SAGAT coordinates the "Committee for the Suitability and Quality of Airport Services", as called for 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. The Committee's goal is to identify – by 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 under a specific Service Order (no. 3/2015 of 18 June 2015) - which carries out recurring inspections of all the areas open to the public, for the sake of constantly improving the service provided to customers by pointing out any anomalies or other situations, even if they are only isolated episodes, that could be improved upon.

2015 Services Charter

To monitor the levels of quality provided by the Torino Airport in 2015, continuous, coordinated monitoring activities were carried out, for a total of almost 46,000 controls of the operations performed, accompanied by an analysis of the data recorded by the Airport’s systems with regard to various aspects of service.

To gauge customer satisfaction, 1,969 interviews were conducted with passengers by suitably trained in-house personnel.

The statistical margin of error for a sample group of this size is less than ± 2.25 , meaning well above the minimum parameter called for under the pertinent standard. In fact, ENAC memorandum GEN-06 (Annex 2 - Methodology, page 11) stipulates that the minimum sample group for airports with traffic of between 2 million and 5 million passengers should be 1,100 interviews, with a statistical margin of 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 slightly in 2015 (99.6% vs. 99.2% for 2014), a result that proves all the more gratifying, in light of the fact that passenger traffic rose by 6.9% compared to the previous year.

All the targets pledged to passengers in the 2015 Services Charter were achieved, with the exception of the index of satisfaction for cafés and restaurants (which registered an eminently acceptable 87.5%, though this result was lower than the goal of 90%).

In 2015, in order to improve the clients’ ratings of this indicator, SAGAT undertook, together with the holder of the sub-concession, a series of measures that proved to be effective, seeing that the parameter rose by two percentage points compared to 2014.

The figures for two other indicators that showed performance levels lower than expected in 2014 (satisfaction with the cleanliness of bathrooms and the availability of baggage carts) returned to levels in line with the pre-established parameters in 2015.

The same was true for the time needed for the first passenger to disembark, which had missed the goal by a few seconds in 2014.

Below is a comparison of the commitments made and the quality results achieved in 2015.



Indicator % of satisfied passengers with respect to:	Goal * 2015	Results 2015
Delays caused by station error	0.75%	0.18%
Misguided luggage per 1,000 passengers caused by station error	1 / 1.000	0,16 / 1.000
First luggage item claim time (in 90% of cases)	20'	16'49'
Last luggage item claim time (in 90% of cases)	24'	21'13'
Waiting time on board until first passenger disembarks (in 90% of cases)	4'00''	(3'40')
% of satisfied passengers with respect to:		
Personal and property security	90.5%	96.8%
Airport cleanliness	91.5%	97.2%
Toilets cleanliness	88.0%	89.8%
Luggage trolleys availability	88.5%	92.7%
Availability/quality/prices of shops and newsstands	91.0%	94.4%
Availability/quality/prices of cafés and restaurants	90.0%	(87.5%)
General quality of information service	89.0%	98.8%
Staff professionalism	90.5%	98.2%
Waiting time at check-in	94.0%	97.6%
Waiting time at passport control	92.0%	95.4%
Adequacy of city/airport transportation	90.5%	96.0%

Passengers with disabilities or reduced mobility (PRM)

SAGAT has always taken the utmost care to ensure that all passengers receive the best possible assistance. In the specific case of passengers with disabilities or reduced mobility, SAGAT personnel have been adequately prepared to aid such individuals throughout the time they spend at the airport.

In 2015, SAGAT carried out customer satisfaction surveys regarding passengers with reduced mobility, interviewing a sample group of no fewer than 2,721 individuals.

The levels of satisfaction of PRM arriving at and departing from the Torino Airport constituted results of unquestionable excellence (all falling between 97% and 100%).

Research in the field was also undertaken in 2015 on tourists with special needs, as part of the "Turismabile" project on accessible tourism. Volunteers of the Advisory Board for Individuals in Difficulty distributed to PRM passengers arriving at or departing from the Caselle Airport questionnaires that supplemented the normal research activities, being careful not to interfere with the customer satisfaction surveys performed to meet ENAC regulations.

In 2015, at the initiative of the Turin Dora Rotary Club, SAGAT, the Advisory Board for Individuals with Difficulties and the San Marco - Rolfi company pursued an agreement for the implementation of a transport service for disabled individuals, from the airport to the city and from the city to the airport, at favourable prices.

The area set aside for the transport vehicle to stop in is located just a few metres from the entryways found at the arrivals level of the Airport, in front of the SAGAT infirmary, in a reserved area easily accessible to disabled individuals.

Management of passenger complaints

In 2015 SAGAT S.p.A. received and managed 84 reports from passengers (3 of them from passengers with reduced mobility).

In large part, these proved to be unfounded complaints or requests regarding the system for paying parking fees on-line. Each passenger received a response and, as part of efforts to focus greater attention on clients, “courtesy coupons” providing discounts for subsequent stays were issued.

The average response time was 4.41 days.

The Quality Service continues to monitor what can be considered indirect complaints, meaning news items that appear in the press. Apart from the activities assigned to the Press Office, these reports are also given fitting responses, when necessary, always in line with the key importance of the passenger and the constant focus on improving airport services.



ISO 9001 Certification

The SAGAT S.p.A. is a company that has been UNI EN ISO 9001:2008 certified since December 2009. In December 2015, the quality certificate issued under the UNI EN ISO 9001:2008 standard was renewed for the three-year period of 2015-2018.

The certification was corroborated by DNV-GL, one of the world’s leading certification agencies,

The certifier pronounced eight positive findings (3 of them regarding the Quality sector), four observations (findings that the organisation is required to take into consideration, analysing the causes and coming up with solutions) and 14 opportunities for improvement (possibilities to be evaluated and – if held to be appropriate – to be enacted, in some cases only in part).

Program Agreement

One of the fundamental documents for the drafting of the Program Agreement is the Quality Plan, calling for the monitoring of an assortment 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.

The principle of airport performance in the broadest sense of the term is also one of the underlying concepts of the new Services Charter, which went into effect in 2016.

The goal is to thoroughly monitor all the factors that contribute to forming the passenger’s airport experience, for the sake of continually improving services, including those provided to clients with special needs (PRM).

CARRIERS

Traffic improvement policies

The Torino Airport has moved forward with the implementation of its commercial policies towards airlines, initiated at the time of the takeover by F2i Sgr S.p.A., Italy's largest private infrastructure investment fund, of a majority interest in SAGAT in January 2013. The fund presently holds 54.88% of SAGAT through 2i Aeroporti S.p.A..

In particular, SAGAT addressed the issue of increasing traffic volumes, maintaining a balanced mix of already operating airlines, attracting new ones and avoiding those situations of dependency that may arise from the presence of a strongly dominant carrier.

In 2015, pursuit of this goal led SAGAT to further cultivate commercial negotiations that resulted in:

- additional growth in regularly scheduled international traffic, which increased by +15.1%, boosted by new direct flights, as well the rise in the number of passengers travelling to international hubs;
- development of the low-cost segment, which grew by 48.4% compared to the previous year, broadening the possibilities for travel while contributing to the development of the tourism industry of Piedmont;
- the development of ethnic traffic, with new routes to Eastern Europe, bearing positive consequences for the internationalisation of the regional economy as well, and to Morocco;
- reinforcement of charter and ski flights in Winter, especially from Northern Europe, the driving force for development of the territory's tourism industry, securing the arrival of skiers from multiple international destinations with high returns in terms of numbers of visitors at the main skiing circuits of Piedmont and the Aosta Valley.

As better detailed in the following paragraph, these commercial initiatives allowed the Torino Airport to grow again in 2015, ending the year with 3,666,424 passengers in transit, which means an increase of +6.8%, reinforcing the growth trend that began in 2014, when an increase of +8.6% was recorded. By the end of 2015, there had been 24 straight months of positive growth, with July of 2015 turning out to be the best month in the Airport's history, with a total of 350,572 passengers transported.

A selection of the most important international new additions is given below:

- Blue Air opened new routes to Bacau, Bucharest and Ibiza;
- Ram opened a new route to Casablanca, from which it services all of Africa via hubs;
- Wizz Air opened a ski route with Warsaw.

Domestic traffic grew by 2.3%, thanks to the following new flights:

- Blue Air to Bari, Lamezia Terme and Rome;
- Ryanair to Palermo;
- Volotea to Cagliari.

Also recorded was a full-fledged boom on regularly scheduled flights to Spain, for an increase of +30.2% in the number of passengers transported.

Overall, the efforts made as a consequence of traffic improvement policies have expanded the destinations that can be reached from Turin, with the opening of the new route to Casablanca, while reinforcing connections with the international hubs reached by major airlines (Rome, Paris, Amsterdam, Munich, Frankfurt, London, Brussels, Istanbul, Madrid, Barcelona and Casablanca) making it possible to reach the entire world by means of excellent connections. What is more, the entry of new carriers on the routes of Southern Italy made up for the shortage of flights that arose in the second half of 2014 due to Alitalia's withdrawal from those same destinations.

The positive results for 2015 confirm the underlying solidity of the growth, which shall continue in balanced, sustainable fashion, with the capacity to depend exclusively on its own resources, without drawing on publicly funded incentives.

Review of the connections offer

Torino Airport offers more than 350 scheduled flights each week, heading to 11 hubs in over 23 countries. As many as 3,666,424 passengers were in transit here in 2015, 6.8% more than in 2014.

HUBS

Roma Fiumicino (Alitalia), Paris CDG (Air France), Amsterdam (KLM), Munich (Lufthansa), Frankfurt (Lufthansa), London Gatwick (British Airways), Brussels (Brussels Airlines), Istanbul (Turkish Airlines), Madrid (Iberia), Barcelona El Prat (Vueling), Casablanca (Royal Air Maroc).

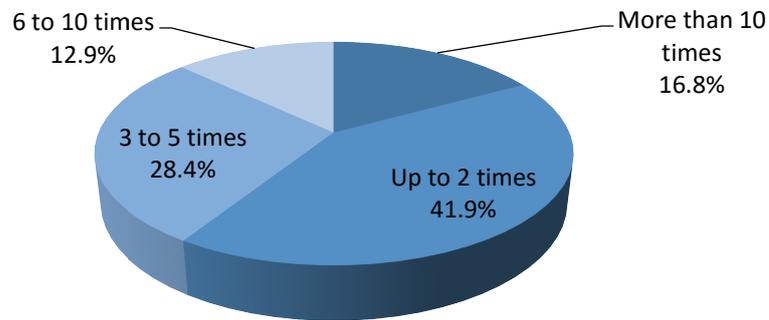
Non-HUBS

Amsterdam (Transavia), Athens (Blue Air), Bacau (Blue Air), Berlin (Blue Air), Brussels Charleroi (Ryanair), London Stansted (Ryanair), London Luton (Blue Air), Iasi (Tarom), Bucharest (WizzAir and Blue Air), Chisinau (Air Moldova), Valencia (Ryanair), Barcelona (Ryanair), Madrid (Blue Air), Malta (Ryanair), Tirana (Alitalia), Roma Fiumicino (Blue Air), Catania (Ryanair and Blue Air), Palermo (Volotea and Ryanair), Trapani (Ryanair), Naples (Alitalia and Meridiana), Bari (Ryanair and Blue Air), Brindisi (Ryanair), Reggio Calabria (Alitalia), Lamezia Terme (Alitalia and Blue Air), Cagliari (Meridiana and Volotea), Alghero (Blue Air), Pescara (Blue Air). Only in the summer months, Turin is also connected to Corfù (Volotea), Ibiza (Blue Air, Ryanair, Neos Air), Minorca (Blue Air and Neos Air), Palma de Maiorca (Blue Air, Volotea, Vueling and Neos Air), Rodhes (Neos Air), Skiathos (Volotea), Lampedusa (Volotea) and Olbia (Meridiana and Volotea).

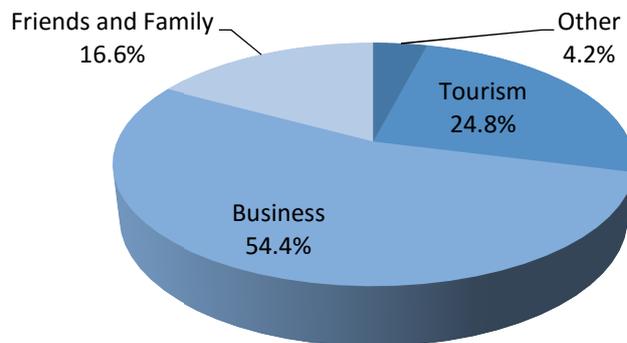
Ski flights network

Warsaw (WizzAir), Birmingham (Monarch), Dublin (Ryanair), Manchester (Jet2.com), London Gatwick (Easyjet), Edinburgh (Jet2.com).

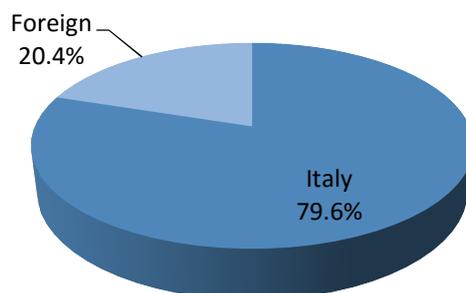
Frequency and number of annual flights from Turin



Reason of travel



Passengers' residence, 2015



A detailed look at the numbers of passengers and movements in the year 2015, compared to the year 2014. Of particular note is how the movements once again show growth, at +4.2%, after numerous years of negative results.

Passengers	2015	2014	Difference	Difference %
Domestic	1,858,557	1,817,333	41,224	2.3%
International	1,638,097	1,423,531	214,566	15.1%
Charter	158,158	178,238	-20,080	-11.3%
Gen. Aviation	6,936	7,791	-855	-11.0%
Transit	4,676	5,093	-417	-8.2%
Total	3,666,424	3,431,986	234,438	6.8%
ATM	44,261	42,462	1,799	4.2%



The main regularly scheduled routes used by passengers were once again, in this order: Rome, Catania and Naples. For the first time, Amsterdam is included among the top ten, benefitting from the daily KLM connection inaugurated in June of 2014.



Destinations - Scheduled	2015	2014	Difference	Diff. %	% of total
ROMA Fiumicino	666,999	616,689	50,310	8.2%	19.1%
CATANIA	241,452	311,165	-69,713	-22.4%	6.9%
NAPLES	216,508	252,172	-35,664	-14.1%	6.2%
FRANKFURT	206,337	208,677	-2,340	-1.1%	5.9%
PARIS Charles de Gaulle	181,407	177,885	3,522	2.0%	5.2%
BARCELONA	176,543	127,247	49,296	38.7%	5.0%
MUNICH	167,320	164,870	2,450	1.5%	4.8%
PALERMO	151,779	96,172	55,607	57.8%	4.3%
BARI	146,724	145,692	1,032	0.7%	4.2%
AMSTERDAM	130,447	104,651	25,796	24.6%	3.7%
Total top 10 destinations	2,285,516	2,205,220	80,296	3.6%	65.4%
Others	1,211,138	1,035,644	175,494	16.9%	34.6%
Total	3,496,654	3,240,864	255,790	7.9%	100.0%

The following table shows the main regularly scheduled airlines that operated out of our Airport in 2015, plus the number of passengers they transported. For the first time, this ranking includes Blue Air, which expanded from 1 to 2 aircraft flying out of Turin 2015, having invested heavily in our Airport, a decision that also contributed to the development of employment and the surrounding territory.

Carriers - Scheduled	2015	2014	Difference	Diff. %	% of total
RYANAIR	960,688	720,563	240,125	33.3%	27.5%
ALITALIA GROUP	703,937	978,973	-275,036	-28.1%	20.1%
LUFTHANSA	373,657	376,714	-3,057	-0.8%	10.7%
VUELING AIRLINES	236,422	139,247	97,175	69.8%	6.8%
MERIDIANA FLY S.p.A.	232,263	276,161	-43,898	-15.9%	6.6%
BLUE AIR	215,909	13,176	202,733	1538.7%	6.2%
AIR FRANCE	181,407	177,887	3,520	2.0%	5.2%
BRITISH AIRWAYS	105,483	100,474	5,009	5.0%	3.0%
KLM	93,193	53,659	39,534	73.7%	2.7%
VOLOTEA	71,643	52,390	19,253	36.7%	2.0%
Total top 10 carriers	3,174,602	2,889,244	285,358	9.9%	90.8%
Others	322,052	351,620	-29,568	-8.4%	9.2%
Total	3,496,654	3,240,864	255,790	7.9%	100.0%

In 2015, low cost traffic accounted, in terms of passengers, for 45% of total scheduled traffic, a percentage that has grown by 48.4% compared to 2014:

Low Cost	2015	2014	Difference	Diff. %	% of total
RYANAIR	960,688	720,563	240,125	33.3%	60.8%
VUELING AIRLINES	236,422	139,247	97,175	69.8%	15.0%
BLUE AIR	215,909	13,176	202,733	1538.7%	13.7%
VOLOTEA	71,643	52,390	19,253	36.7%	4.5%
WIZZ AIR,LTD	39,485	8,216	31,269	380.6%	2.5%
TRANSAVIA AIRLINES	37,254	50,992	-13,738	-26.9%	2.4%
EASYJET AIRLINE	14,501	16,779	-2,278	-13.6%	0.9%
JET2.COM	4,083	439	3,644	830.1%	0.3%
GERMAN WINGS	695	20,228	-19,533	-96.6%	0.0%
AIR ARABIA MAROC	251	295	-44	-14.9%	0.0%
TWIN JET (TWIN AIR)	83	53	30	56.6%	0.0%
NORWEGIAN AIR SHUTTLE, AS	1	0	1		0.0%
BLU EXPRESS	0	42,803	-42,803	-100.0%	0.0%
Total	1,581,015	1,065,181	515,834	48.4%	100.0%



NON-AVIATION SERVICES

SAGAT has always proved sensitive to adding balanced value to local excellences and internationally known brands.

Non-aviation retail activities were thoroughly revamped in 2015, in order to optimise both the products offered and the customer's travel experience.

Retail activities

In the course of 2015, non-aviation retail activities were thoroughly revamped, with an eye towards optimising the products offered.

Major renovation work was done on the terminal's airside zone, meaning that it was partially under construction for the entire year, resulting, by year's end, in a new overall layout.

The duty-free areas, which were placed under the management of the Heinemann group, an international leader in the sector, now feature a modern walk-through layout that, together with the new and more extensive product offerings, as well as the positioning of the other retail areas, guarantees increased visibility and more possibility for contact with the airport public.

Seen in this light, the new layout of the flow of departing passengers heightens the public's comfort and convenience while presenting an arrangement that brings the Torino Airport in line with internationally recognised standards.

Furthermore, the new flow of arriving passengers who disembark from flights parked at the loading bridges and then pass through the departures hall, a rerouting introduced in 2015, results in a significant increase in potential clients.

The introduction of higher-level operators and target brands also increases the terminal's power attraction and aura of quality in the eyes of airport users.

Looking to the future, the increased floor space assigned to retail and food-service activities guarantees potential for greater development and diversification.

In terms of food-service offerings, a new commercial establishment has been opened in the customs area, under the management of a renowned cooperative farming enterprise, in order to offer passengers in transit through the airport specialty products of Italian cuisine.

The diversification of the products offered and the introduction of new operators is aimed at raising the level of quality provided, guaranteeing that clients can benefit from more options, niche products and a pleasing, comfortable environment.

The ongoing introduction of major new service activities can also be observed in the landside area, including the opening of a supermarket that offers airport users a vast selection of food products and other items, including a special section set aside for biological products.

Also on the landside, thanks to the fruitful working relationship established between the Airport and local government authorities, a municipal pharmacy was opened, after years in which the project had been unable to get off the ground, able to satisfy the full range of needs of airport users.

Parking, E-commerce and Mobility Services in the Airport 2015

Thanks to the series of initiatives affecting various sales channels, as well as the increasing attention focussed on clients and on competitive factors, plus the 6.9% increase in passengers (1.8% in domestic traffic, 12.8% in international), the 2015 has marked the start of a positive trend for this sector.

Contributing to the positive results has been the introduction of fee schedules increasingly attuned to the needs of passengers, who are now able to benefit from highly discounted rates by reserving parking on-line, using the e-commerce platform, so as to receive for certain periods, such as weekends, long weekends, holidays and vacation periods, special fee rates. Through cooperation with the air carriers, it has also been possible to offer passengers advantageous rates on the occasion of major sports events, such as the Champions League final.

Thanks to the introduction of the e-commerce platform, the services offered to passengers could be diversified, making possible the cumulative purchase, at discounted rates, of interrelated services, such as Fast Track and entry to the VIP Room.

Some much appreciated tools have also been introduced for the business and corporate channel, such as corporate cards with billing at the end of the month, based on actual use, and the possibility, for frequent



travellers, to use the parking facilities and the Fast Track and VIP Room facilities at special rates, in a practical and speedy manner. The parking facilities have also been involved in a number of promotional events with the travel-agency and tour-operator channel, as well as in the formulation of special products on the web. For example, operators can purchase both parking and other services sold on-line in the names and on the behalf of their customers.

In December of 2015, the widely praised Kiss&Ride area was opened, offering new, easy-to-use express parking on the arrivals level, complete with convenient “meeting points” where passengers and baggage can be loaded or unloaded under cover from the elements and as comfortably as possible. And the parking facility formerly reserved for short stays has been converted to long-term parking, meeting with a good deal of success among users.

The newly introduced features include CAR2GO car sharing, an innovative service that makes it possible both to reach the airport and park there: Caselle is one of the first airports to be equipped for it.

Plans for next year call for continued efforts to increase the numbers of users of the parking facilities, as well as the Fast Track and VIP Room airport services, focussing on the following objectives:

- improving the user’s experience (practicality, speed, convenience);
- improving communication, in order to increase awareness of the parking services and rates;
- renovating a portion of the parking facilities and upgrading the airport roadway system.

VENDORS

Vendor selection processes

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 (€418,000 for services and supplies and €5,225,000 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 (€40,000.00 for works, €20,000.00 for services and €10,000.00 for supplies).

SAGAT uses objective awarding criteria that guarantee the proper weighing of quality and cost of the services, and 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 bids receive 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. 86 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 duration of trade payables in 2015 is essentially in line with the trend registered over the last five years.

	2011	2012	2013	2014	2015
Average length of trade payables	162	175	134	130	150
Trade payables / cost of vendor services					

After a review of the lead company's vendors, valid up to 31 December 2015, it was found that 84.12% of them are counterparties whose registered offices are found in Italy:



Euro thousand, less inter-company transactions

Registered address	Accounts payable	%
Italy	8,562,896	84.12%
ROW	1,616,325	15.88%
Total	10,179,221	100%

ENVIRONMENT

Environmental policy

SAGAT Group conducts its business in compliance with the environmental regulations in force. Our operations follow environment protection and energy efficiency criteria and pursue the improvement of environmental performance.

Therefore, SAGAT Group is committed to spreading and strengthening a culture of environment protection, raising awareness about environmental factors among all its employees through proper training, the compliance with internal rules and procedures being guaranteed.

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 the Safety and Health System;
- 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 promoting waste recycling.

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 actually reflected in the decision to introduce an Environment Management System organized according to ISO 14001 requirements have it certified, as described in the following pages.

Regulatory and organizational framework

In terms of regulatory framework, the airport is affected by many different environmental issues that are governed by multiple sources of law, i.e. the EU, the State, the Region. We may add to these the regulations issued by ENAC and the requirements of ISO 14001 norms.

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 those functions that are, under various respects, in charge of environmental issues:

- the Environment Service, with a general coordinating, management and monitoring role;
- the Engineering-Operations Area, for the environmental considerations of importance in terms of the design of infrastructures, and with regard to maintenance operations, as well as the environmental factors of relevance to airport operations, both airside and landside;
- the Buyers function, in the preparation of agreements with vendors, for the monitoring of the environmental impact of procurement;
- the non-aviation Commercial function, in the preparation of agreements with customers, for the reduction of the environmental impact of new business developments to a minimum;
- the Human Resources function, for continuing awareness raising, spread across all the employees of SAGAT Group through education and in-house communications.

Environmental Management System

Starting from 2015, the Holding Company SAGAT S.p.A. has carried on an initiative aimed at introducing its Integrated Environment and Job Safety System in compliance with ISO 14001:2015 standards and with ISO 45001:2016 standards respectively, in order to have such System certified before year-end 2016, in accordance with the Organization, Management and Control Model (MOG) pursuant to Legislative Decree no. 231/2001.

To this end, the following stages have already been completed:

- mapping of all environmental and OSHA aspects of the activities carried out on the grounds of the Torino Airport;
- identification of applicable regulations and existing reference documents;
- creation of the Job Safety and Environment Monitoring Committee with representatives of the various competent departments of the Group, in charge of monitoring the enforcement and the efficacy of the environment and job safety policies adopted, proposing possible organizational and technical interventions to minimize risks, promoting controls and guaranteeing the correct compliance with the laws governing the matter.

The procedures, instructions and registration forms for each environmental and job safety aspect will continue to be developed in 2016. These will represent a tool for:

- supporting and enforcing the Group's environmental policy;
- controlling and improving the management of activities with environmental impact;
- preventing and handling possible environmental emergencies at the airport.

In conclusion, SAGAT Group has identified, within the framework described above, the following main environmental factors, detailed in the rest of this chapter:

- noise;
- energy;
- air;
- water;
- waste;
- soil.

Noise pollution

The noise generated by aircraft taking off and landing is the environmental factor perceived to the greatest extent by the communities that live in the proximity of the Torino Airport. It is the end result of a number of different elements: the propulsion technology of the aircraft; the take-off and landing procedures adopted and the zoning planning of the areas in the vicinity of 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 the Torino Airport, equipped with state-of-the-art, low-noise turbofan engines. This has caused a reduction in the noise pollution from aviation activities.

As 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;
- address of residents' complaints through the analysis of the factors that caused them and proposals for mitigating actions;
- sharing of airport and land planning instruments with the territorial authorities and establishing an open and cooperative relationship with them in order to prevent and handle possible criticalities;
- 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.

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*", the Torino Airport has been equipped since 2007 with 8 permanent and 1 mobile noise measurement stations (Figure 1). These were totally renovated in the three-year period 2010-2012 in both software and hardware.



Figure 1 – Position 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.

SAGAT has also had into place since 2012 a system for the collection and monitoring of resident complaints through the airport's website (http://www.aeroporto.torino.it/it/aeroporto_it/responsab_it/rumore_it.html). This system allows us to collect the complaints from the residents affected by airport noise and correlate them with individual noise-generating and aviation events. The complaints entered are used to verify which and how many operations cause nuisance or trouble to the community, and to evaluate possible modifications, or the implementation of noise-abatement procedures, or other actions to protect the community.

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 has positioned again the noise measurement station "VVF San Maurizio" (LIMF09) at the playground in San Maurizio Canavese, 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 to ARPA Piedmont (the regional environment protections agency), starting from 2009, the right to access the airport noise monitoring system via a webpage where ARPA engineers can check noise levels daily.

Listed below are the ANA (Airport Noise Assessment) levels for the period 2010-2015, for each of the 8 noise measurement stations (Table 1), whose results essentially appear constant.

Station code	Station name	ANA	ANA	ANA	ANA	ANA	ANA
		2010	2011	2012	2013	2014	2015
LIMF01	Playground	57.0	55.5	56.5	54.7	56.2	55.8
LIMF02	Cemetery	60.8	60.3	59.2	58.0	59.4	60.6
LIMF03	S. Giacomo	54.9	54.0	54.4	53.4	55.3	54.2
LIMF04	Pozzo Bona	48.3	47.4	47.0	47.1	46.5	47.2
LIMF05	Ceilometer	62.3	61.5	62.0	61.8	62.3	62.5
LIMF06	Prato Fiera	62.6	61.9	61.6	61.1	61.9	62.3
LIMF07	Malanghero	59.4	58.9	59.0	60.7	61.3	60.1
LIMF09	Fire Department	49.6	49.8	52.0	44.6	47.1	45.7



Table 1 – ANA values

Territorial planning

The area of the Torino Airport, located approximately 15 km North of the city of Turin, is distributed among the territories of the towns of Caselle Torinese, San Maurizio Canavese 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 travelled northwise, it is referred to as runway 36, as it is aligned exactly with the North (direction 360°), while when it is travelled southwise (direction 180°) it is referred to as runway 18.

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 towards the houses of Caselle Torinese that are located right South of the runway and are flown over by landing aircraft (Figure 2).

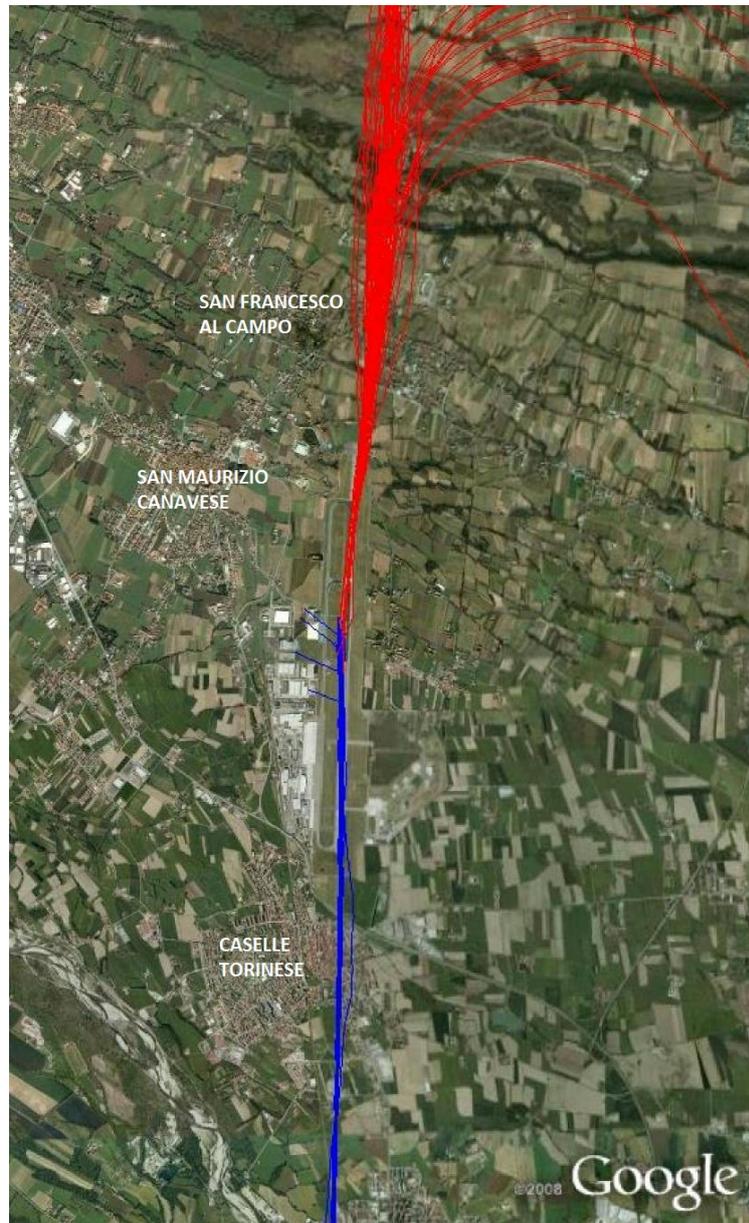


Figure 2 - Radar tracks of landings (blue) and take-offs (red)

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

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).



Figure 3 – Noise zoning pursuant to Ministerial Decree 31/10/971

In 2014 SAGAT, in compliance with the Ministerial Decree of 29 November 2000, “*Criteria for the preparation by companies and organisations that manage public transportation services and the related infrastructures of plans for initiatives to limit and reduce noise*”, drew up a specific acoustic study to analyse instances of noise beyond acceptable levels, applying the criteria stipulated by the Airport Commission. Based on the results obtained, which have been shared with the Environmental Protection Agency of the Piedmont Region, it was determined that the acoustical levels recorded in 2013 were lower than those forecast during the process of acoustical zoning.

During the period from June 2014 to May 2015, SAGAT undertook, in accordance with a ruling issued on 17 September 2013 by the Ministry of the Environment and the Defence of the Land and Sea, the project “Revision of the Airport Development Plan (ADP) - Master Plan 2009-2015”, carrying out a campaign of airport

noise-level monitoring, in agreement with the Environmental Protection Agency of the Piedmont Region, at the 9 sensitive reception points listed on Table 2.

	MUNICIPALITY	SENSITIVE RECEPTORS
1a	San Francesco al Campo	“Italo Calvino” primary school
1b	San Francesco al Campo	Parish nursery school at via San Giovanni Bosco
1c	San Francesco al Campo	“Madonna” nursery school
1d	San Francesco al Campo	“Mario Costa” middle school
1e	San Francesco al Campo	“Arcobalocco” nursery school
2a	San Maurizio Canavese	“L. Arcozzi Masino” nursery school
3a	Caselle Torinese	“La Famiglia” nursery school
3b	Caselle Torinese	“Collodi” primary school
3c	Caselle Torinese	“Demonte” middle school

Table 2 – Sensitive receptors

According to the noise-measurement surveys performed, the acoustical levels recorded inside of school buildings are also lower than the maximum level of 45 dB set by the Technical Sub-Commission for Airport Noise.

Noise-abatement procedures

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



	NOISE-ABATEMENT PROCEDURES INTO PLACE	BENEFIT FOR THE RESIDENTS
1	PRIVILEGED 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 FLIES	This procedure reduces the noise impact during night hours and represents a benefit for all the towns surrounding the airport.
3	RESTRICTIONS TO 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 TO USE OF APUs	This restriction implies a benefit in terms of reduction of aviation noise in all the areas surrounding the airport.
5	RESTRICTIONS TO ENGINE TESTING	This restriction produces a benefit 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 the 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 16/01/2013. The ANA values measured from 2013 to 2015 also confirm the validity of the noise-abatement procedures put into effect.

In 2016, SAGAT will:

- control the acoustical “climate” inside the airport by means of a noise-monitoring system;
- monitor the enforcement and efficacy of the noise-abatement measures into place.

Energy

SAGAT is an energy-intensive business and has always regarded energy management as a fundamental factor of its sustainable development.

In the month of December 2015, the Torino Airport completed its energy diagnosis, in accordance with 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 was drawn up during the certification of the Energy Management System, as per the ISO 50001 standard.

Based on the results of the energy diagnosis, the following activities were carried out:

- updating of the procedures, documents and performance indicators called for under the Energy Management System;

- identification of the parameters for the construction of a “control panel” for energy-intensive systems, working from the data acquired by the existing systems;
- establishment of a register of opportunities for improvement, indicating the methods of management/updating, as well as the criteria of technical-economic analysis for the classification of investments;
- formulation of an energy improvement plan for the period 2016-2019.

The investments contemplated under the Four-Year Plan (2016 – 2019) for the initiatives of the SAGAT Group, included as an annex to the Program Agreement, were based on the creation of construction and plant-engineering infrastructures with elevated levels of energy efficiency.

There are two main sectors of intervention pertinent to energy:

- upgrading of lighting systems (indoor and outdoor) with the goal of improving the performance levels of the new systems in terms of energy efficiency, lifting quality and maintenance reliability;
- ensuring the energy efficiency of climate-control systems by means of systems of monitoring and regulation employing inverters, plus the revamping of pumping systems and refrigeration units with high-yield machinery.

The table below explains the breakdown of energy consumption in 2015 by source. It appears that electricity is the main source used at the Airport and accounts for more than 80% of total consumption.



Energy source	Consumption in 2015		TOE coefficient	TOE
Electricity	19,953	MWh	0.187 tep x MWh	3,731
Heating Oil	91,341	kg	1.02 tep x 1000 kg	93
Diesel Fuel	44,056	kg	1.02 tep x 1000 kg	45
Methane	901,221	Sm ³	0.836 tep x 1000 Sm ³	753
Petrol	1,729	lt	0.765 tep x 1000 lt	1
			TOTALE tep	4,624

Consistently with the goals of its energy policy, SAGAT uses renewable sources and has been purchasing since 2012 as much as 20% of its electricity from a certified renewable source (RECS).

The table below provides a round-up of CO₂ emissions .

SUMMARY OF THERMAL ENERGY AND CO₂ EMISSIONS

data processed by SAGAT, March 2015

Site's total consumption of electric energy	71,360	GJ/year
Site's total thermal energy consumption	3,244	GJ/year
Total energy consumption	74,604	GJ/year
Consumption of primary energy associated with electric energy	3,707	TEP/year
Consumption of primary energy associated with thermal energy	887	TEP/year
Total consumption of primary energy	4,594	TEP/year
CO ₂ emissions associated with electric energy	8,611	t/year
CO ₂ emissions associated with thermal energy	2,061	t/year
Total CO₂ emissions	10,671	t/year

Air emissions

Airports are complex structures that may have variegated forms of impact on the territory. The most prominent one usually being the impact on air quality, which is also affected by pollution sources outside the direct scope of intervention of an airport management company:

- emissions from aircraft during landing, take-off and ground movements;
- emissions due to ancillary activities, e.g. heating or power-generation systems, vehicles used for operations and handling services, etc.;
- vehicle traffic at the airport;
- emissions from car traffic in the roads and motorways around the airport;
- air pollution from industrial areas nearby and other human activities.

While it is difficult to measure the direct effects of airports on air quality, in recent years the Torino Airport carried out several monitoring campaigns outside the airport grounds, in compliance with Ministerial orders and in cooperation with ARPA Piedmont. 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; on the other hand, the pollution sources detected related to vehicle traffic and heating systems.

The air emissions from fixed sources under the airport manager's responsibility are those related to the heating and-air conditioning of airport facilities, which come from a few heating plants fuelled with gas or heating oil, and from refrigeration plants operated by electric power.

The total thermal power generated by the airport's heating plants is about 19 MW, of which about 16.2 MW come from heating plants fuelled with methane gas and 2.8 MW come from plants fuelled with heating oil.

The aggregate nominal refrigeration power is about 10 MW. The electric consumption of refrigeration units alone accounts for about 18% of total electricity consumption, about 3.6 MWh/year. SAGAT has equipped its main refrigeration units with gas leakage detection systems.

Methane-operated heating plants produce more than 30% less nitrogen oxides compared to oil-operated plants of equal output: almost all the heat produced at the airport (about 85% of total output) comes from methane-operated heating plants. In any case, starting from spring 2015, SAGAT has monitored, in cooperation with ARPA Piedmont, the concentrations of nitrogen dioxide around the airport, as provided for in the notice of decision of the Ministry of Environment and Territory and Sea Protection in 2013.

With regard to the SAGAT Group's commitment to preferring fuels with lower environmental impact, while the contribution of air-conditioning systems to total emissions is a limited one – as already noted - in all new installations, and in all scheduled future replacements of existing thermal plants, methane-fuelled, low-emission units have been and will be preferred.



Water

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 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 for the various areas affected by aircraft movements, secondary evacuation lines and main sewers.

Apron rainwater

The rainwater falling on the aprons is channelled to a system that separates water from hydrocarbons, so that water may be recovered and disposed of at a later stage.

The airport also has a system for the collection and treatment of the rainwater falling on the runway, denominated "first-rain tanks", that is meant to collect the first 5mm of rainfall, for subsequent channelling to the main sewer. The system is composed of 3 underground tanks capable of collecting 900 m³ each for a total of 2,700 m³, in excess of the theoretical 1,600 m³. Rainwater is disposed of under the technical specifications of Società Metropolitana delle Acque (SMAT) (the municipal water company), that require its release with maximum controlled flow rate starting from 24 hours after the rain event, in order to avoid an overload of the public sewerage network.

Water consumption

The water consumption of the largest user units were reviewed and compared with historical data, in order to identify consumption patterns as a basis to study any deviating figures possibly caused by leakages in the supply network or by abnormal uses.

The consumption of drinking water taken from the SMAT aqueduct in 2015 (at approximately 167,500 m³) rose by 7.9%, an increase that appears consistent with the growth in the number of passengers that passed through the Airport in 2015.



Waste management

SAGAT deals with the management, from collection to delivery to the landfill, of the waste produced by the activities of the airport and of the operators that under various respects are present in the airport grounds.

SAGAT has set up recycling areas to collect different types of waste, to allow all airport divisions and operators to correctly separate and dispose of them.

Urban waste and other waste classified as urban waste

Urban and similar wastes are collected daily from the various areas in the airport. On Sundays, during winter and summer charter flight seasons, waste collection is made twice a day. Airport waste production in 2015 amounted to 587 tonnes, slightly more than the previous year, due to the increase of passenger transit at the airport.

Percentage variation	
2015 VS 2014	+1.6%
2014 VS 2013	+3%
2013 VS 2012	-11%

Recycling

SAGAT Groups recycles plastics, glass and printer toner, apart from the various types of special wastes such as batteries, neon lamps, tyres, wood, metals, spent oil, debris, dismissed electric and electronic equipment. In 2015, a new process was initiated for the differentiated collection and disposal of the waste water generated by the cleaning of the outdoor paving in the airside area, aptly referred to as “sweeping waste”. The table provides a summary of the main final figures for 2015.



	Volume in 2015	2015 VS 2014
Plastic	6.100 kg	-0,4%
Iron / Metal	5.980 kg	+93%
Glass	5.100 kg	-13%
Wood	3.900 kg	-16%
Airside street-cleaning waste water	3.720 kg	+100%

On the other hand, paper waste is recycled directly by the Arcobaleno social cooperative within the framework of Project "Cartesio" for paper recycling. Paper is disposed of at the pulping mills indicated by COMIECO, the national consortium for the recycling of cellulose-based materials.

Site pollution prevention

SAGAT Group is sensitive to the issue of soil pollution and has studied the possible sources of pollution, carefully mapped them and defined specific procedures in its EMS to handle them, in cooperation with its Safety Management System:

- o mineral oil tanks;

- battery recharging areas;
- chemicals handling operations.

The mineral oil tanks located in various parts of the airport grounds have been expressly authorised by the Province of Turin and are regularly seal-tested by qualified engineers.

There are certain outdoor areas at the airport used for the recharging of lead batteries containing electrolyte solution or gel, equipped with adequately sized absorbing equipment, in compliance with the regulations in force, for any event of spillage.

In case of accidental spills of chemicals, e.g. fuel, oil or de-icing fluid, there are specific technical and operational instructions in place that provide for the intervention of dedicated units of personnel to contain the outspill with absorbents and/or neutralizers for soil and water protection.

Protection of surface water is supported by the following elements:

- aprons are equipped with a rainwater drainage system, plus a system for separating off hydrocarbons;
- the runway is equipped with a rainwater drainage system, first-rain collection tanks and disposal lines connected to the main sewer.

HUMAN RESOURCES

During the year 2015, the organisational structure of SAGAT S.p.A. underwent a number of noteworthy changes, in particular with regard to the commercial area:

- in order to further develop air traffic at the airport, in keeping with the Company's strategic objectives, the Commercial Development Committee was established, reporting directly to the Commercial and Aviation Marketing Department;
- in order to offer the Airport's passengers an increasingly extensive array of commercial and food-service establishments, the Department of Marketing and Non-Aviation Activities was established, reporting directly to the Managing Director.



The Group's staff

As of 31 December 2015, the overall number of the group's salaried employees had risen by 21 individuals (14.09 Full Time Equivalent units), compared to the same date of last year, for a total of 397 employees, of which 95.5% are employed permanently and 4.5% under set-term agreements. During the year, 12 employees hired under fixed-term arrangements, and who had accrued the most overall seniority, benefited from the transformation of their employment contracts to permanent arrangements.

In 2015, the average size of the Group's staff was 360.55 FTE¹, as compared to 361.77 FTE for the previous year.

As of the end of the year, 58.44% of the Group's resources were employees of the parent company SAGAT, while 41.56% of the personnel were employees of SAGAT Handling.

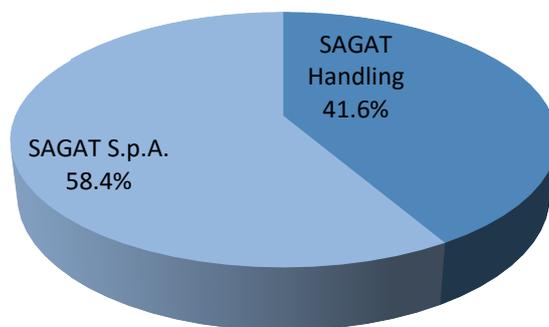
¹ This figure was calculated as "full-time equivalent" (FTE).

The figures shown below do not include the temporary staff that the Group avails itself of for the seasonal traffic peaks generated by charter flights in the winter weekends. Interns are not included in the total: these are people working at the airport under cooperation agreements with local universities and upper education institutes.

Female employment share was 41% across the companies, with a prevailing presence in clerical staff ranks at the end of 2015.

31/12/2015	No.	%
SAGAT S.p.A.	232	58.4%
SAGAT Handling	165	41.6%
Group	397	100%
Permanent employees	379	95.5%
Term employees	18	4.5%
Women	163	41.1%
Men	234	58.9%

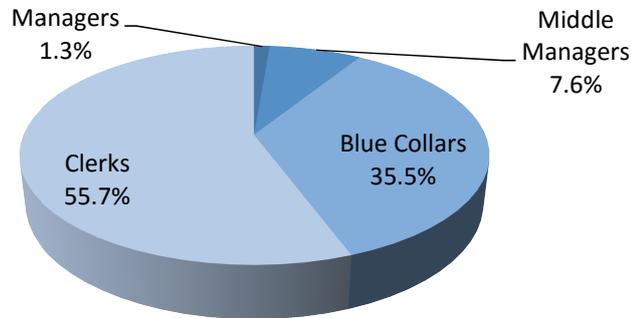
Employee breakdown by company as of 31/12/2015



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 psychical and physical conditions and are always monitored by the HR Management.

As to employment categories, 63.3% are clerks and 35.5% are blue-collar workers. There are 30 middle managers (total in the entire Group) who account for 7.6% of total employees, while the Group has 5 managers who account for 1.3% of the entire Group population. 34.4% of middle managers are women.

Employees per company



Position	Managers	Middle Managers	Clerks	Blue Collars
SAGAT	5	24	103	100
SAGAT HANDLING	0	6	118	41
Total	5	30	221	141

The average age of the Group's employees is 44.2 years, while the Group's average seniority is approximately 17 years (even following the transfer procedures that resulted in the dismissal, followed by early retirement, of the most senior employees), though no fewer than 174 employees have seniority of more than 20 years. The average age of the Group's executives is 52.7 years.

Average	Age	Seniority
SAGAT	44	18,5
SAGAT Handling	44,4	15,5
Average	44,2	17

As of 31 December 2015, the percentage of employees with part-time contracts was slightly higher than in 2014, due to 12 transformations, enacted in the month of December 2015, from set-term to permanent employment arrangements.

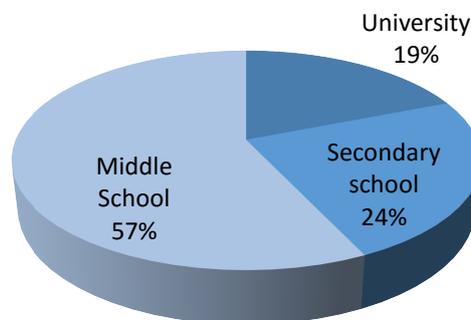
The incidence of personnel working under part-time contracts is higher in SAGAT Handling, where such arrangements account for approximately 33% of the total.

PT/FT Employees(*)	2014 % PT on FT	2015 % PT on FT
SAGAT	5.07 %	6 %
SAGAT Handling	29.9 %	33 %
Grand total	14 %	18 %

* Out of all permanent employees as of December each year

As to educational achievement, employees with a secondary school diploma are the most; employees with a middle school diploma are almost entirely in the blue-collar category, while employees with a university degree are mostly middle managers and managers.

Levels of education	
Middle school	96
Secondary school	224
University	77
Total	397



Training

Qualifications

SAGAT's training schemes include own and third-party courses for Group employees and for the employees of other companies working at the airport. These schemes are based on the cooperation with universities, upper education institutes and research centres for the development of joint learning and training projects.

In 2015, SAGAT, as it has done for a number of years, drew up an annual training plan in support of the professional development of the Group's personnel at all levels, and to promote the enrichment of their skills and know-how, while favouring processes of innovation and, at the same time, responding to the new need for efficiency, within the perspective of controlling and rationalising costs.

To this end, the plan is formulated in consideration of the Company's strategic objectives, the processes of cultural/organisational change and the necessary procedural innovations, observing the training requirements and proposing updated instruction for the different professional figures present within the staff.

The training was carried out both by in-house trainers and by outside training firms selected according to principles of professional and methodological excellence, taking into account the provisions of the ISO 9001 quality certification, plus the recommendation found in international and national regulations and statutes, as well as the IATA, IOSA and ISAGO manuals, plus the Airport Manual and Terminal Regulations of SAGAT S.p.A..

The training offerings of the SAGAT Group played a key role in the performance of the training activities involving the personnel of the companies of the SAGAT Group, and of all the other companies that carry out working activities on the airport grounds, as well as with regard to both the organisation and the direct supply of training and/or instruction, as well as the oversight and management of school trips to the Airport.

During 2015, the personnel of the company SAGAT S.p.A., and of SAGAT Handling, plus temporary employees and subcontractor personnel, took part in 1,376 courses of training and/or instruction, consisting of 5,429 hours of classroom instruction that involved 3,104 participants, up from 2014, for an overall total of 16,051 hours.

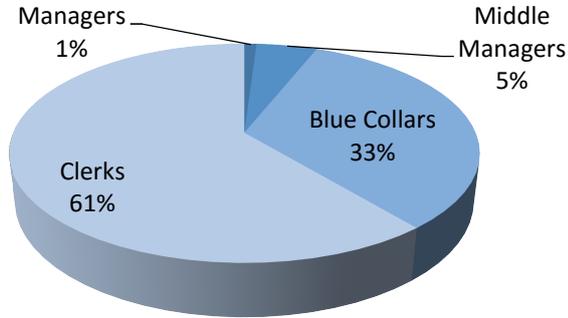
Of all these courses, in-house training handled 793, for a total commitment of 2,438 hours of classroom instruction involving 1,516 participants, making for a total of 7,547 hours/employee, while 583 courses were taught by outside trainers, for 2,971 hours of instruction involving 1,588 participants, making for total training of 8,504 hours/employee. A portion of this training was financed with professional funds, such as Fondimpresa, or by enacting in-house company training plans.



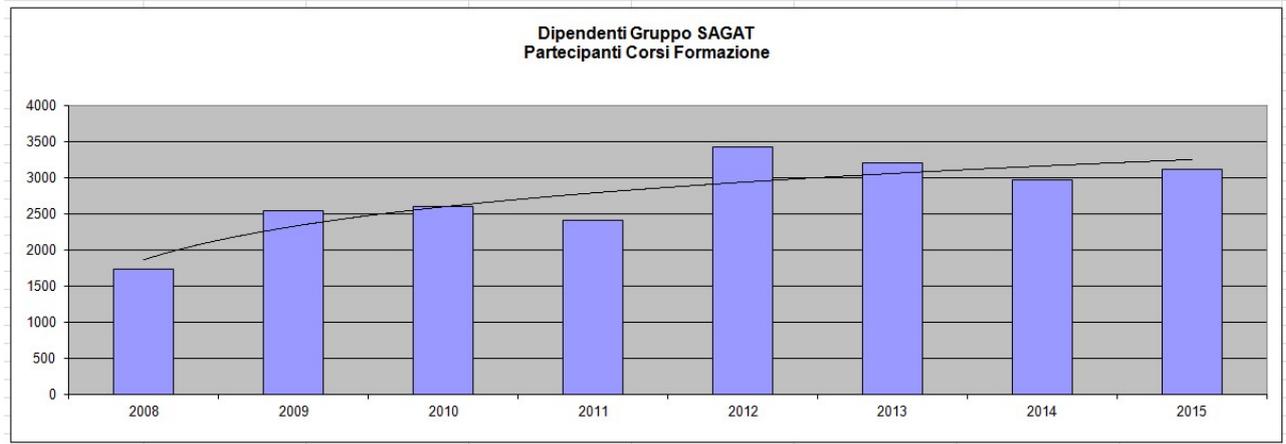
Taking into consideration only the hours of training carried out by active employees during the year 2015, each employee of SAGAT S.p.A. received an average of 18.3 hours of instruction and each employee of SAGAT Handling an average of 38.6 hours, making for an annual average, for both groups, of 26.5 hours.

Training Hours, SAGAT Group Employees	SAGAT S.p.A.	SAGAT Handling	Average Group
Annual average training hours per employee as of 31/12/2015	18.3	38.6	26.5

Training Hours, SAGAT Group Employees, 2015



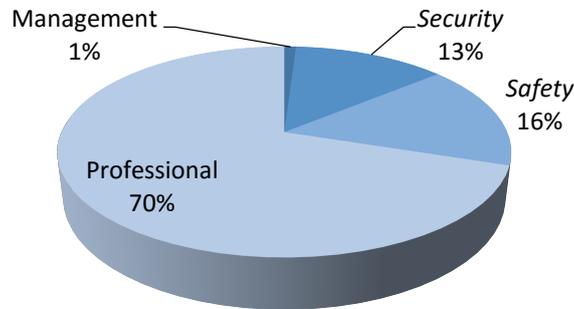
SAGAT Group, Training Courses Participants



Course types

In the year 2015, the personnel of the SAGAT Group took part in various types of courses, mostly technical-professional in nature and regarding considerations of safety (as per Legislative Decree 81/2008, plus subsequent modifications and additions) or security (ENAC Regulations and EC Law 185/2010). Technical-professional training and constant refresher instruction have played the largest role, accounting for 70% of the overall hours of training. The graph presented below illustrates the percentages for the participants in the individual types of courses.

Type of Training, SAGAT Group Employees, 2015



Course implementation

In 2015, SAGAT Group employees attended 16,051 training hours in total, with contracted and/or in-house trainers from the company Training Centre. The courses were given in face-to-face classes, the conventional format, accounting for the largest share, on-the-job training for technical/professional courses aimed at teaching how to drive/use company vehicles and equipment, and also e-learning courses, through the on-line company platform DOCEBO, used at its full potential, as well as the platforms of air carriers, and in particular the ASCEND of British Airways.

Mandatory training accounted for 81% of the total and included occupational safety issues in accordance with the Agreement between the State and the Region, which governs training requirements for managers, supervisors and employees, as well as the ENAC Airport Safety Regulations, plus whatever else is specifically required by the IATA or the individual air carriers with respect to knowledge of airport safety or the operation of vehicles assisting parked aircraft, or knowledge of the DCS operating systems of each individual carrier.

Training for students of aeronautic vocational schools

Alongside the training of its own and airport subcontractors' employees, the SAGAT Training Center also provides hours of teaching at the aeronautic vocational institutes of the greater Turin area, such as the ITIS Carlo Grassi of Turin and the ITAer Turin Flying Institute, which is headquartered at the Airport. In the case of the Turin Flying Institute, SAGAT's in-house trainers have firmly established roles as instructors within the curriculum (the Training Offering Plan) employed by the institute during the three-year course of study.

In this way, the students acquire theoretical and practical knowledge of the main operational profiles of airport ground handling while, at the same time, obtaining the basic certifications for specific professional profiles, in accordance with IATA requirements.

Internal communications

The Company has had its own intranet for about a decade and uses it to spread all company or airport information, of operational, organizational, commercial, entertainment and other nature. Among its various applications, the intranet makes available at any time information about pay slips, monthly clock-ins, daily press digest, flight list, as well as other themes of interest for the company.

Since 2013, all employees have a corporate e-mail address, even if they do not have a specific workstation, and may access it even when out of office. This way, all employees may receive personal messages or information about company life, increasing their sense of belonging together. Shared workstations were made available where there was none.

Again with a view to making Company/employee relations easier, on-line monthly pay slips were implemented, to cater for all requirements related to timely receipt and immediate availability of wage statements.

Corporate welfare

In 2015 the SAGAT Group continued its policy of undertaking socially beneficial initiatives, including the reimbursement of nursery school and elementary school fees, though up to certain maxim limits. Such corporate welfare initiatives confirm the Group's policy of supporting services for the well-being of its employees and their families.

The Group has focused in particular on maintaining its services for the employees' children:

- 50% refunds of nursery school and kindergarten fees for those who cannot get a place in municipal nursery schools and kindergartens, and so their children must attend state-certified private schools, which are usually more expensive;
- the Christmas gift bonus, for the children of employees, has always been very much appreciated by parents;
- SAGAT has entered into special agreements to obtain subsidised prices from outside organisations that run summer camps, with a wide variety of choices available (seaside stays or recreational activities in close contact with nature), while SAGAT pays 77% of the resulting price.

2014	no. of receivers of nursery and kindergarten refunds	no. of receivers of children's Christmas bonus	no. of receivers of summer day care refunds
SAGAT S.p.A. +			
SAGAT Engineering	41	146	25
SAGAT Handling	27	83	17
Group	68	229	42

2015	no. of receivers of nursery and kindergarten refunds	no. of receivers of children's Christmas bonus	no. of receivers of summer day care refunds
SAGAT S.p.A.	32	142	28
SAGAT Handling	21	86	13
Group	52	228	41

- During the years, several agreements were entered into with museums, theatres and other institutions in Turin to promote and favour the employees' attendance at cultural events in town.
- For a number of years SAGAT Group has been defining commercial agreements with certain companies working within the airport area and in the territory, under which agreements SAGAT employees are offered products or services at discounted prices.
- All the employees have their meal allowance in the form of an e-card that they can spend at the various cafeterias in the airport area, where dedicated menus have been agreed upon for them. The meal service is paid by the employees at 19% of total meal cost, and the service is exempt from taxes and social security contributions.

Occupational safety

SAGAT Group has always handled with the utmost care all issues related to occupational safety and health and workplace safety.

Through the prevention and protection services of its two companies, the Group monitors on a permanent basis the strict compliance with the provisions of law governing the matter, acts proactively in respect of its employees stressing the importance of behaving safely (e.g. by using PPEs and DPEs), and by proposing improvements to production processes and workplaces.

The founding principles of SAGAT Group's actions for occupational safety and health may be summarized as follows:

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

Group companies also implement 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.

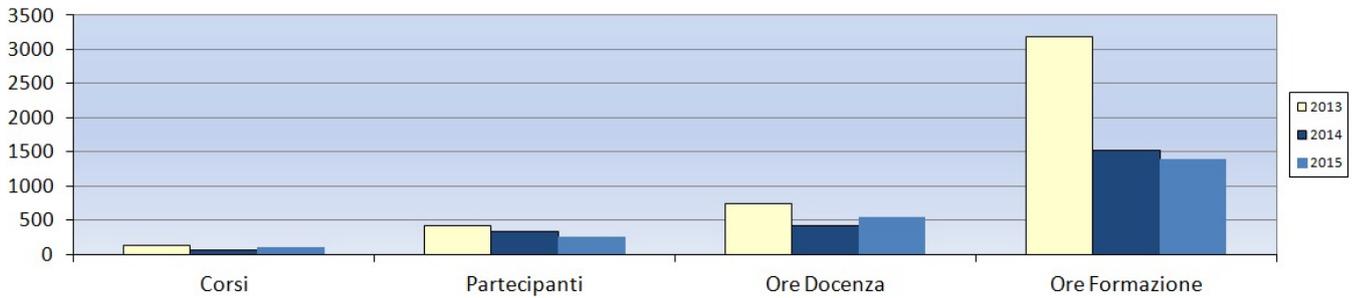
SAGATS.p.A.	Safety Training		
	2013	2014	2015
Courses	126	68	106
Participants	426	337	256
Teaching Hours	748	417	544
Training Hours	3,180	1,520	1,395

SAGAT Handling S.p.A.	Safety Training		
	2013	2014	2015
Courses	144	189	97
Participants	357	466	296
Teaching Hours	617	483	378
Training Hours	1,889	1,734	1,168

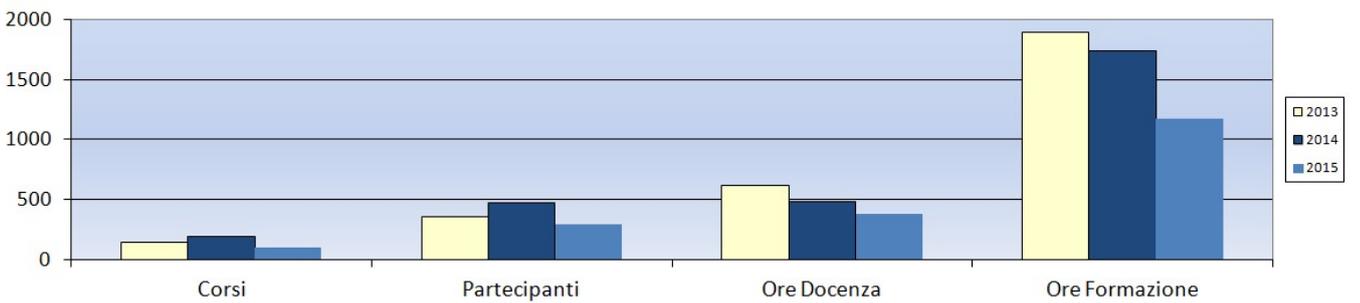
Specifically, the training offer includes the following course types:

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

Formazione Safety per SAGAT S.p.A.



Formazione Safety per SAGAT Handling S.p.A.



Accidents

Accident trends at workplace in the last three years in SAGAT Group companies were as follows.

Accident trends – SAGAT S.p.A.

Accidents	2013	2014	2015
Number of accidents	2	3	1
Days of sick leave	19	22	3

Source: Register of accidents of the Company

Accident trends - SAGAT Handling S.p.A.

Accidents	2013	2014	2015
Number of accidents	8	5	4
Days of sick leave	169	105	17

Source: Register of accidents of the Company

Among the accidents reported in the Company, there are no significant statistic values in specific departments or areas, in proportion to the number of employees working there.

As to the aggregate number of accidents for SAGAT Group —at the workplace — in the three years reviewed there has been a decrease from 10 (in 2013), to 8 (in 2014) and to 5 (in 2015).

In this three-year period, the days of sick leave due to accidents at the workplace were 335 out of 23 accidents reported.

SAGAT Group companies are always monitoring accident trends, also through frequency ratio (total number of accidents) and seriousness ratio (total number of sick leave days due to accident).

SAGAT S.p.A.

Accident ratios	2013	2014	2015
I_f: Frequency ratio (No. of total accidents/worked hours) * 1,000,000	5.27	7.73	2.52
I_g: Seriousness ratio - aggregate (Aggregate lost working days/worked hours)*1,000	0.05	0.06	0.01

SAGAT Handling S.p.A.

Accident ratios	2013	2014	2015
I_f: Frequency ratio (No. of total accidents/worked hours) * 1,000,000	31.65	22.14	16.30
I_g: Seriousness ratio - aggregate (Aggregate lost working days/worked hours)*1,000	0.67	0.47	0.07

Labour relations

The percentage of union membership in the air transport industry has always been high, and all the four National Trade Union Organizations (FILT-CGIL, FIT-Cisl, UILT Trasporti and UGL Trasporti) are present at SAGAT Group, with a membership share of more than 54% of the employees.

SAGAT has always established continuing and constructive industrial relationships that along the years have led to major agreements, on company welfare as well as on the ways to maximise organizational efficiency and flexibility in the face of an increasingly competitive market. This was achieved thanks to consistent dialoguing with the employees' representatives (RSU), avoiding strikes and unrest in recent years, 2015 inclusive.

Figures as of 31/12/2015

Employees who are members of Trade Unions		
Total 2012	220	55.42%
Total 2013	222	59.33%
Total 2014	209	55.59%
Total 2015	216	54.41%

The year 2015 saw the signing of a number of labour agreements of noteworthy importance to the companies of the Group.

An initial agreement, signed in the month of June and involving all the Group's companies, called for an extraordinary plan to eliminate unused vacation days, reducing the average per capita number of residual days to a maximum of 3 days for employees of SAGAT Handling and 4 for employees of SAGAT S.p.A. as of 31 December 2015. This agreement was of fundamental importance in terms of controlling labour costs and having valid parameters for comparisons with earlier years.

The following table illustrates how, during the period 2011 – 2015, thanks to an attentive management policy and the signing of the agreements referred to above, the Group's total inventory of unused vacation days was reduced by 75%, making for savings of approximately € 450,000 for the period.

	2011	2012	2013	2014	2015	2015 vs 2011	%
<i>Unused vacations days</i>	5,958	5,764	3,268	2,300	1,486	-4,472	-75.1%

On 2 November 2015, two other agreements on topics of equal importance were signed.

The first of these agreements regards the renewal of the supplementary company contract for SAGAT S.p.A.: with the signing of the Specific Section for Airport Managers of the pertinent collective-bargaining contract having eliminated the incompatibility of overlapping national and local negotiating cycles, the agreement on the criteria for calculating and disbursing the Company Productivity Bonus, valid throughout 2017, was signed by the company's Joint Union Representative and by the local labour organisations.

This agreement made it possible, within a context of economic recovery and company growth, to correlate the benchmark amount of the bonus, despite the variables of company profitability, productivity and quality to which it is subject, within the average values for the period of 2012 – 2014.

A second, noteworthy agreement, signed at the conclusion of the same negotiations and regarding both companies of the Group, made possible the formulation of the criteria that resulted in the transformation to permanent employment arrangements of 12 workers formerly hired for set periods, and who had accrued the highest levels of seniority within the Company. Thanks to this agreement, a number of different managerial objectives could be achieved, such as the stabilisation of long-standing working relations; plus organisational objective, such as setting the proper dimensions of the staff with respect to the growing, consolidated volumes of traffic, plus finally, economic objectives, in the form of the social-security benefits provided under the pertinent measures for 2015; in fact, the hiring operations in question will allow the group to benefit from savings of approximately € 60,000.

Finally, talks were held for the formulation in 2016 as well of a plan to eliminate unused vacation days, beyond the limits stipulated under the pertinent collective bargaining contract, this confirming the provisions of the agreements signed previously.

Finally, with regard to SAGAT Handling alone, renewal of the Specific Handlers Section of the National Collective Bargaining Contract was signed on 12 December 2015; this renewal entails important new elements regarding the regulations governing working hours. From an economic standpoint, it should have no effect on pay increases for the variable components of compensation, a measure that is extremely important in terms of reducing labour costs.

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 Tax Police station with their dogs and kennel;
- the building that accommodates the birds of prey used for bird control;
- the Fire Department building and their vehicles;
- the control tower operated by ENAV;
- the weather station, again operated by ENAV.

The management of all airport infrastructures which SAGAT Group is responsible for implies the guarantee of their perfect operating status and ideally the improvement of service standards for those who make use of them (passengers, airlines, cargo lines, service providers, subcontractors, etc.).

Some of the most prominent and significant investments made in 2015 were those for the opening of new retail areas or reception areas in the airside area (in particular, the new Duty-Free Walk-Through arrangement

established in the arrivals/departures zone; the relocation and upgrading of all the retail spaces; the opening of new food-service activities and the restructuring of the existing ones), plus others in the landside area (the opening of the new mini-market, for example, and the restructuring of the food-service area in the arrivals zone).

Of note, among the initiatives undertaken, was the opening to the public, inside the landside departure hall, of the new municipal pharmacy, sure to be of use to all passengers and other airport users, as well as potential customers of the pharmacy – even if they have no other business at the airport – from the neighbouring municipalities. The pharmacy is currently open 7 days a week, and it is about to be organised for night-time opening hours as well; the services provided include diagnostics and instrumental measurements.

It should also be noted that our continuing and growing focus on energy saving and environmental sustainability issues, in connection with our TUV ISO 50001 energy certification, has boosted our planning of investments in energy saving.

In the month of December 2015, the Torino Airport completed its energy diagnosis, in accordance with the procedures called for 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 under the ISO 50001 standard.

Based on the results of the energy diagnosis, the following activities were performed:

- updating of the procedures, documents and performance indicators called for under the Energy Management System;
- identification of the parameters for the building of a “control panel” for energy-intensive systems, starting from the data gathered by existing monitoring systems;
- creation of a register of opportunities for improvement, indicating the methods for the management/updating of the criteria of technical-economic analysis for classifying the related investments;
- formulation of the energy improvement plan for the period 2016-2019.

PROFESSIONAL PROCESS VALIDATION



Professional Process Validation

The Corporate Social Responsibility Report 2015 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 procedural correctness requirements:

- | | | | |
|---|--|--|---|
| - planning | - management | - control | - implementation |
| <ul style="list-style-type: none">• Clarity• Rationality• Exhaustiveness• Compliance• Reasonability | <ul style="list-style-type: none">• Accuracy• Completion• Precision and logicity• Effectiveness• Integration• Exhaustiveness• Adequateness | <ul style="list-style-type: none">• Consistency• Compliance• Neutrality• Exhaustiveness• Responsiveness• Transparency• Sharing | <ul style="list-style-type: none">• Existence |

In its review of the CSR Report resulting from such 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 second edition of the CSR Report, the SAGAT Group has reinforced the formulation of the process, in keeping with the principles of the Piedmont Method, determining the methodological references with renewed precision while arriving at more effective representation of the results through an analysis of the indicators over a more extended period of observation. There is also acknowledgment of the principle of social responsibility as a determining and characteristic factor of the Company's management strategies and organisational structure, laying the groundwork for the implementation of policies that involve stakeholders, together with an organic system for the representation of the intangibles and external manifestations generated in favour of the surrounding community.

The assessment performed, with reference to a series of specific qualitative requirements for each stage of the social reporting process, frames our validation opinion in the context of quality of process both highly evolved and well integrated with the company analysis and with the setting of the objectives for improvement.

On the basis of our assessment, we hold that the CSR Report 2015 of SAGAT Group as a whole was prepared consistently with the presuppositions given in the Methodology Statement, is the result of appropriate processes, and complies with the methodology principles deemed necessary for a positive opinion on process validity.

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, Turin:

Dr. Giuseppe Chiappero

A handwritten signature in black ink, appearing to read "Giuseppe Chiappero". The signature is written in a cursive style and is positioned to the right of the typed name "Dr. Giuseppe Chiappero".

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MAY 2016