

TORINO
AIRPORT
CONNECTED TO



CORPORATE SOCIAL RESPONSIBILITY
REPORT
2014

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LETTER OF THE MANAGING DIRECTOR

This year SAGAT is presenting its first Corporate Social Responsibility Report, a document meant to illustrate the choices made and the results obtained with regard to sustainable development.

Our goal in drawing up the Corporate Social Responsibility Report is to reinforce the ties of trust between the company and its customers, suppliers and investors, as well as the rest of the surrounding territory, achieving heightened interaction with the context in which we operate. The use of the Piedmont Method for the drafting of the report is meant to further this very aim, contributing to the establishment of an inter-institutional dialogue between the company, the local university and the professional order of auditors and accountants.

Seeing that this is the first year in which such a report has been drawn up, the contents of the pages that follow shall guide us in future assessments, providing the underlying framework for the new company objectives we set and the results we achieve.

In fact, the SAGAT Group has already undertaken initiatives of social responsibility in the past, but the formulation of the Corporate Social Responsibility Report allows us to focus on them more closely, improving the coordination of our efforts while increasing the sense of responsibility of our structure, thanks to its heightened awareness of the social implications of the company's actions, a consideration to be taken into account in setting the objectives to be reached.

In short, the report provides an overview of a company that operates under a unified management strategy and that has proven capable of, among other things:

increasing passenger traffic by 8.6% (+18.1% on regularly scheduled commercial flights), thanks to new marketing policies that draw exclusively on its own resources;

improving service and infrastructure offerings to passengers;

establishing quality as a top-priority strategic consideration in all sectors of the company's operations;

maintaining levels of employment, together with stable contractual relations;

following procedures for the selection of suppliers designed to favour competition among the economic operators involved **while guaranteeing maximum transparency;**

respecting environmental objectives, thanks to monitoring of consumption of energy and water, atmospheric emissions and the handling of rainwater and waste;

listening to the needs and wants of the local surrounding territory, as well as its economic and social fabric, in an awareness that the role of the airport manager has an influence on both the mobility of individuals and the development of the local economy.

The results of achieved in 2014 arose from proactive initiatives addressing structural changes in a highly competitive context, so as to lay a solid foundation for further development in the years to come.

Roberto Barbieri
Managing Director 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 Turin, Ivrea and Pinerolo

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. The Corporate Social Responsibility Report for 2014 specifically aims at attaining the following objectives:

- 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.

The information and data found in this first 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 2014, as well as to their respective performances in the fiscal year 2014 (1 January - 31 December 2014), 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 and 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:

- 1.1 the Strategy Committee, which oversaw the process of "social reporting", establishing the guidelines for achievement of the goal.
- 1.2 The Technical Steering Committee, which established the methodological references for the formulation of the report, overseeing the entire process.
- 1.3 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.
- 1.4 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, General Services, Legal Affairs and Systems 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 (Professor at the Department of Management of the University of Turin).

- 3) The Operations Workgroup:
 - Alberto Sartore (Internal Audit Manager of SAGAT S.p.A.);
 - Francesca Soncini (Manager of External Relations, Communications and Operational Marketing of SAGAT S.p.A.);
 - Andrea Lupo (an intern and doctoral 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
- b) An Economic Overview
- c) Report on Social Responsibility

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.

Since then, SAGAT has undertaken numerous major initiatives of construction and innovation, with projects of particular note including the multi-level parking facility, the new air terminal opened in 1993, the expansion of the structure in 2006, on the occasion of the Winter Olympics held in Turin, and the general aviation air terminal (for private flights), also built for the Olympics, as was the modern baggage-handling system and the remote terminal for passenger check-in.

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 Turin 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

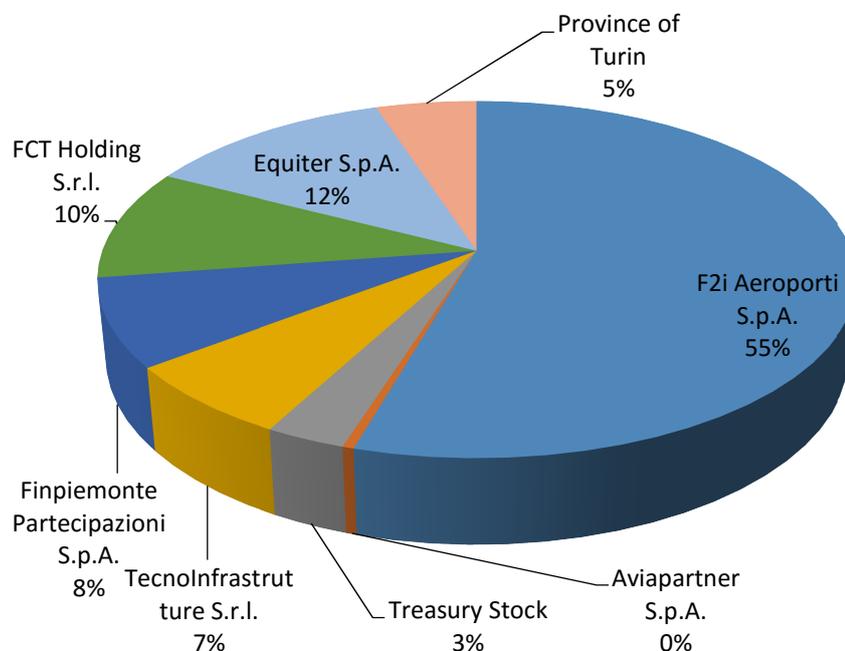
For the purposes of the present Report on Corporate Social Responsibility, the main companies of the SAGAT Group are SAGAT S.p.A., SAGAT Handling S.p.A., SAGAT Engineering S.r.l. and Aeroporti Holding S.r.l., whose management and operating headquarters are found at the Turin-Caselle Airport.

SAGAT S.p.A.

SAGAT, whose tasks and responsibilities are described in a separate box on page 25, 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, F2i Sgr S.p.A. became the majority shareholder, so that, as of December 2014, the share structure was as follows:



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.

Management of the company is the exclusive prerogative of the Board of Directors, which carries out all the operations needed to achieve the stated objective, whether they involve ordinary or extraordinary administration, while the Board of Auditors controls to ensure that there be compliance with the law and the company by-laws, as well as the principles of proper administration, and specifically that the organisational, administrative and accounting structure utilised by the company be adequate and function effectively.

In 2014, the members of the Board of Directors were:



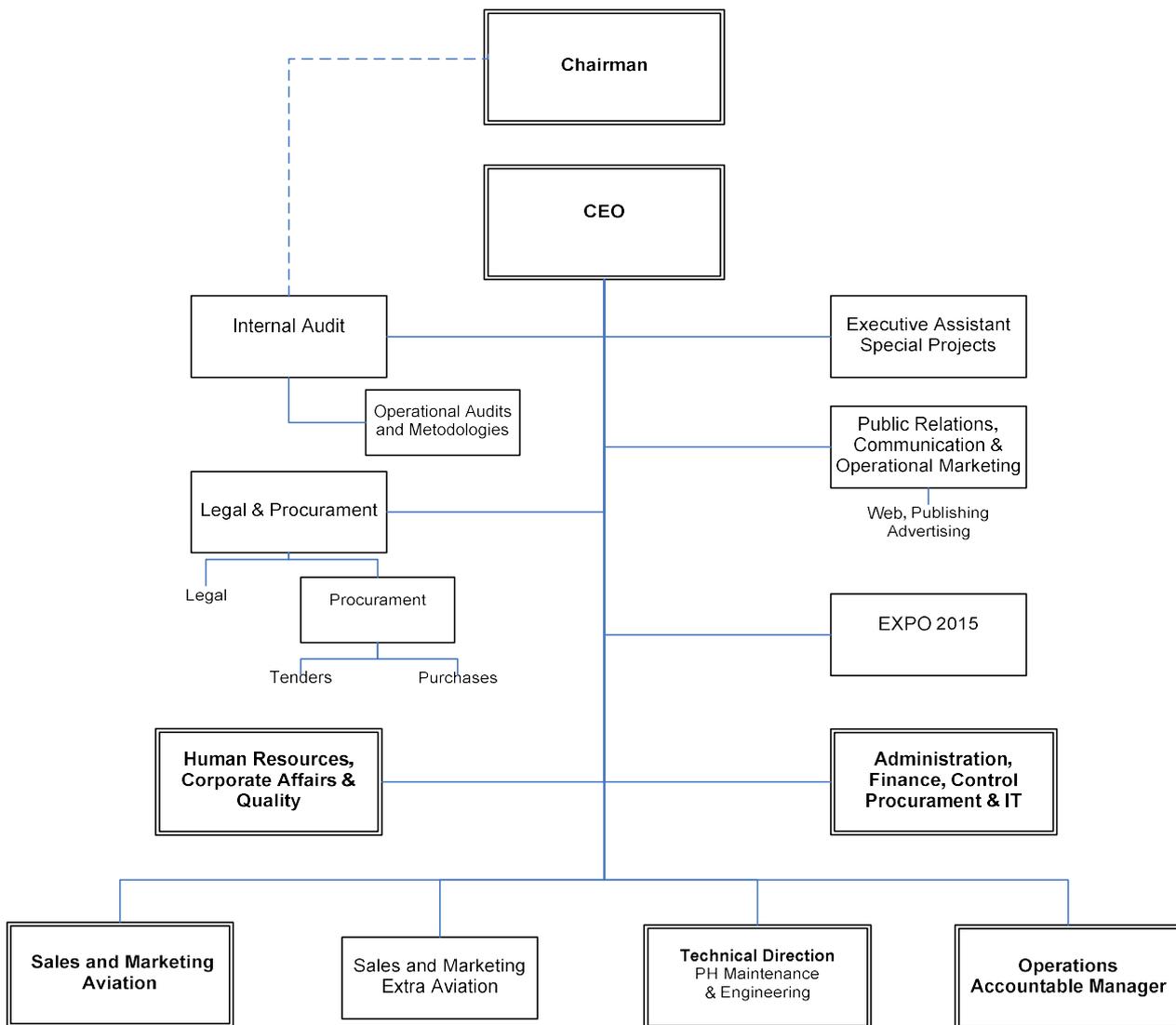
Giuseppe Domato	Chairman
Paolo Venero	Vice Chairman
Roberto Barbieri	Chief Executive Officer
Annalisa Andreetta	Director
Domenico Cempella	Director
Alberto Eichholzer	Director
Giuseppina Falappa	Director
Gian Luigi Garrino	Director
Vincenzo Ilotte	Director
Laura Pascotto	Director
Fiorenzo Tasso	Director

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 2014, the SAGAT Group had 376 employees, of whom 231 were assigned to the structure of SAGAT S.p.A., a modern, streamlined but complete organisation that was updated during the year 2014, 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 50001 Energy Management System Committee
- the Committee for Monitoring Workplace and Environmental Safety

- the Observatory Overseeing the Quality of Airport Services and Infrastructures

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 145 employees as of 31 December 2014, 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.

SAGAT Engineering

SAGAT Engineering, established in 2003, with SAGAT providing all its share capital, had as its stated objective the performance of consulting and planning activities, as well as project management, performance testing, fulfilment of worksite safety requirements and the assessment of the technical-economic suitability of projects and works related directly or indirectly to airport operations. During the year 2014, the company ceased operation.

Indeed, from 1 August 2014 all the salaried employees were transferred to the Group's head company, as the first step in a process designed to heighten the efficiency of the structure of the SAGAT Group, an effort that contemplates, among other things, a reduction in the number of companies in the Group, with strategic operations being concentrated with the head company.

Aeroporti Holding

In the fiscal year 2014, the company Aeroporti Holding sold its quota holdings in AdF, the company operating the Florence Airport. As of 31 December 2014, 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 employee 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.

The Oversight Body, which possesses independent powers of initiative and control, currently consists 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

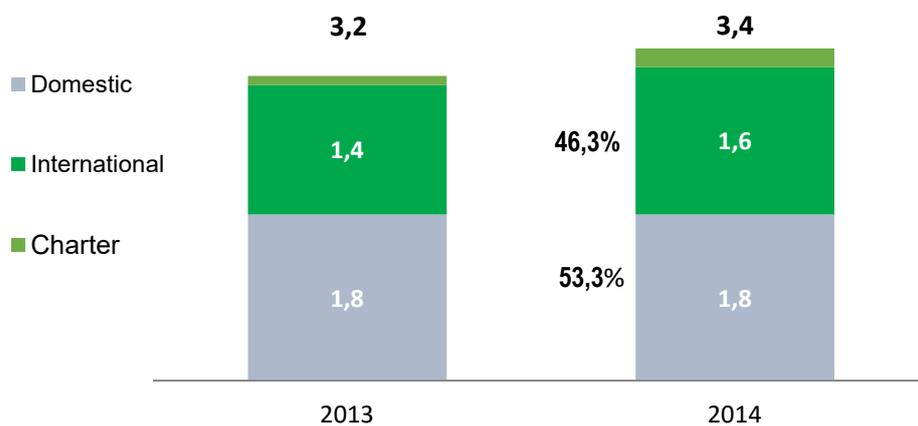
Airport capacity

Movements per hour 28
 Passengers 6 million
 General aviation
 Cargo terminal

Emergency services

Snow squad 160 members
 For past 5 years operations never interrupted by snow
 Fire-fighting service capacity to handle situations up to the highest ICAO category

In 2014 Torino Airport transported 3,431,986 passengers, for growth of 8.6%, double the average national rate in Italy. The number of passengers on international flights grew by 18.1%:



The commercial services offer:

Free, unlimited Wi-Fi in the passenger and general aviation terminals, meeting rooms, 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 68.8% in 2014, and Aviapartner, which accounts for the remaining 31.2%;
 - 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.

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.

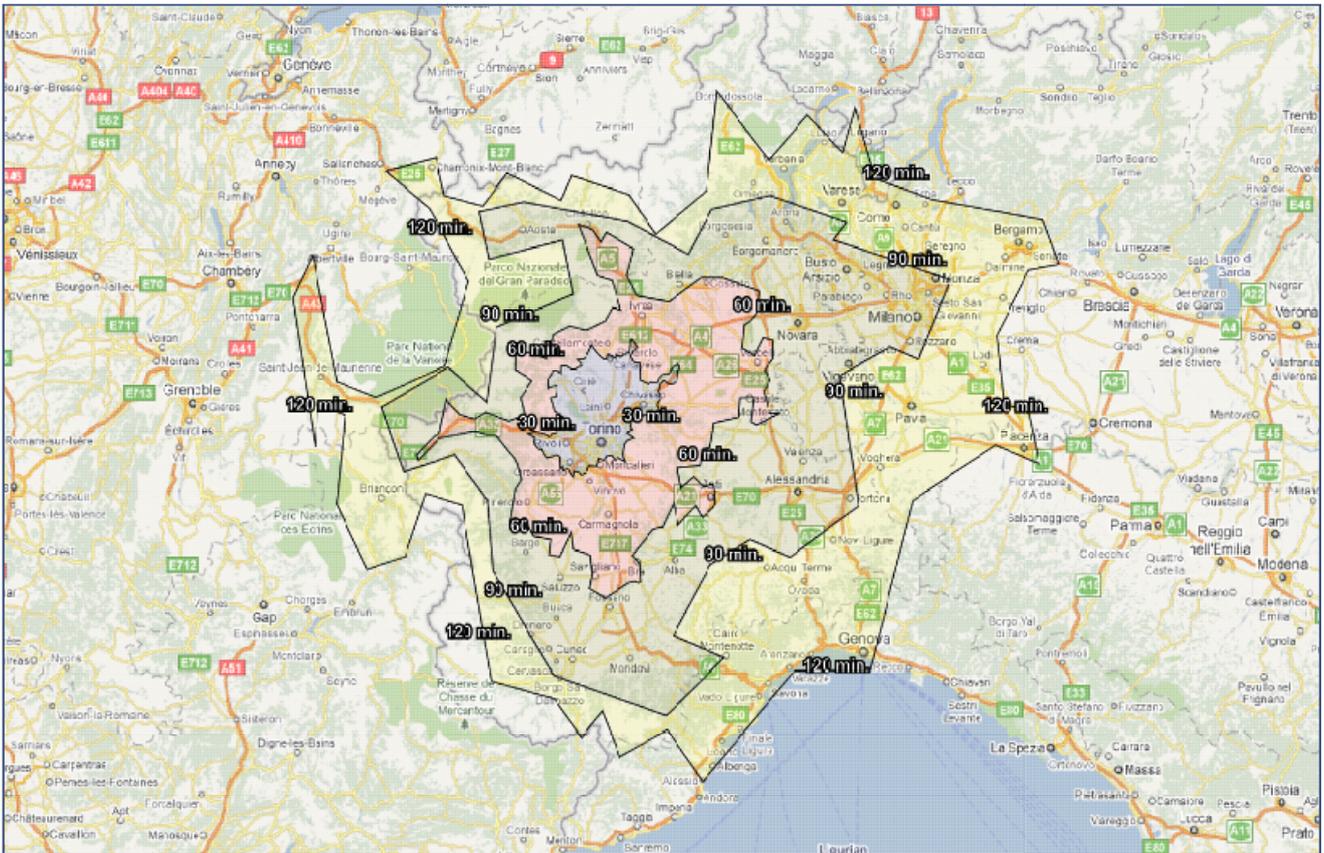
Torino Airport and its surrounding territory

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 tourism sector, and especially in the region's mountains, is one of Piedmont's strongpoints, capable of attracting major flows of visitors in the Winter months, including from abroad.

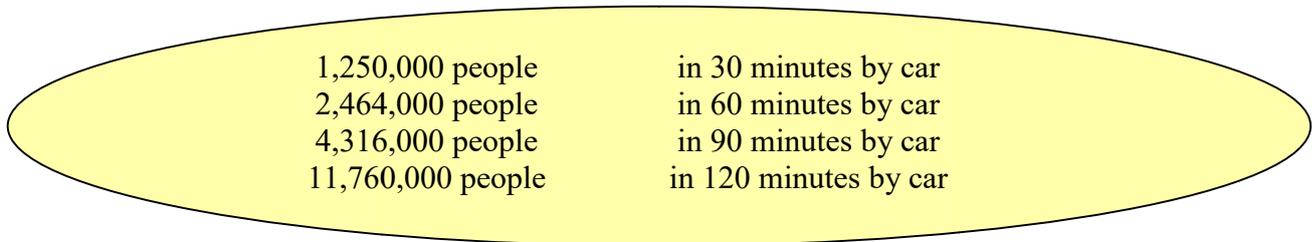
Piedmont is located in a strategic position between northern Europe and the Mediterranean basin, at the crossroads of the two main axes of continental development (Corridor V, Lisbon-Lubiana-Kiev, and the Genoa-Rotterdam corridor of the two seas):



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:



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), 237.4 thousand passengers in 2014.
- Milan's Malpensa Airport, 140 km away (travel time by car 1h 20m), 18.851 million passengers in 2014.
- The Linate Airport, 163 km away (travel time by car 1h 35m), 9.0319 million passengers in 2014.
- The Bergamo Airport, 188 km away (travel time by car 1h 48m) 8.7743 million passengers in 2014.
- The Genoa Airport, 194 km away (travel time by car 1h 52m) 1.2687 million passengers in 2014.

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
Passengers	Quality of service Growth of traffic Operating safety Security controls Accessibility Information
Carriers	Fairness Quality of services Operating safety Health and safety on the job
Local community	Value created in the surrounding area Concerted development Information
SAGAT human resources	Equal opportunity Involvement and optimisation Recognition of merit Professional growth Employment stability Health and safety on the job
Suppliers and partners	Transparency and fairness Punctual payment Reliability
Shareholders	Productivity and efficiency Creation of value Respect of strategic guidelines

INTANGIBLE ASSETS

In drawing up its first Corporate Social Responsibility Report, the SAGAT Group, in keeping with its decision to follow the Piedmont Method, intends to undertake an 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: <ul style="list-style-type: none"> • category, type of contract and qualifications • personnel with disabilities and protected categories 	80, 81 81
Break-down of personnel by working hours	Numbers and percentages of personnel with part-time and full-time work schedules	82
Average age of personnel	Average seniority of personnel Age group in which the majority of the personnel are concentrated	82 82
Average age of the Board of Directors and the management	Average age of the members of the Board of Directors and the management personnel	82
Professional advancement	Number of promotions	88, 89
Turnover of personnel	Numbers and percentages of employees leaving, out of total personnel	83
Distribution of personnel by gender	Percentages of women and men out of total personnel	80
Index of level of education of personnel	Percentages of employees by level of education	83
Beneficiaries of training initiatives	Numbers and percentages of employees who have benefitted from training initiatives	86
Benefits for employees	Numbers who have benefitted from expense reimbursements for day care, children's gift package and summer camps	89

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	30
Information initiatives	Organisation of roundtables, workshops, conferences, seminars, meetings etc.	47, 48
Presence in the media	Communication events and promotional campaigns	47, 48
Events in collaboration with outside partners	Events planned and/or organised in collaboration with outside partners	46, 47, 58
Customers/Users		
Numbers of users/clients	Numbers of passengers and carriers	61, 63
Customer loyalty	Incentive systems promoting customer loyalty	64, 65
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 	54,54
Complaints	Number of formal complaints from customers/users	55, 56

Public institutions and subjects		
Shareholder relations	Levels of shareholdings of public entities in SAGAT	19
Compliance with regulations and statutes	Procedures for legislative compliance	65
Joint projects with the public administration	Joint projects with government bodies and authorities	70,71, 72, 73, 77
Suppliers and financial institutions		
Relations with suppliers	Procedures for selecting suppliers	65
Timing of payments	Average duration of commercial debt	66
Local fallout	Impact of suppliers in the local area	66
The environment		
Safeguarding animals	Birdstrike Risk Index 2	50
Acoustical impact	LVA parameter Anti-noise procedure	71
Electric energy	Tonne of oil equivalent (Toe) per energy source	74
Water resources	Consumption of drinking water	76
Urban waste	Waste collected at the airport Volumes of undifferentiated waste	78 78
Community		
Donations	Joint charity efforts	46
Figures invested in infrastructures	Investments and depreciation of assets for environmental purposes	42

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

There has been, in recent years, a sharp difference in growth trends between the airports located in developed countries and those located in emerging markets.

The mature markets of North America and Europe experienced modest growths, while large emerging economies, BRICS countries in particular (Brazil, Russia, India, China and South Africa) reported two-digit traffic growths, year on year.

The economies of Europe and North America have grown in 2014, aligning growth rates across regions, and the recent slowdown in the emerging markets translated into lower growth trends in cargo and passenger traffic, compared to previous years.

Source: Aci.aero.

The European scenario

According to the data published by ACI Europe, global passenger traffic in European airports in 2014 has grown on average by 5.4%. Certain geopolitical tensions that occurred in 2014 have had direct impact on passenger traffic, particularly in Russia and Ukraine, lowering the good beginning-of-year performances of non-EU airports.

The most part of passenger traffic growth was fuelled by low cost airlines, that improved their market share in the major airports.

Ambitious non-EU airlines have continued to grow in European airports, in certain cases even indirectly, through the acquisition of European airlines.

The Italian scenario

2014 confirms itself as a positive year for the Italian air transport market, which has grown after two years of decline. Italian airports reported an increase in passenger traffic by 4.5% compared to 2013, and an increase in carried cargo volumes by 5%.

More than 150 million passengers were in transit at Italian airports, 6.4 million more than in 2013.

Total take-offs and landings have also grown, albeit slightly (0.6%), totalling 1.4 million movements in the year.

Both domestic traffic (+2.5%) and international traffic (+5.9%) have grown in 2014 compared to the previous year.

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).

	<i>Euro thousand</i>		
	2014	2013	Difference %
Aviation			
Fees	13.818	12.572	9,91%
Centralised infrastructures	6.161	5.807	6,10%
Assets used in common	127	140	-9,29%
Security	6.096	5.614	8,59%
Aviation services (PRM and luggage)	1.526	1.405	8,61%
<i>Total Income Aviation</i>	27.728	25.538	8,58%
Handling			
Handling	9.077	9.443	-3,88%
Aviation services (Cargo)	805	1.058	-23,91%
<i>Total Income Handling</i>	9.882	10.501	-5,89%

The increase in Aviation income by 8.58% owes its positive performance essentially to the increase in the traffic at the airport in 2014. Regards to handling income, the decrease in the value of production compared to 2013 is essentially due to the already mentioned decrease in the volume of cargo traffic and to the decrease of extra income from handling services, including the decrease in the income from aircraft de-icing services caused by the milder winter weather.

Non-aviation income

Non-aviation income decreased by 9.32% in 2014, from €18,091 thousand in 2013 to €16,405 thousand in 2014. The decrease was affected by the fact that the Airport Retail Corners operated directly by SAGAT closed in July 2014. They were later subcontracted to a leading international operator and re-opened in November 2014. However, this also caused a parallel reduction in the purchases of products intended for resale.

Euro thousand

	2014	2013	Difference%
Non-Aviation			
Non-aviation services	870	262	232,06%
Ticketing	139	151	-7,95%
Airport Retail Corners	1.878	3.688	-49,08%
Retail and restaurant subcontracts	2.714	2.374	14,32%
Other business subcontracts	1.568	1.552	1,03%
Sublease of spaces	2.671	3.090	-13,56%
Parking Lots	5.427	5.466	-0,71%
Advertising	1.138	1.508	-24,54%
<i>Total Income Non-aviation</i>	16.405	18.091	-9,32%

Other income

The other income components recorded, netting €1,871 thousand, show a slight increase compared to the €1,642 thousand recorded in 2013. They include the €527 thousand released from a provision for bad debts created in previous years in the light of the appeal award in the action opposing SAGAT vs. the handling company Aviapartner.

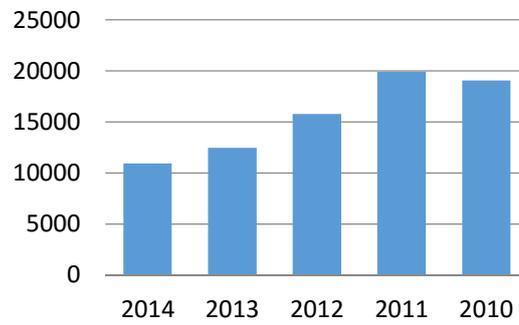
Key economic indicators

The table below shows certain key economic indicators from the Consolidated Financial Statements of SAGAT Group for the year 2014, compared with the four previous years: Among these, the net profit of the Group amounts to €3,357 thousand, improving by €3,090 thousand compared to the net actual €267 thousand profit obtained in the prior year.

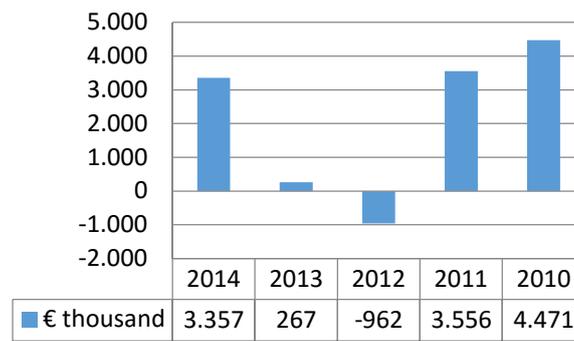
Euro thousand

	2014	2013	2012	2011	2010
GOM	10,942	12,485	15,784	19,907	19,071
Net profit	3,357	267	- 962	3,556	4,471
ROI	3.25	1.01	- 1.07	6.62	7.99
ROE	7.33	0.42	- 1.52	5.24	6.55

GOM

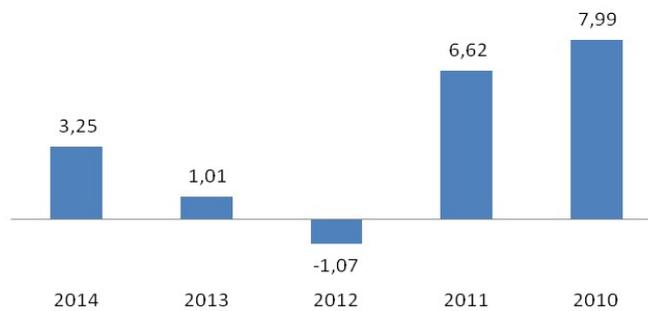


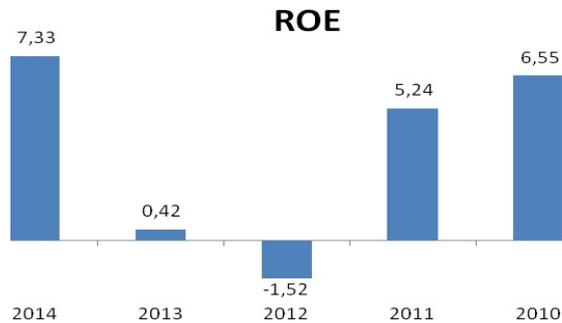
Net Profit



	2014	2013	2012	2011	2010
■ € thousand	3.357	267	-962	3.556	4.471

ROI





Please note that in 2014 Aeroporti Holding sold its entire investment in the company that runs the Florence Airport, AdF S.p.A. This implied the distribution of an extraordinary dividend to the shareholders of SAGAT S.p.A., as follows:

Euro thousand

F2i Aeroporti S.p.A.	11,955
Equiter S.p.A.	2,722
FCT Holding S.r.l.	2,195
Finpiemonte Partecipazioni	1,756
Tecnoinfrastrutture S.r.l.	1,483
Province of Turin	1,098
Aviapartner S.p.A.	91
Total dividend distributed	21,300

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 2014 it amounted to €58,162 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 €2,274 thousand in 2014:

Euro thousand

	2014	2013	Difference	
			Absolute	%
Production value	55.888	55.773	115	0,21%
Pro-rata of grants	2.274	2.461	-187	-7,62%
ECONOMIC VALUE CREATED	58.162	58.235	-73	-0,13%

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 2014, it amounted to €41,797 thousand, decreasing by 4.9% compared to the amount calculated for 2013:

Euro thousand

	2014	2013	Difference	
			Absolute	%
Compensation of Vendors	19.464	21.605	-2.141	-9,91%
Compensation of Human Resources	19.161	18.954	207	1,09%
Compensation of the PA	2.649	2.803	-154	-5,51%
Community	535	517	19	3,58%
Compensation of Lenders	-12	72	-85	116,99%
ECONOMIC VALUE DISTRIBUTED	41.797	43.951	-2.154	-4,90%

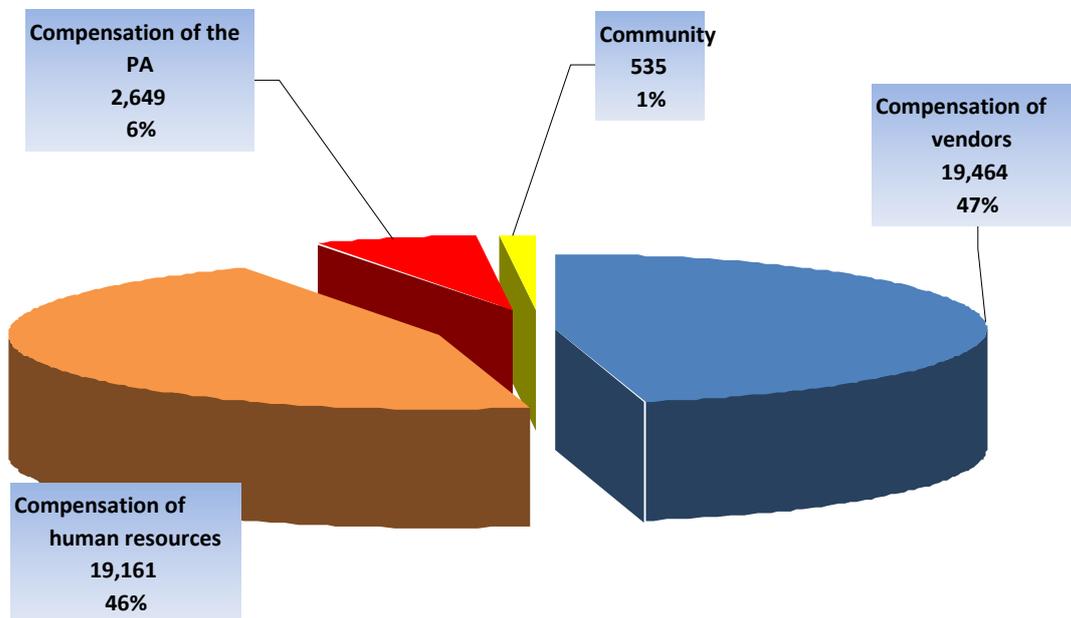


Vendors in particular, i.e. the recipients of all costs incurred on purchases, maintenance, utilities and services, received €19,464 thousand, 10% less than in the prior year, while human resources received €19,161 thousand, 1.1% more than in 2013.

The portion of Economic Value received by the Public Administration in 2014 was €2,694 thousand, more or less the same as in 2013.

The Economic Value distributed to the community, inclusive of the depreciation of the most significant assets having effects on the environment (about €143 thousand in 2014), local taxes and contributions and donations to local entities, amounted to €535 thousand in 2014, rising by €19 thousand 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.

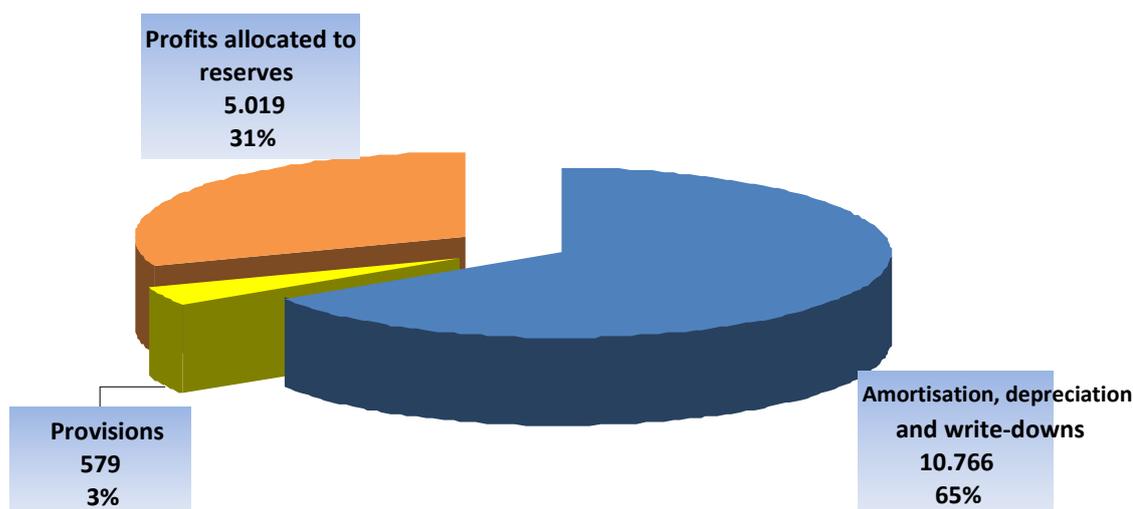
This difference is the Economic Value that is not distributed, or, in other words, that is retained.

The Economic Value Retained for 2014 amounts to €16,364 thousand, increasing by 15% compared to 2013. The difference owes to the greater amount of profits for 2014 allocated to reserves, and to the lesser provisions recorded in the financial statements compared to 2013:

Euro thousand

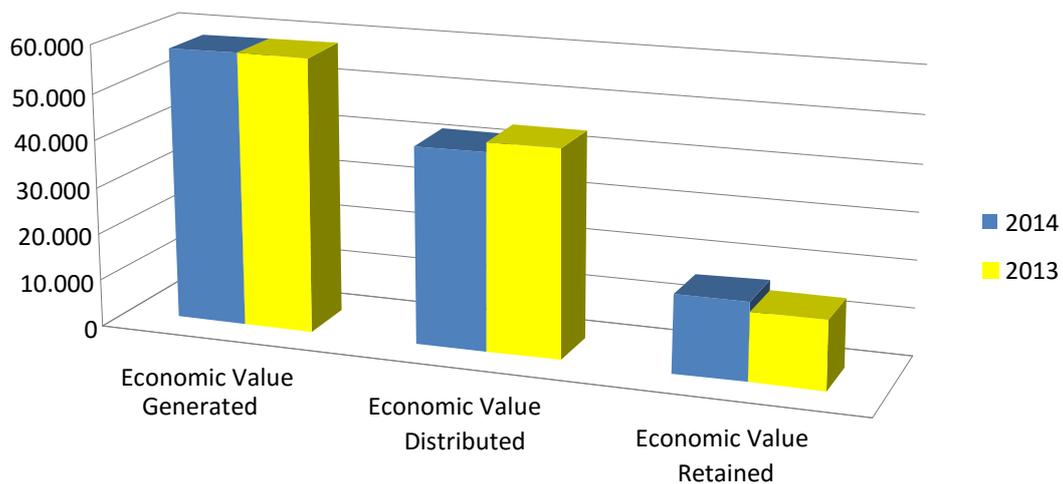
	2014	2013	Difference	
			Absolute	%
Amortisation, depreciation and write-downs	10.766	11.139	-372	-3,34%
Provisions	579	2.771	-2.192	-79,10%
Profits allocated to reserves	5.019	373	4.646	1245,93%
ECONOMIC VALUE RETAINED	16.364	14.283	2.081	14,57%

Economic Value Retained



Euro thousand

	2014	2013	Difference	
			Absolute	%
Production value	55,888	55,773	115	0.21
Pro-rata of grants	2,,274	2,461	-187	-
Economic Value Generated	58,162	58,235	-73	-
Compensation of Vendors	19,464	21,605	-2,141	-
Compensation of Human Resources	19,161	18,954	207	1.09
Compensation of the PA	2,649	2,803	-154	-
Community	535	517	19	3.58
Compensation of Lenders	-12	72	-85	-116.99%
Economic Value Distributed	41,797	43,951	-2,154	-
Amortisation, depreciation and write-downs	10,766	11,139	-372	-
Provisions	579	2,771	-2,192	-
Profits allocated to reserves	5,019	373	4,646	1245,93%
Economic Value Retained	16,364	14,283	2,081	14.57



SOCIAL REPORT

SOCIETY AND THE SURROUNDING AREA

PASSENGERS

CARRIERS

NON-AVIATION SERVICES

VENDORS

ENVIRONMENT

HUMAN RESOURCES

INVESTMENTS IN INFRASTRUCTURES

SOCIETY AND THE SURROUNDING TERRITORY

In 2014 SAGAT reinforced its working relations with leading social and cultural entities, providing them with occasions to increase their visibility: in this way, 19 local non-profit associations and 13 cultural institutions have found a home at the Torino Airport.

SAGAT has also established close relations with organisations whose mission is to promote the local territory, working alongside them on joint initiatives meant to heighten awareness of the region's tourist resources abroad as well, in addition to intensifying communications efforts aimed at the world of business and passengers: 2 conventions; 1 weekend for children; 5 advertising campaigns on the Airport's services; 11 advertising campaigns carried out jointly with air-travel companies.

Joint efforts in the social sphere

The Airport pursues a policy of working together with charities, non-profit organisations and recognised associations, in order to coordinate requests for hospitality equitably and in such a way as to provide the greatest amount of space to the largest number of social concerns.

As part of this approach, SAGAT grants a non-commercial exhibition space free of charge in the check-in area, near the passenger security controls, where it is exposed to a noteworthy flow of passengers. During 2014, hospitality was extended to 11 non-profit organisations, while fund-raising initiatives were hosted in collaboration with 8 other non-profit entities and recognised associations.

SAGAT supports the Advisory Board for Individuals in difficulty, an organisation concerned with the transport of people with reduced mobility.



Joint cultural efforts

In the cultural sphere, SAGAT has set out to reinforce, or to initiate, working relations with entities that, on the whole, reflect the distinctive features of the local territory, so that their presence in the Airport can provide the region with a more effective calling card, contributing to the further development of the local area as a site for tourism and cultural travel.

To this end, SAGAT has reinforced its ties with the National Museum of Cinema, which, for the first time ever, shall use the Torino Airport as its "second home": starting in the month of June, in an area set aside for the purpose in the Arrivals lobby, passengers shall be given previews of the exhibitions being held at the Mole Antonelliana, while interactive totem poles positioned in both in both the Arrival and Departure areas shall allow them to explore the wealth of the Museum's collections by consulting selections from its archives at the same time as they learn of all its upcoming dates and initiatives, include film festivals.

In 2014, SAGAT also continued its work with other important cultural entities, such as the Royal Palace of Venaria, the Egyptian Museum of Turin, the Turin Foundation Museums, the Sandretto Re Rebaudengo Foundation, Artissima, Luci d'Artista, The Teatro Regio of Turin, the Stefano Tempia Academy, the Turin Jazz Festival, the Book Fair and the Fair of Taste.

The Airport has also initiated a working relationship with the Collisioni Festival, extending the reach of its initiatives outside of the city limits.



Joint efforts with institutions

SAGAT has taken part in the government campaign “Safe Italy”, together with the Association of Italian Airports, and it has worked with the City of Turin on the occasions of Italy’s six-month turn holding the Presidency of the Council of the European Union, the Conference on the European Social Charter and the Italian-German High Level Dialogue.

Communications efforts

SAGAT, the company managing the Torino Airport, has undertaken a series of communications efforts geared towards increasing awareness of the Airport and of the services it offers within the business world and its potential basin of passengers, both in Italy and abroad.

A similar commitment has been undertaken to promote Turin as a tourist destination, carried out in collaboration with the Tourism Bureau of the City and Province of Turin through the organisation of press trips, the sending of newsletters and promotional initiatives aimed at operators in the sector. The same goals are also being pursued in a joint effort with the Ceip, or Foreign Centre for the Internationalisation of Piedmont.

Events aimed at business and trade

With the goal of networking and showcasing the strongpoints of the local territory, so as to demonstrate to air-travel companies the potential of Piedmont in the sectors of tourism, culture and economic activity while, at the same time, promoting the services of the Airport, in this way raising awareness of the topic among institutions and business leaders, SAGAT organised a roundtable in January 2014 entitled “Turin, an airport for a city open to the world: the transformation of the city and its surrounding territory, the new vocation for business, innovation, cultural and tourism, plus the challenges of the next few years”. The event, held at the Royal Theatre of Turin, was coordinated by the editor in chief of the daily paper *La Stampa*, Mario Calabresi, with those present including the Mayor of Turin, Piero Fassino, plus leading figures of the city’s academic, cultural and business circles, who met with representatives of the major air-travel companies and tour operators.

With specific reference to the trade sector, SAGAT organised a workshop entitled “Flying away from Turin is Easier” in the month of May, in order to favour new channels of communication and study new forms of cooperation between the air-travel companies operating at the airport, the tour operators and the travel agencies of Piedmont.

SAGAT also worked alongside the Transavia airline, introducing the Turin-Amsterdam flight to travel agents during an event held at the Mole Antonelliana.

In May, the Torino Airport hosted the annual assembly of the Turin API, or Association of Small and Medium-Size Businesses, in the general aviation terminal, which is normally used for private flights.

Advertising campaigns

In 2014, Torino Airport promoted a number of different advertising campaigns, with the specific objectives of supporting traffic tied to the seasonal fluctuations of leisure travel and spreading awareness of new routes and new services.

The first campaign, entitled “Flying Away from Torino is Easier”, was rolled out in Spring to promote the network of air connections available from Turin, as well as the new routes inaugurated with an eye towards the summer months; a second campaign, “You can Judge the Gift from the Ticket”, was meant to lend visibility to the flights and offers of the airlines for trips to Turin, in combination with a parking promotion. Both campaigns appeared in major daily papers, on subway advertisements and in radio commercials.

SAGAT has worked together with the Alpitour Group on the campaign “Time Flies When You’re on Vacation. You Should Fly from Turin”, to promote the summer vacation sites that can be reached from Turin, thanks to the offerings of the Alpitour Group.



Finally, a campaign aimed at incoming traffic in the Winter season was carried out under the title “Fasten your Ski Boots”, with the media plan including space in the English periodical “Telegraph”.

Additional joint campaigns promoting flights to and from Turin were undertaken with the carriers Air Moldova, Blue Air, Brussels Airlines, Etihad Regional, Germanwings, KLM, Meridiana, Turkish Airlines, Vueling and Wizz Air, while there was also a campaign to promote the Vola TorinoPass (Fly Turin Pass).

The Airport for Children

In 2014, Torino Airport also opened itself up to families, hosting more than 350 children accompanied by parents during the two-day event “Open-Door Airport”, held on the first weekend in June. During the initiative, whose enormous success was demonstrated by the fact that all the available places were taken in just a few hours’ time, the children were able to visit the airport and take an up-close at the various areas of operation, such as the falconry service, the fire-fighter corps, the helicopter pilots’ squad and overall airport readiness.

Media relations

Well aware of the importance of relations with the media, SAGAT has promoted all the new flights and services placed in operation during the year.

The most important events include the launch of a twice-daily flight to Amsterdam by KLM, officially introduced at a press conference and in the course of an opening event at which Peter Elbers, the CEO of KLM, was in attendance. A further coordinated effort to promote the flight with the press took the form of a press trip organised by SAGAT and KLM, with the participation of press and TV journalists from Turin’s major media outlet.

Another important event was the launch of the Vueling base in Turin, where a plane will be headquartered starting from September, and the launch of multi-day flights to Rome’s Fiumicino Airport. The press conference announcing the establishment of the base, which was held in July in the medieval quarter, was attended by the Vueling CEO, Alex Cruz.

Significant coverage was also given to the development of flights to eastern Europe, including a press conference for the introduction and baptism of the first Turin – Bucharest flight of Wizz Air, the largest low-cost airline operating in central and eastern Europe, plus the event held to officially inaugurate the first Turin - Chisinau flight of the airline Air Moldova.

For the occasion, the aircraft was given a salute consisting of an arch of water provided by the Fire-Fighters Corps, a display that won the “Arch of Triumph” given by the popular aviation website anna.aero for the best water arch of 2014.



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. Following enactment of Legislative Decree no. 101 of 31 August 2013, *Urgent Measures in Pursuit of Objectives of Rationalisation within the Public Administration*, SAGAT S.p.A. was obliged to operate the service checkpoints that had previously been manned by law enforcement personnel. In response to this new development, SAGAT’s strategic approach led it to internalise the activities of service control at the checkpoints, focussing them solely on operators, crews, motor vehicles and heavy

equipment that operate inside the Airport's sterile area, with retooling for new employment of personnel no longer qualified to carry out the previous tasks or of workers who, in the wake of the economic crisis and the drop in traffic, might have been penalised.

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. 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.

Between 2013 and the start of 2014, SAGAT S.p.A. upgraded the security checkpoints in terms of technology, outfitting all of them with special equipment certified to detect explosives.

The Torino Airport specifically installed equipment to make possible the first phase in the free circulation of LAG (liquids, gels, aerosols), as called for from 31 January 2014 by the European Union.

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.

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

The team that carries out this task goes by the title of Bird Control Unit (BCU), being organised and coordinated by the Airport Readiness Service, with the support of a falconer.

The control is performed at each daytime hour, during the four daily inspections of the manoeuvring area 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 Turin 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 19 winged predators and 3 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, 5 purebred Saker falcons and 5 peregrine falcons deployed to drive away birds at high altitude, along with 4 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 2 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.) tat play a role in preventing the risk of bird strike. This workgroup also met during 2014 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 are 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			
	2014	2013	2012
Reports received	259	221	189
Wildlife strikes/presence of birds or animals	21	22	38
Laser rays	56	36	36
Damage sustained by aircraft, equipment, airport resources, infrastructures	11	5	9
FOD	14	3	3
Spills	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.

A full-scale emergency drill has been held at the Torino Airport annually since 2009.

The exercise 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, 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 2014, which took place at night, after the last plane had taken off, were roughly twenty students of the Turin Flying Institute, in the roles of the wounded crew and passengers, plus about forty extras from the Italian Red Cross, playing the parts of passengers and 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 numerous analyses and observations that always led to further refinement of the procedures for dealing with emergencies.

Quality

Torino Airport, which is certified under the UNI EN ISO 9001:2008 standard, possesses an excellent infrastructure that was thoroughly renovated for the Turin Winter Olympic Games of 2006.

It is no accident that, for two straight years, in 2007 and 2008, the Torino Airport won the prestigious ACI Europe Best Airport Award in the category of 1-5 million passengers for the quality of its services.

The Service Charter and the two bodies that oversee airport quality

SAGAT began publishing its Service Charter in 1998, making it the first Italian airport to do so. Since then the format of the document has been expanded and modified in compliance with updates in Italian and international regulations, plus subsequent measures of the ENAC.

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, with the goal being 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 – 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.

UNI EN ISO 9001:2008 certification

SAGAT S.p.A. is a company that has been UNI EN ISO 9001:2008 certified since 2009.

On 27 November 2014, the certification agency TÜV-Italia carried out three annual inspection audit without detecting any instances of non-conformity, but instead formulating two positive observations (one of which regarded the procedure for handling complaints), plus a comment that constituted an additional opportunity to improve the Quality Management System. As a result, the validity of the three-year certificate covering 2013-2015 was confirmed.

In June of 2012, SAGAT S.p.A. was also awarded energy certification under the UNI EN ISO 50001 standard.

The Quality Policy and continuous improvement

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, our company has undertaken a significant plan to improve its infrastructure and the quality of the services available to passengers, identifying quality as a priority strategic consideration in every sector of operations, while committing itself to rigorously apply, and constantly improve, the Quality Management System.

The Quality Policy for 2014 was structured as follows:

- a) to supply services meeting standards of excellence in the course of the activities for which the Airport Manager is responsible, interacting with business and institutional contacts in a dynamic and reliable way;
- 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 the training, refresher instruction and upgrading of human resources.
Mention should be made, among the different activities, of the start-up of a program for the training and refresher instruction of front-line personnel on topics of customer-care;
- d) to closely monitor the indicators of quality, both supplied and perceived, analysing the results to identify any initiatives or opportunities for further improvement of company performance;
- e) to operate under rigorous respect for the rules and statutes currently in force with regard to the Quality of Services, as well as in compliance with the provisions of the UNI EN ISO 9001 standard.

For services provided by SAGAT through third parties, a request has been made for even more stringent management and training of the personnel assigned to passenger relations.

A similar commitment was requested of the holders of sub-concessions and of the operators that manage points of sale and services in the airport.

Perceived quality (customer satisfaction)

In order to obtain an even more accurate overview of the level of customer satisfaction, starting from 2014 the frequency of the interviews was changed, though the parameters surveyed unchanged, with the timeframe going from three periods held to be representative of the year to an almost daily use of face-to-face questionnaires.

The determination and the dimensions of the sample were greater than what was called for under Memorandum ENAC APT-12, replaced on 31 October 2014 by the new GEN-06 Memorandum: "Quality of Air Transport Services: the standard Services Charter for airport managers and air carriers".

In fact, in 2014 SAGAT carried out more than 1,400 surveys with responses calibrated according to six levels of judgment, calculating the percentage of satisfaction as the sum of the positive responses compared to the total number of responses.

The size of the aforementioned sample was related to a statistical error of $\pm 2.6\%$, greater than the 0.8 percentage points of the statistical error tied to the different sample from the previous year. This change points to the need for a certain amount of caution when comparing the results for 2014 with those of the previous year, even if it were held that the almost daily frequency with which the results on perceived quality were collected produces a more realistic overview of the level of satisfaction of our customers.

A comparison of the commitments undertaken and the results achieved in 2014



Indicator % of satisfied passengers with respect to:	Goal * 2014	Results 2014
Delays caused by station error	0,75%	0,08%
Misguided luggage per 1.000 passengers caused by station error	1 / 1.000	0,17 / 1.000
First luggage item claim time (in 90% of cases)	20'	18'26"
Last luggage item claim time (in 90% of cases)	24'	23'58"
Waiting time on board until first passenger disembarks (in 90% of cases)	4'00"	(4'13")
% of satisfied passengers with respect to:		
Personal and property security	90,5%	99,3%
Airport cleanliness	91,5%	95,4%
Toilets cleanliness	88,0%	(77,7%)
Luggage trolleys availability	88,5%	(84,5%)
Availability/quality/prices of shops and newsstands	91,0%	94,6%
Availability/quality/prices of cafés	92,0%	96,0%
Availability/quality/prices of restaurant	89,5%	(74,9%)
General quality of information service	87,5%	98,0%
Staff politeness	91,0%	96,5%
Staff professionalism	90,5%	98,9%
Waiting time at ticket counters	89,0%	96,5%
Waiting time at check-in	94,0%	95,6%
Waiting time at passport control	92,0%	94,8%
Availability, frequency, timeliness and price of public transport	74,5%	90,2%

As demonstrated by the table, the quality standards set by SAGAT and the judgments of passengers on the service received at the Torino Airport are decidedly high.

In 2014, overall passenger satisfaction was 99.2%, and the services supplied had reached levels of judgment denoting excellence, even taking into consideration the margin of statistical error already given ample mention.

It is no accident that the three indexes whose “promise” to the passenger was not met (shown in parentheses on the table) nevertheless stood at levels that proved more than acceptable, though there is necessarily room for improvement. The drop in the values compared to the established standard is explained – part from the statistical error already mentioned – by the lines of reasoning illustrated below.

Perceived level of cleanliness and functional efficiency of the toilets

It can be surmised that the lower volumes of traffic in 2013 had a positive influence on users’ perceptions, and that, in contrast, the greater volume of traffic in 2014 had negative effects. Still it is deemed more likely that the drop can be attributed to the procedure involving daily collection of feedback from passengers, a method that records the widespread perception of users in a more constant manner.

In order to improve the level of cleanliness and functional efficiency of the toilets, a plan of action was undertaken, entailing, among other things, a redistribution of the shifts by the contractor firm, the replacement of a number of fixtures and the short and medium-term planning of infrastructure investments.

It should also be noted that the figure for the bathrooms stands in contrast to an index of satisfaction for the cleanliness of the air terminal that is decidedly high (95.4%).

Perceived availability of luggage trolleys

It should be noted that the parameter falls within the segment of full satisfaction (84.5%), even though it is lower than the standard set in Service Charter (88.5%). For that matter, once the statistical error is accounted for, the difference between the real result and the standard result decreases significantly, leaving no particular case for worry.

Perceived availability, quality and prices of restaurant and cafés

In this case as well, the overall parameter (for restaurants and cafés) falls within the category of full satisfaction (85.5%), even though it lies below the level of 90% set in the Service Charter. The figure is distorted by the performance of the restaurant (only a 74.9% level of satisfaction, compared to the target of 89.5), while the cafés reached a noteworthy 96%.

SAGAT has already undertaken appropriate initiatives with the holder of the sub-concession, making use of the available bargaining leverage.

Waiting time for the disembarkation of the first passenger

This operating indicator exceeded the standard set in the 2014 Service Charter by 13 seconds, a difference that, in all likelihood, did not have a perceptible influence on the overall quality of service provided to the user.

There is also no ruling out that this value was heavily influenced by the rounding-off made necessary by the different format used to record the times in 2’14, as compared to 2013.

New procedure for managing passenger complaints

In 2014, an innovation was introduced in the approach to managing complaints, allowing SAGAT to obtain a positive judgment from the certifier at the time of the inspection audit held in November of 2014 for maintenance of the three-year certification, in accordance with the UNI EN ISO 9001:2008 standard.

The heightened awareness and attention to the central role of the passenger was reflected in the number of complaints and reports processed in 2014, as compared to the previous year (93 in 2014 vs. 31 in 2013), and the average response time was 4.2 days. Almost half the complaints regarded technical issues brought about by failure on the part of the customer to observe the conditions of use for on-line reservation of the parking service.

All the reports, including the unfounded ones, received a response, with the issue, in the spirit of being more attentive to the customer, though only in cases where it was deemed appropriate, of a “courtesy coupon” equal to half of the disputed amount.

Since 2014, the Quality Service— though without usurping the related responsibilities of the Press Office – also carries out systematic monitoring of what could be considered indirect complaints, meaning letters sent by citizens to local newspapers, as well as bulletins published by media outlets. When necessary, these reports



are also given responses, once again in consideration of the central importance of the passenger and the constant effort to improve the service provided in the airport.

Passengers with disabilities or reduced mobility (PRM)

SAGAT is responsible for service of assistance for passengers with disabilities.

To allow them to move about the airport with ease, and to receive assistance with operations of check-in, boarding, disembarkation and waiting in the terminal, SAGAT has performed 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.

In 2014, at more than 20,500 units, the number of passengers with disabilities or reduced mobility using the Torino Airport rose by 19% compared to the previous year, with registration of an overall level of satisfaction of 99.1%.

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 and the assistance can be provided at 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.

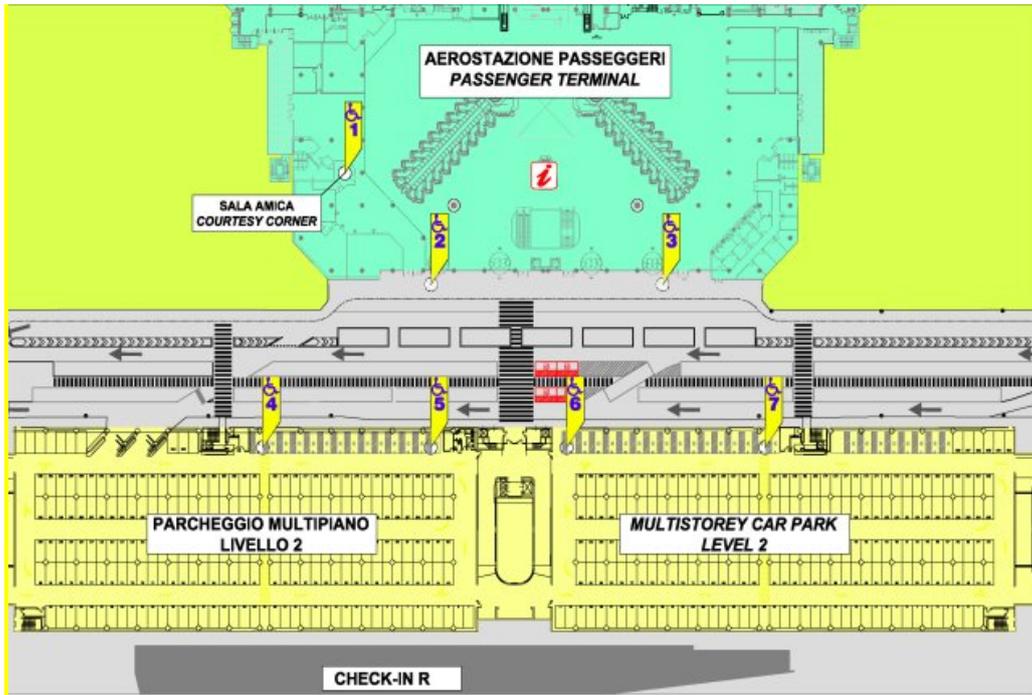


Figure 1

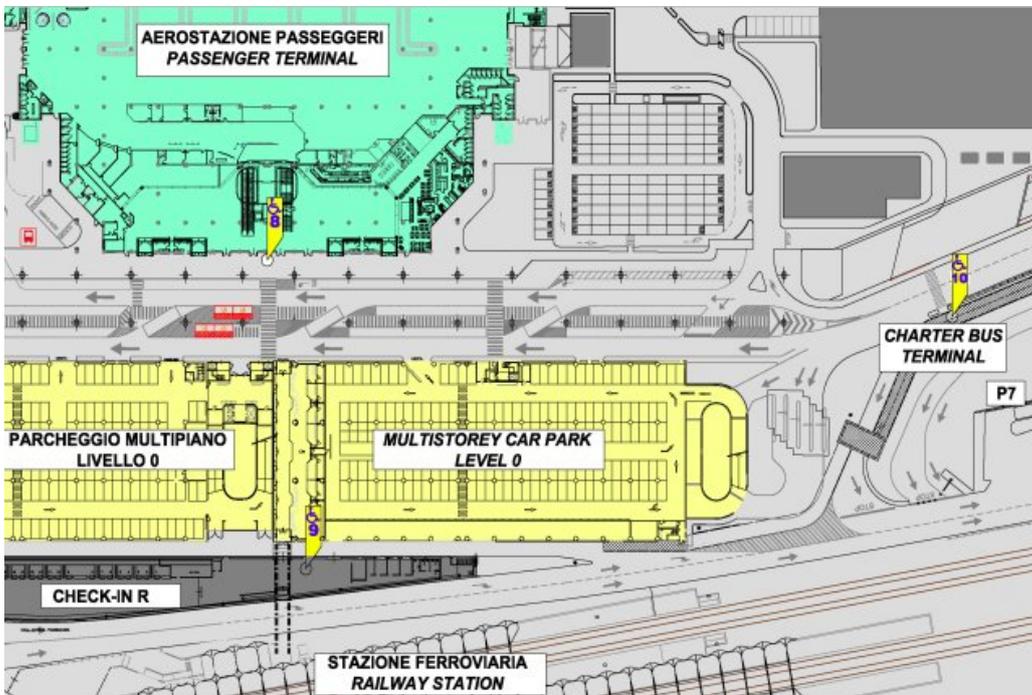


Figure 2



In 2014, 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.

In the course of the surveys of passenger satisfaction performed in continuous fashion throughout the year, 2.7% of all reduced-mobility passengers who used the airport in 2014 were interviewed, generating a level of satisfaction, as was the case in 2013, of more than 99%.

CARRIERS

Traffic improvement policies

The Torino Airport has recently renewed its commercial policies towards airlines, concurrently with 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 54.46% of SAGAT through F2i 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 2014, the pursuit of this goal led SAGAT to establish commercial negotiations that resulted in:

- further development of the business traffic, with new connections to international hubs;
- development of the low-cost segment, with new travel opportunities added to contribute to the tourism industry of Piedmont;
- opening to ethnic traffic with new routes to Eastern Europe, with positive consequences for the internationalization of the regional economy;
- improvement of charter and ski flights in winter, at the core 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 2014, ending the year with 3,431,986 passengers in transit, which means an increase by +8.6 %, twice the average national growth.

The most meaningful part of this extremely positive figure was represented by international scheduled flight passengers, which have increased by 18.1 %.

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

- in June, KLM launched a new connection to Amsterdam with 2 flights per day;
- in the closing months of the year, Wizz Air and Air Moldova launched their flights to East Europe (Bucharest and Chisinau);
- in October, Ryanair launched its flight to Eindhoven.

As far as domestic flights are concerned, Vueling opened its base at Turin in September, starting several flights per day to Rome Fiumicino, and Blue Air decided for the first time to operate an all-domestic course, Turin to Catania.

Overall, the efforts put as a consequence of traffic improvement policies have strengthened Turin's connections with the international hubs reached by major airlines (Rome, Paris, Amsterdam, Munich, Frankfurt, London, Brussels, Istanbul, Madrid, Barcelona) allowing to go anywhere in the world with excellent connecting opportunities. These efforts could also counterbalance Alitalia's withdrawal from North-South domestic routes: the connections to all southern Italy destinations reached previously have been maintained and are operated by other carriers.

Seasonal traffic also increased, through the improvement of the ski flights offer (Jet2.com launched flights from Manchester and Monarch from Birmingham), and of scheduled and charter flights to usual summer destinations.

The good performance in 2014 is solid ground for further, balanced and sustainable development, that will continue to rely solely on the use of own means, without resorting to incentives drawn on public resources.

Review of the connections offer

[Torino Airport offers more than 350 scheduled flights each week, heading to 10 hubs in over 20 countries. As many as 3,431,986 passengers were in transit here in 2014, 8.6% more than in 2013.](#)

HUBS

Rome Fiumicino (Alitalia and Vueling), Paris CDG (AirFrance), Amsterdam (KLM), Munich (Lufthansa), Frankfurt (Lufthansa), London Gatwick (British Airways), Brussels (Brussels Airlines), Istanbul (Turkish Airlines), Madrid (Iberia), Barcelona El Prat (Vueling).

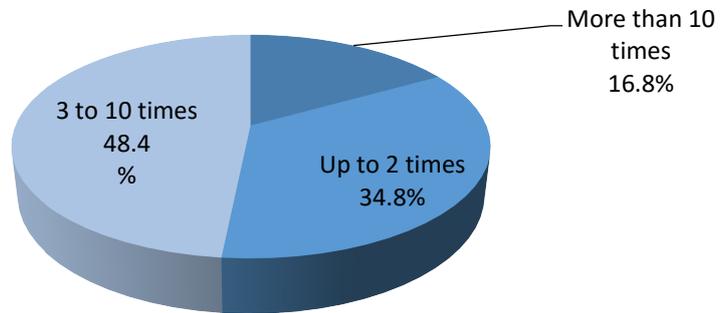
Non-HUBS

Eindhoven (Ryanair), Barcelona (Ryanair), Brussels Charleroi (Ryanair), London Stansted (Ryanair), Iasi (Tarom), Bucharest (WizzAir and Blu Air), Timisoara (WizzAir), Chisinau (Air Moldova), Tirana (Alitalia), 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), Cagliari (Meridiana).

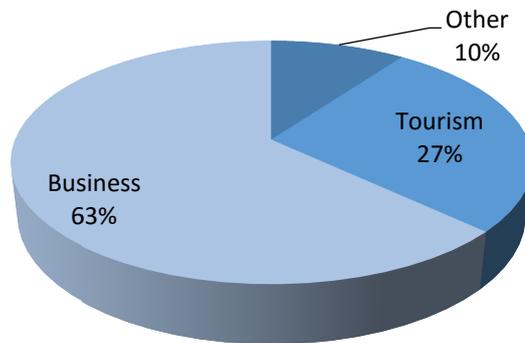
Ski and summer flights network

Warsaw (WizzAir), Birmingham (Monarch), Dublin (Ryanair), Manchester (Jet2com), London Gatwick (Easyjet), Alicante (Vueling), Amsterdam (Transavia), Ibiza (Blue Air and Neos), Kos (Meridiana), Minorca (Vueling and Neos), Palma de Mallorca (Vueling and Volotea), Split (Vueling), Alghero (Ryanair), Olbia (Meridiana and Volotea).

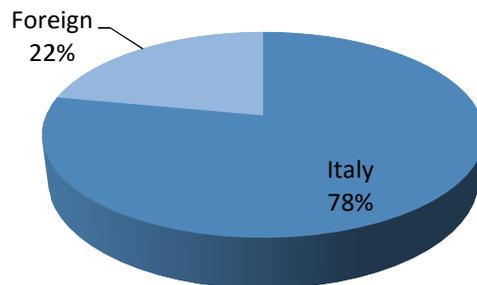
Frequency and number of annual flights from Turin



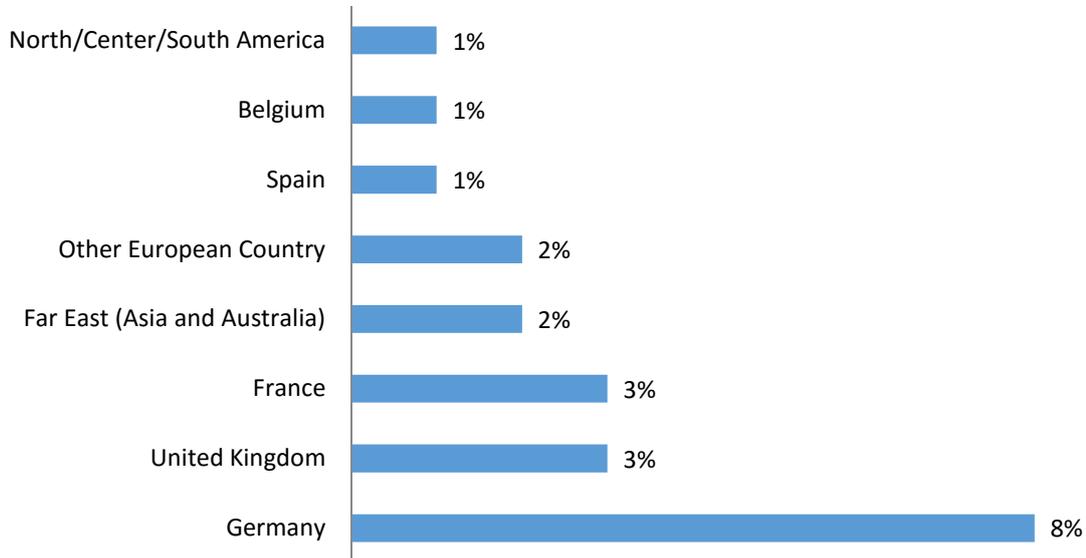
Reason of travel



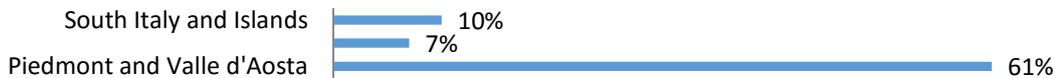
Passengers' residence, 2014



Foreign, 2014



Italy, 2014



Despite the effects of the continuing economic crisis and the restructuring of Alitalia Group, that has sharply reduced its flights to Southern Italy from October 2014, trends were positive thanks to the increase in international traffic.

PASSENGERS

	2014	2013	Difference %	% of total
Domestic	1.817.333	1.774.521	2,41 %	52,95%
International	1.423.531	1.204.944	18,14%	41,48%
Charter	178.238	169.736	5,01%	5,19%
Gen. Aviation	7.791	7.358	5,88%	0,23%
Transit	5.093	3.728	36,61%	0,15%
Total	3.431.986	3.160.287	8,60%	100,00%
ATM	42.463	43.656	-2,73%	



The main destinations chosen by passengers were Rome, Catania and Naples, in this order; 70% of airport passengers are distributed among 10 destinations:

PASSENGERS	Destinations - SCHEDULED				
	2014	2013	2014/2013	% of total	
ROMA Fiumicino	616.689	661.706	-45.017	-6,8%	19,03%
CATANIA	311.165	288.100	23.065	8,0%	9,60%
NAPOLI	252.172	226.780	25.392	11,2%	7,78%
FRANKFURT	208.677	202.637	6.040	3,0%	6,44%
PARIS C. De Gaulle	177.885	178.622	-737	-0,4%	5,49%
MUNCHEN	164.870	158.213	6.657	4,2%	5,09%
BARI	145.692	158.415	-12.723	-8,0%	4,50%
LONDON Stansted	134.725	133.724	1.001	0,7%	4,16%
BARCELONA	127.247	74.606	52.641	70,6%	3,93%
LONDON Gatwick	116.683	103.395	13.288	12,9%	3,60%
Total top 10 destinations	2.255.805	2.186.198	69.607	3,18%	69,61%
Others	985.059	793.267	191.792	24,2%	30,39%
Total traffic	3.240.864	2.979.465	261.399	8,8%	100,00%

The negative global economic scenario took its toll also with respect to cargo volumes, that decreased by 27% in 2014 compared to 2013, remaining at 7,037 tonnes.

The main airlines that have worked at our airport in 2014, and their respective passengers, are shown in the table below:

PAX

ALITALIA GROUP
 RYANAIR
 LUFTHANSA
 MERIDIANA FLY S.p.A.
 AIR FRANCE
 VUELING AIRLINES
 BRITISH AIRWAYS
 TURKISH AIRLINES
 AIR NOSTRUM
 KLM
Total top 10 carriers
Others
Total

Carriers - SCHEDULED				
2014	2013	2014/2013	% of total	
978.973	1.100.796	-121.823	-11,1%	30,21%
720.563	576.729	143.834	24,9%	22,23%
376.714	377.143	-429	-0,1%	11,62%
276.161	279.498	-3.337	-1,2%	8,52%
177.887	178.424	-537	-0,3%	5,49%
139.247	44.784	94.463	210,9%	4,30%
100.474	93.298	7.176	7,7%	3,10%
66.129	55.337	10.792	19,5%	2,04%
61.017	57.311	3.706	6,5%	1,88%
53.659	0	53.659	-	1,66%
2.950.824	2.763.320	187.504	6,79%	91,05%
290.040	216.145	73.895	34,2%	8,95%
3.240.864	2.979.465	261.399	8,8%	100%

In 2014, low cost traffic accounted, in terms of passengers, for 30.7% of total scheduled traffic, a percentage that has grown by 40.54% compared to 2013:

**PAX**

RYANAIR
 VUELING AIRLINES
 VOLOTEA
 TRANSAVIA AIRLINES
 BLU EXPRESS
 GERMANWINGS
 EASYJET AIRLINE
 WIZZ AIR,LTD
 JET2.COM
 AIR ARABIA MAROC
 TWIN JET (TWIN AIR)
Total

Low Cost				
2014	2013	2014/2013	% of total	
720.563	576.729	143.834	24,94%	21,0%
139.247	44.784	94.463	210,93%	4,1%
52.390	12.180	40.210	330,13%	1,5%
50.992	12.655	38.337	302,94%	1,5%
42.803	90.442	-47.639	-52,67%	1,3%
20.228	0	20.228	—	0,6%
16.779	11.012	5.767	52,37%	0,5%
8.216	298	7.918	—	0,2%
439	0	439	—	0,0%
295	440	-145	-32,95%	0,0%
53	11	42	381,82%	0,0%
1.052.005	748.551	303.454	40,54 %	30,7%

NON-AVIATION SERVICES

SAGAT has always proved sensitive to adding balanced value to local excellences and internationally known brands. During the course of 2014, the company continued in this direction by opening several retail businesses, a few of which were arranged in new dedicated spaces.

Opening in the first half of the year there was the Borbonese boutique, a celebrated Turin-based maker of Made-in-Italy bags and accessories, and in June it was the turn of Gobino, a famous artisanal chocolate manufacturer, again from Turin. October saw the opening of the first Tiger shop at the airport, from the Tiger chain selling colourful and amusing design products.

In November there was the inauguration of the Heinemann Duty Free shops, for the time being in the areas previously occupied by the duty free shops run directly by us; however, a total renovation has been planned, in order to adopt the innovative walk-through pattern already existing in many other airports.

Moreover, during the course of 2014, twenty powerful and unusual totem monitors for advertising were installed.

volaTORINO Pass

In order to facilitate the access to premium services, the Torino Airport has launched a pass, the holders of which may convert their loyalty into good value.

By buying the pass, frequent flyers to have discounts from the airport's brands and commercial partners (food & beverages, shops and car rentals).

At the same time, pass holders may benefit from special treatments from certain external partners representing the cultural landmarks of the airport's reference territory, such as the Cinema Museum Foundation and the Sandretto Re Rebaudengo Foundation.



Parking lots

In 2014, this segment remained basically stable. Earnings totalled €5,427 thousand, compared to €5,466 thousand totalled in 2013. This result, compared to the 8.6% increase in passenger volumes, reflects the general trend of real economy and the consequent cost-cutting policies imposed by companies on travel expenses, as well as the increasingly aggressive attitude of the competitors in the areas surrounding the airport grounds (there are presently 9 of them).

In order to improve its offer and draw it closer to its customer's actual needs, in 2014 SAGAT launched a countermeasure plan to develop the best rate schemes. Therefore, in 2015 the offer will be revised both in terms of prices and of parking types.

It should also be noted that parking rates did not increase in 2014 despite the VAT increase in 2013, that eroded the margins from this income component.

In order to improve the versatility of our parking offer and give passengers an increasingly convenient and pleasant parking experience, a Telepass system was installed at the multi-level car park. In particular, two of the four entrance gates and two of the four exits of the multi-level parking, and the entrance to the uncovered fifth level, are equipped with Telepass.

Our goal is to allow passengers to enjoy the practicality of not having to stop and collect the entrance ticket, nor having to worry about losing it or wasting time to pay the parking fee before leaving.

Within the framework of our continuing improvement policies and as a consequence of our desire to draw our services closer and closer to our customer's needs, SAGAT has devised and launched certain innovations that will be implemented during the course of 2015, such as:

- new on-line parking purchase through a new dedicated e-commerce portal, at competitive rates for both covered and uncovered places and with place reservation guaranteed;
- possibility to purchase the parking 8 hour to 180 days ahead of the time when parking is expected to begin;
- simplification and maximization of signage and road markings to facilitate the detection of and access to the various parking areas, as required;
- implementation of special rates for all weekends, long weekends, bank holidays and holiday periods;
- introduction of subscriber passes at the covered multi-level car park, with escalating discounts customizable according to individual needs;
- possibility to sign dedicated agreements with companies and operators in the industry.



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 €5,186,000 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 (€4,000.00, 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.

The average length of trade payables has been decreasing for a number of years, also thanks to a greater focus on timeliness of payments, as shown in the table below:

	2010	2011	2012	2013	2014
Average length of trade payables	214	162	175	134	130

Trade payables / cost of vendor services

After reviewing the amount of payables accrued throughout 2014 in respect of the vendors of the holding Company, it appeared that 58% of them were with parties with registered address in Piedmont:

Euro thousand, less inter-company transactions

Registered address	Accounts payable	
Piedmont	14,414	58%
ROW	10,487	42%
Total	24,901	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 may 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, plus special laws. We may add to these the regulations issued by ENAC and the requirements of ISO 14001 norms.

In terms of organizational framework, the company functions that deal with environmental issues are many and distributed across various levels. In order to handle such an articulated regulatory and organizational framework at best, SAGAT Group has improved the coordination of the competencies and activities of 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 Area, for the environmental aspects of infrastructure designing and maintenance;
- the Operations Area, for the environmental aspects of 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 extra-aviation Commercial Service, 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

In 2014, the Holding Company SAGAT S.p.A. carried on an initiative aimed at introducing its Integrated Environment and Job Safety System in compliance with ISO 14001:2004 standards and with OSHAS 18001:2007 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.

In particular, the following stages have already been completed:

- mapping of all environmental and OSHA aspects of the activities carried out on the grounds of the Turin 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. 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 affects especially those communities that live closer to the Turin Airport. It is the sum of multiple factors: aircraft propulsion technologies, anti-noise procedures and land development planning in the areas surrounding the airport.

As to the first factor, the responsibility lies with the airlines who decide their own aircraft overhaul and replacement policies.

In recent years, newer aircraft have been gradually employed at the Turin 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 stations1

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 will position 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 ARPA Piedmont (the regional environment protections agency) the right to access the airport noise monitoring system via a webpage where ARPA engineers can check noise levels daily.

The values of ANA (Airport Noise Assessment) levels in 2010-2014 for each of the 8 noise measurement stations (Table 1) show, on average, a slight improvement due to the decrease in aircraft movements in the peak weeks considered and to the gradual increase in the number aircraft with low-noise engines operating at the airport (aircraft certified per Chapter 4 of ICAO Annex 16). Table 1 – ANA values

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

Table 1 – ANA values

Territorial planning

The area of the Turin Caselle Airport, located approximately 15 km north of the city of Turin, is distributed among the territories of the towns of Caselle Torinese, San Maurizio 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, while when it is travelled southwise 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

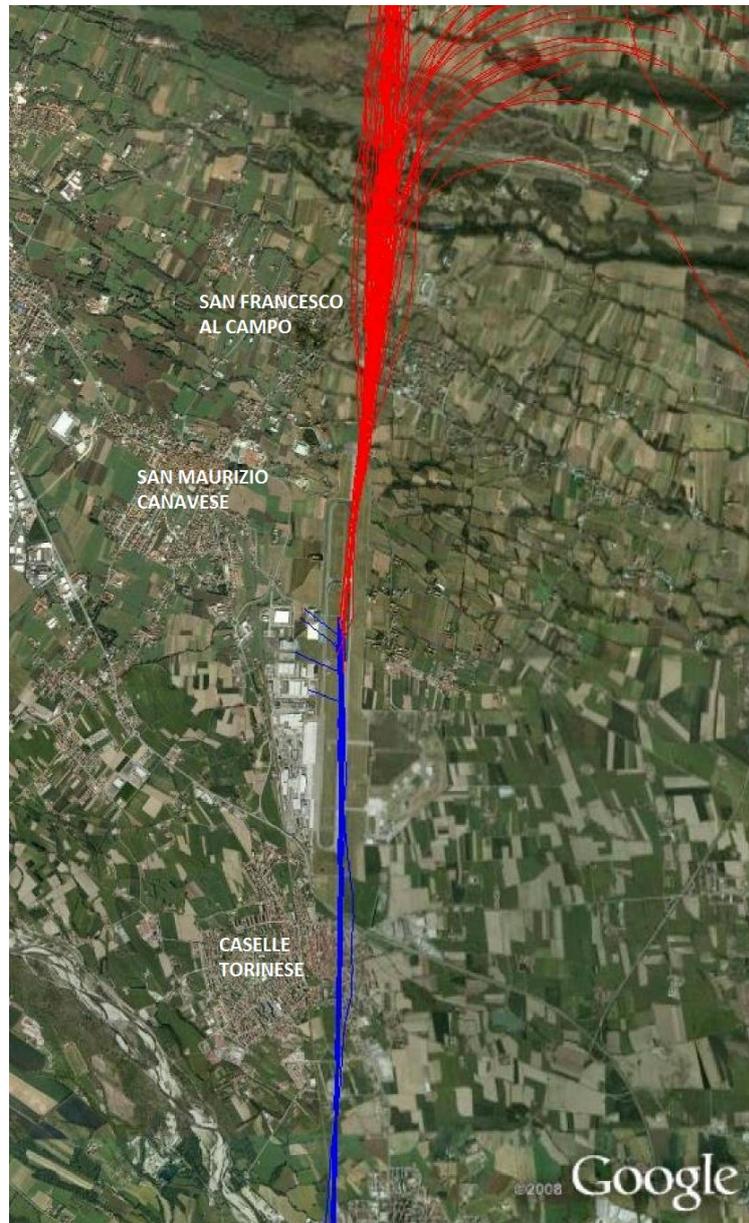


Figure 2 - Radar tracks of landings (blue) and take-offs (red)²

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 31/10/973



Figure 3 – Noise zoning pursuant to Ministerial Decree 31/10/973

In 2014, in compliance with Ministerial Decree 29/11/2000 “Criteria to be followed by the companies and entities managing public transport services or their infrastructures in the drafting of intervention plans for noise mitigation and abatement”, SAGAT measured, in agreement with ARPA Piedmont, the noise levels at the 9 sensitive receptors reported in 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

All noise levels, for all receptors, detected inside the schools, with windows closed, in the period June 2014 to September 2014, were always below the limit established by the Technical Sub-Commission for Airport Noise, i.e. 45 dB.

Noise-abatement procedures

The noise-abatement procedures listed in the table below are currently into place at the Turin 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 implies 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 in 2014 also confirm the validity of the noise-abatement procedures put into effect.

In 2015, SAGAT will:

- monitor the enforcement and efficacy of the noise-abatement measures into place;
- review and update as appropriate the operational noise-abatement procedures into place, and launch new ones where necessary.

Energy

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

In June 2012, Torino Airport became the first airport in the world to obtain the 50001:2011 TÜV certificate for its EMS, and is among the first certified airports in Europe.

The additions to the airport infrastructure built on the occasion of the 2006 Winter Olympics resulted in a significant increase of air-conditioned volumes and of terminal facilities, with a consequent increase in energy consumption.

The peak consumption figures were recorded in the years 2006/2007, for about 6,900 TOE (tonnes of oil equivalent) per year.

Also because of this, in 2008 the long-term cooperation between SAGAT, Alenia and the Turin Polytechnic (Departments of Energetics and Power Engineering) materialized in the “Energy Saving Project” aimed at studying possible environment-friendly initiatives to reconfigure the energy systems with a view to achieving savings.

Based on that cooperation and on those studies, the company came to the decision of having its energy management system certified.

The actions taken under the improvement plans established in the EMS for the period 2012 to 2014 allowed us to improve the efficiency of the end uses of energy at airport infrastructures, reducing aggregate consumption to about 4,300 TOE, and included mostly:

- management actions aimed at maximizing plant and infrastructure operation;
- installation of high efficiency lighting systems;
- installation of inverters on the electric engines of air conditioning systems;
- improvement of plant monitoring and supervision systems;

- installation of high efficiency heat generators;
- improvement of refrigeration plant efficiency.

The table below explains the breakdown of energy consumption in 2014 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 2014	TOE coefficient	TOE
ELECTRICITY	19,135 MWh	0.187 TOE x MWh	3,578.15
HEATING OIL	90,326 kg	1.08 TOE x 1000 kg	97.55
DIESEL FUEL	30,129 kg	1.08 TOE x 1000 kg	32.54
METHANE	780,687 Nm ³	0.82 TOE x 1000 Nm ³	640.16
PETROL	1.121 kg	1.20 TOE x 1000 kg	1.35
TOTAL TOE			4,349.75

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 Airport's joining the "M'illumino di meno" ("Dim down the lights") energy-saving day sponsored by the public radio channel Rai Radio2 in 2013 represented an opportunity to launch an in-house communication campaign about the EMS. Its slogan, "L'energia non vola via" ("Energy won't fly away") appears in the various installations set up around the workplaces to raise employee awareness on energy saving and on the best practices that contribute to achieving the company's energy saving goals.

Our ISO 50001 certification will have to be renewed in 2015 for the subsequent three years. In order to guarantee the continuing improvement of our energy performance, consumption diagnostics will be updated and a long-term improvement plan will be launched (2016-2019), with new investments in the improvement of the energy efficiency of airport infrastructures and systems.

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 will monitor, 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.

Regards to 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, 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.

Drinkable water consumption in 2014 (about 163,000 m³) decreased by about 17% compared to 2013, also owing to the interventions made after the water network checking campaign conducted in 2013 to identify leakages or areas requiring maintenance.

The installation of data capturing systems at the main supply points is planned in 2015. This will allow us to have consumption figures in real time and cut down the time required to detect anomalies.



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 2014 amounted to 546 tonnes, slightly more than the previous year, due to the increase of passenger transit at the airport, after number of years characterized by slowdown.

	Percentage variation
2014 VS 2013	+3%
2013 VS 2012	-11%
2012 VS 2011	-12%

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.

	Volume in 2014	2014 VS 2013
PLASTIC	6,440 kg	-3%
GLASS	5,880 kg	+3%
TONER	421 kg	-6%



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:

- 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, 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.

In any case, in the event of accidental spills of chemicals, surface water protection is guaranteed because:

- aprons are equipped with a rainwater drainage system, a de-oiling system and disposal lines connected with the main sewer;
- the runway is equipped with a rainwater drainage system, first-rain collection tanks and disposal lines connected to the main sewer.

HUMAN RESOURCES

2014 was a year characterized by the continuation of negative economic trends, and the Italian aviation industry was adversely affected by extraordinary events such as the crises of Alitalia and Meridiana, that rebounded on our airport.

Nevertheless, the indicators for SAGAT Group show that occupational levels and stable employment relationships were maintained, also thanks to a policy of insourcing activities previously carried out by contractors and now performed by our own staff.

The staff

As at 31 December 2014 SAGAT Group had 376 employees, of which 93% on open-term contracts and 7% on term contracts. The average headcount for the Group in 2014 was 362 FTE, versus 365 in the previous year.¹

63% of Group staff are employed by the parent company SAGAT, that has taken over the staff of SAGAT Engineering Srl in August 2014, following the latter's decision to go into liquidation after the closing of its annual accounts 2014, while 37% of Group staff are employed by SAGAT Handling.

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. The temporary staff may reach a presence of as many as 80 people, an average of about 28,000 hours annually.

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 three companies, with a prevailing presence in clerical staff ranks.

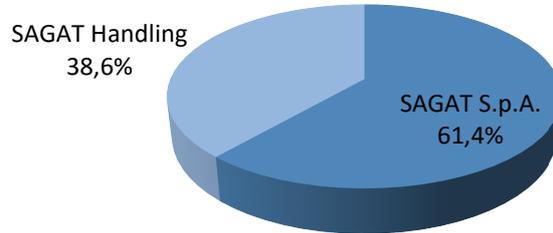
31/12/2014	No.	%
SAGAT Spa	231	61.4%
SAGAT Handling	145	38.6%
SAGAT Engineering	0	0.0%
Group	376	

Permanent employees	350	93,1%
Term employees	26	6.9%

Women	154	41.0%
Men	222	59.0%

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

Employee breakdown by company



Employee breakdown by company as of 31 December 2014.

In compliance with the laws in force, SAGAT Groups employs persons with disabilities and persons in protected groups as shown below. 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.

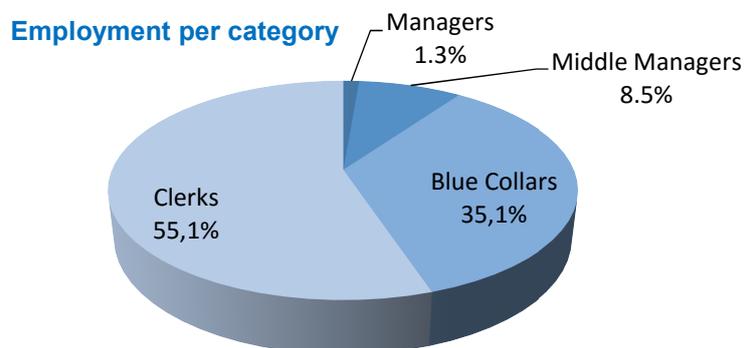
SAGAT Spa

People with disabilities	12
Protected groups	4

SAGAT Handling

People with disabilities	7
Protected groups	3

As to employment categories, 55% are clerks and 35% are blue-collar workers. There are 32 middle managers (total in the entire Group) who account for 8.5% of total employees, and 5 managers who account for 1.3% of the entire Group population. 34.4% of middle managers are women.



POSITION	Managers	Middle manag.	Clerks	Blue collars
SAGAT	5	27	102	97
S. Handling	0	5	105	35
S.Engineering	0	0	0	0
Total	5	32	207	132

The average age of Group employees is 43, with an average seniority of service of 16.8 years, while the relative majority of Group employees have a seniority of service between 20 and 30 years. The average age of the Board of Directors of the holding company is 59.5, while the average age of Group managers is 50.8.

AVERAGE	AGE	SENIORITY
SAGAT	43	17
SAGAT Handling	43	17
Average	43	17

As of 31 December, the percentage of part-time employees in 2014 was slightly lower than in 2013 due to a number of conversions to full-time occurred during the year. The percentage of part-timers in SAGAT Handling is about 30% of the total.

PT/FT EMPLOYEES (*)	2013 % pt on ft	2014 % pt on ft
SAGAT	11.1%	5.07%
SAGAT Handling	32.5%	29.9%
Grand total	19.4%	14.2%

* Out of all permanent employees as of December each year (considering that in 2014 SAGAT Engineering transferred its employees to SAGAT S.p.A. as from 1 August 2014).

During the course of 2014, SAGAT Group has hired only one person on a permanent basis at SAGAT S.p.A. However, the latter company acquired employees transferred from other Group companies:

New hires in SAGAT Group	2013	2014
SAGAT	1	1
SAGAT Handling	0	0
Grand total	1	1

Turnover rate	0.27%	0.28%

SAGAT remains very attractive as a source of employment in the territory, proof of which lies in the fact that in 2014 it received 1,382 c.v.'s through the dedicated channel in its web portal and through other conventional channels. The number has increased compared to 2013, when 1,123 c.v.'s were received.

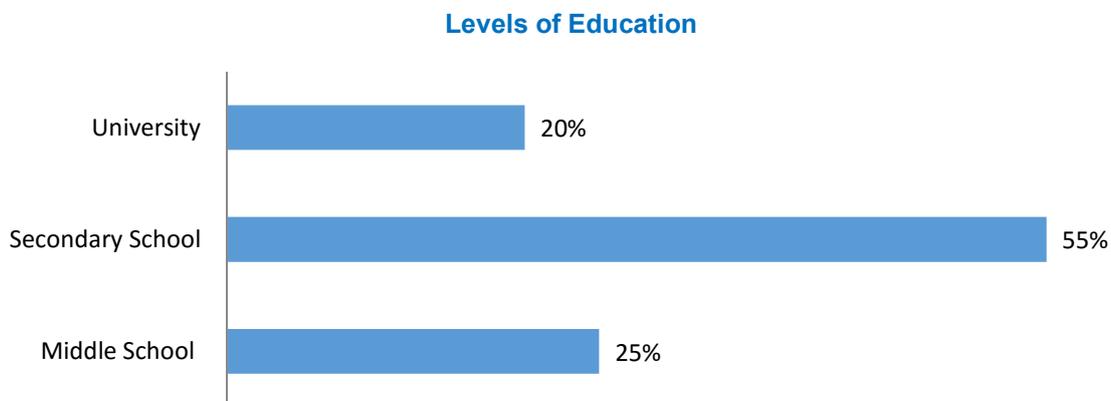
Terminations in the Group were almost entirely due to collective dismissals for economic reasons.

Terminations in SAGAT Group	2013	2014
SAGAT	3	16
SAGAT Handling	0	3
SAGAT Engineering	1	0
Grand total	4	19

Turnover rate	1.1%	5.4%
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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	94
SECONDARY SCHOOL	206
UNIVERSITY	76
<i>Total</i>	376



In-sourcing

In 2014 SAGAT Group started a series of processes aimed at in-sourcing certain activities in order to improve organizational efficiency, cut costs and protect occupation.

Such processes involved:

- direct operation of certain airport access gates, the so-called “Matrix Project”;
- payroll service;
- quality monitoring and surveys;
- maintenance.

Matrix project

The project denominated “Matrix” implied the direct undertaking, by means of employees of its own, of control services at certain access gates leading to areas reserved for airport staff.

On one hand, the project responded to the new regulatory requirements imposed by the National Security Programme and to the decision by Government authorities to discontinue control services at staff-only access gates; on the other, it allowed the company to achieve cost savings and professional retraining. The project was part of the procedures agreed upon with the Unions already in the previous year to cope with the drop in air traffic volumes.

The project involved 19 employees, of which 11 from SAGAT S.p.A. and 8 from SAGAT Handling. At the beginning of the year these employees, after a thorough training process and after passing the necessary exams, were appointed Private Security Guards and started manning the two staff-only gates at the airport.

The project led to the expected results, after overcoming considerable bureaucratic difficulties and, above all, allowed SAGAT to avoid resorting to outsourced personnel and retrain its own resources instead.

Payroll service

In order to maximise resources and increase in-house competencies, a process aimed at insourcing the payroll preparation service was launched in 2014.

Therefore, the HR administration staff and the HR managers were involved in a specific training programme to acquire the necessary knowledge base.

Then a call for tenders was made to select the payroll processing software that would best meet Group requirements. Thanks to these initiatives, SAGAT Group now processes its payroll services in-house and has achieved aggregate savings and a better control of the process.

Quality monitoring and surveys

Quantitative quality control activities and quality surveys (passenger interviews) were also undertaken directly by the Group and assigned to SAGAT Group employees, as already mentioned in the chapter on quality.

Maintenance

Maintenance services too were affected by major insourcing initiatives concerning processes that were previously contracted out. In particular these include the maintenance of aircraft boarding bridges, aircraft power supply pits, green spaces and various other activities concerning hydraulic, heating, electric systems.

Other insourcing processes involved construction works and transportation management. Finally yet importantly, certain Work Supervision functions were undertaken directly by the Group.

These insourcing processes allowed us to offer new professional development opportunities to our employees and to achieve aggregate cost savings.

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.

SAGAT developed its annual training plan in 2014, as it has been doing for quite a number of years now, in order to support professional development and improve the qualification of its staff at all levels, favour innovation processes and meet the new efficiency requirements with a view to keeping costs under control.

In this sense, the plan takes into account strategic business objectives, cultural and organizational change processes, the necessary process innovations, the detection of training needs and of specific retraining requirements for the various professional profiles in its staff.

The training was implemented through own in-house trainers and through contracted training companies, taking into account the requirements imposed by the ISO 9001 Quality Certificate, the domestic and international laws, the IATA, IOSA and ISAGO manuals, the Airport Manual and Station Policy.

The employees of SAGAT and SAGAT Handling, including temporary employees and subcontractor employees, in 2014 attended 1,581 professional development and/or training courses for 6,248 training hours, that involved 3,819 participants for a total of 21,167 hours.

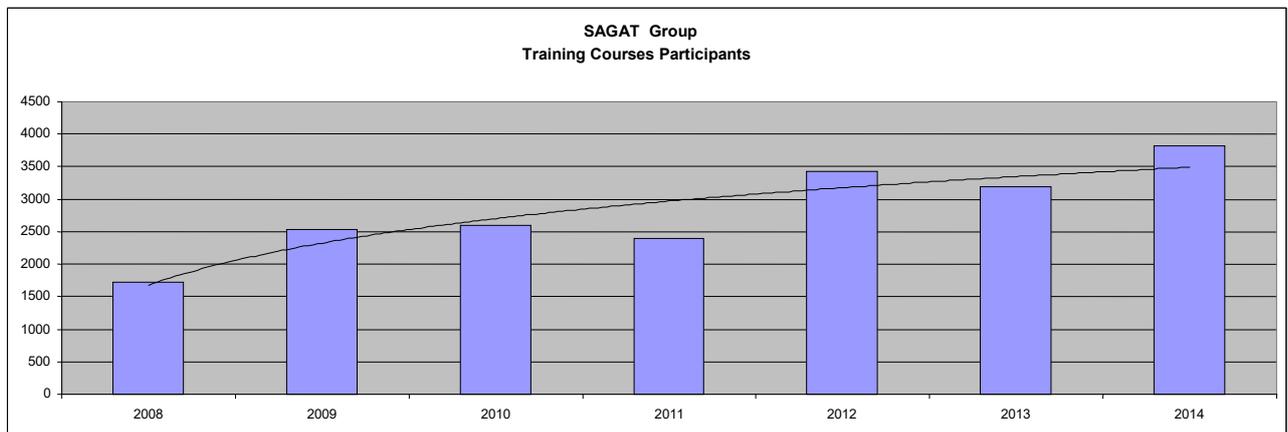
In-house training services offered 1,054 courses for 2,559 class/training hours that involved 1,923 participants for a total of 7,910 hours/employee, while the courses offered by contracted trainers were 527 for 3,689 teaching hours, and involved 1,898 participants for a total of 13,257 hours/employee. Part of these courses were funded by professional funds such as Fondimpresa, or by launching company-internal training plans.

The tables below provide a summary of total in-house and contracted training hours attended by the employees of SAGAT and SAGAT Handling, including temporary employees and subcontractor employees, broken down by contract level.

Training Hours, SAGAT Group Employees, 2014	SAGAT Trainers	Contracted Trainers	Totals
Total Courses	1054	527	1581
Total Participants	1923	1896	3819
Total Teaching Hours	2559	3689	6248
Total Participants Training Hours	7.910	13.257	21.167

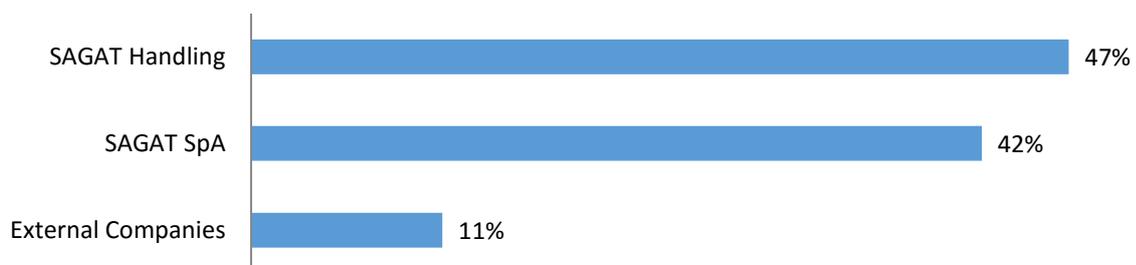
	SAGAT SpA	SAGAT Handling	Total Group
Annual average training hours per employee as of 31/12/2014	30,8	39,7	34,3

Training Hours, SAGAT Group Employees, 2014



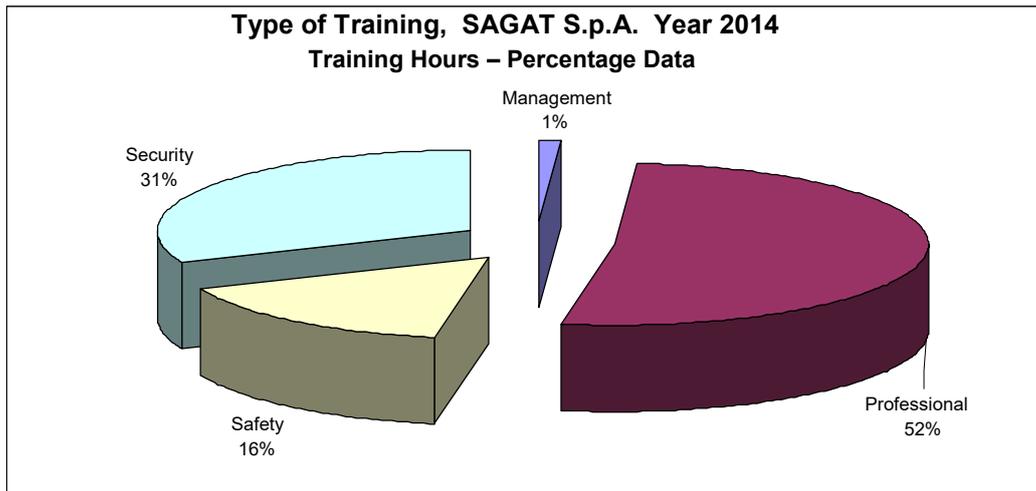
Training efforts affected SAGAT Handling the most, with 47% of courses, then SAGAT S.p.A. with 42% and external companies/entities with 11%.

Training Courses Participants, 2014



Course types

In 2014 SAGAT Group employees attended various types of training courses, mostly of technical/professional nature and concerning aspects related to safety (per Legislative Decree 81/2008 as amended and supplemented), or security (ENAC Regulations and EC Law 185/2010). The chart below shows the percentage data for each type of course.



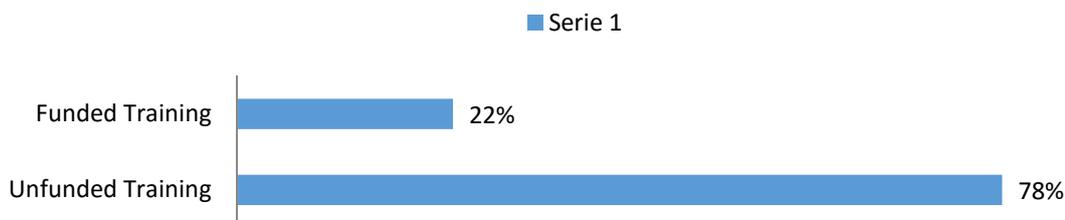
Course implementation

In 2014, SAGAT Group employees attended 21,167 training hours in total, with contracted and/or in-house trainers from the company's career development service. The courses were given in face-to-face classes, the conventional format that takes the largest share (almost 80% of the total), 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.

Mandatory training accounted for 65% 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, persons in charge and employees.

Non-mandatory training accounted for 35% of total training hours and has increased compared to the previous year.

Funded Training, SAGAT Group, 2014



Student training

Alongside the training of its own and airport subcontractors' employees, the career development department of SAGAT also provides teaching hours at classes of the technical secondary school, aeronautics vocational area "Turin Flying" that is located in the airport. Under this project, professional teaching hours are performed within the framework of the school's teaching programme for the last three grades.

Therefore, at the end of their fifth and last grade, the students will have acquired theoretical and practical knowledge of the main operational profiles of airport ground handling and, at the same time, will have obtained 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.

Access to the system is now available also via smartphone and tablet through an app where employees may view their latest pay slips and other company notices.

Compensation policies and rewarding schemes

SAGAT Group implements its compensation policies in accordance with the collective bargaining agreement applicable to the reference industry (depending on which area is affected, management or handling) and with the additional agreements with the Unions.

Apart from this, internal fairness principles are followed, to avoid imbalances capable of deteriorating the company climate. General market compensation trends for the most sought professional profiles are also analysed.

Therefore, SAGAT Group aims at giving value to people, highlighting the merits and the results achieved. In order to achieve this aim, an exhaustive MBO rewarding scheme was developed. It is tied to both business and personal objectives. In 2014, the scheme was revisited with the help of an external consulting firm. The weights of the various objectives have been adjusted, giving more importance to business achievements over personal achievements, and new lower and upper achievement thresholds for earning rewards have been set.

In particular, the rewarding policies have fostered motivation and involvement in the achievement of major objectives of business protection and development, have improved transparency and spreading within the company about such objectives, have enabled control of the results achieved and, last but not least, have implemented close ties between global compensation and actual results achieved.

Career advancements in 2014 have slightly decreased: 15 out of Group total. They related to reorganization processes and 'automatic' progresses established by the employment contracts:

Career advancements	2013	2014
SAGAT	8	13
SAGAT Handling	10	2
Grand total	18	15

Corporate welfare

In 2014 SAGAT Group continued to implement welfare initiatives, despite the unfavourable economic scenario, confirming its 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 have to enrol their children at private schools, that are usually more expensive;
- expense refunds for Summer day care centres, where children may engage in play and learning activities when school is out;
- the Christmas gift bonus intended for the employees' children, that has always been very much appreciated by parents.

2013	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.	38	123	25
SAGAT Handling	32	98	15
SAGAT Engineering	3	8	0
Group	73	229	40

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

- 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;
- 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.

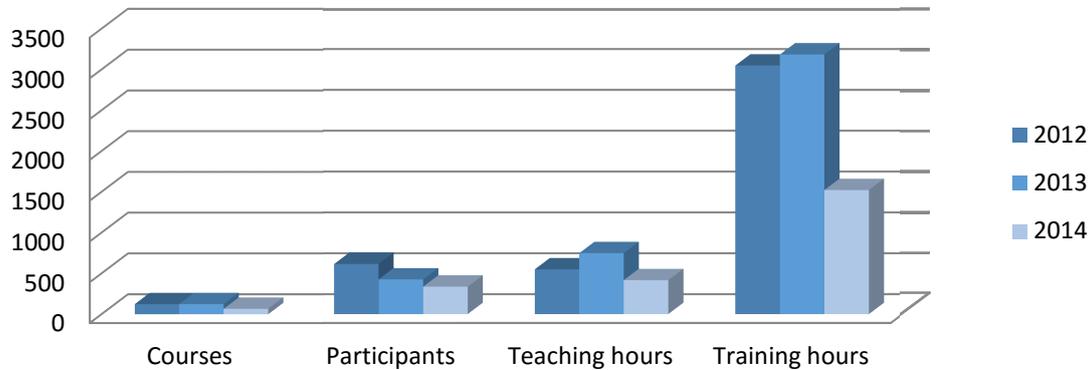
SAGAT S.p.A.	Safety training		
	2012	2013	2014
Courses	125	126	68
Participants	615	426	337
Teaching hours	549	748	417
Training hours	3,045	3,180	1,520

SAGAT Handling S.p.A.	Safety training		
	2012	2013	2014
Courses	223	144	189
Participants	702	357	466
Teaching hours	828	617	483
Training hours	3,014	1,889	1,734

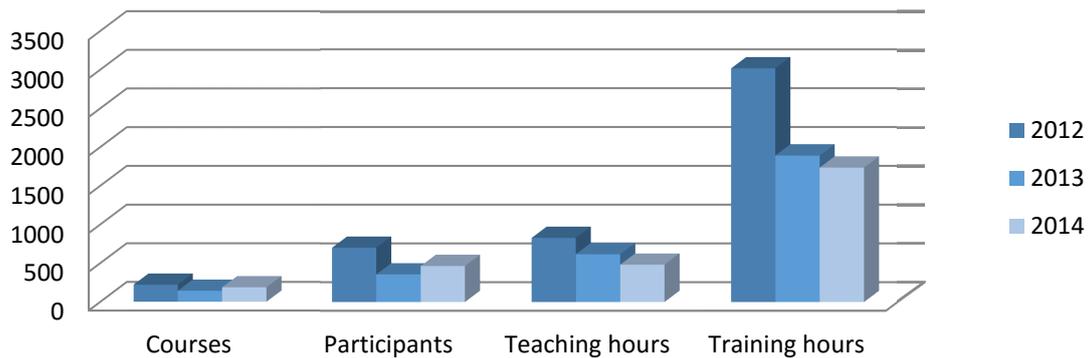
Specifically, the training offer includes the following course types:

- 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.

Safety training, SAGAT S.p.A.



Safety training, SAGAT Handling



Accidents

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

Accident trends – SAGAT S.p.A.									
Accidents	2012			2013			2014		
	At workplace	En route	Total	At workplace	En route	Total	At workplace	En route	Total
Number of accidents	3	4	7	2	2	4	3	0	3
Days of sick leave	65	291	356	19	58	77	22	0	22

Source: Register of accidents of the Company

Accident trends - SAGAT Handling S.p.A.									
Accidents	2012			2013			2014		
	At workplace	En route	Total	At workplace	En route	Total	At workplace	En route	Total
Number of accidents	5	3	8	8	1	9	5	0	5
Days of sick leave	131	51	182	169	72	241	105	0	105

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 and *en route* to work— in the three years reviewed there has been a decrease from 15 (in 2012) to 13 (in 2013) and 8 (in 2014).

In this three-year period, the days of sick leave due to accidents at the workplace were 511 out of 26 accidents reported, while those due to accidents en route were 472 out of 10 accidents reported.

SAGAT Group companies are always monitoring accident trends, also through seriousness ratio (total number of sick leave days due to accident) and frequency ratio (total number of accidents) in accordance with UNI 7249.07 Rule "Job Accident Statistics":

SAGAT S.p.A.			
Accident ratios	2012	2013	2014
Frequency ratio (No. of total accidents/worked hours) * 1,000,000	17.79	10.3	7.73
Seriousness ratio – aggregate (Aggregate lost working days/worked hours)*1,000	0.90	0.20	0.06

SAGAT Handling S.p.A.			
Accident ratios	2012	2013	2014
Frequency ratio (No. of total accidents/worked hours) * 1,000,000	27.93	35.61	22.14
Seriousness ratio – aggregate (Aggregate lost working days/worked hours)*1,000	0.64	0.95	0.47

Industrial 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 about 56% 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, 2014 inclusive.

Figures as of
31/12/2014

EMPLOYEES WHO ARE MEMBERS OF TRADE UNIONS		
Total 2012	220	55.42%
Total 2013	222	59.33%
Total 2014	209	55.59%

In this scenario, in 2014 Group companies entered into an important agreement with the unions aimed at recovering efficiency, allocating additional resources to development and carrying on strong marketing actions in respect of airlines. The most significant aspect of the agreement was the opening of a "protected" collective dismissal procedure whereby 15 employees of SAGAT S.p.A. and 3 employees of SAGAT Handling left the company before retirement age maintaining, until retirement age, 80% of their compensation at the time of leaving (paid by the Social Security). The procedure was funded, among others, by the Special Fund for Air Transport Support.

The parties also agreed to a major and significant cut in certain components of SAGAT Handling's supplementary employment agreement, into force until 31/12/2014, such as the higher pay for weekday and holiday night-time shifts, field allowances and Sunday work allowance.

The agreement also provided for the suspension of certain non-welfare gratuities, such as the Christmas gifts and the 50% refund of air tickets for the employees; the amount of the long-service bonus was reduced, and the refund of kindergarten and nursery school fees was capped, while the previous agreements with the Unions did not provide for any maximum amount.

Last but not least, an extraordinary programme to encourage employees to use up their days of leave was introduced, reducing to a maximum of 5 days for SAGAT S.p.A., and 3 days for SAGAT Handling, the average amount of residual leave days per employee as of 31 December 2014.

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 2014 were those for the opening of new retail areas or reception areas (Expo 2015 corners, Airport Vip Lounge run by SAGAT).

These include, in cooperation with the Italian and Provincial UNICEF Committee of Turin, the arrangement of a children's area denominated Baby Pit Stop to entertain mothers and parents travelling with infants and toddlers, equipped with games and with secluded breast-feeding and diaper changing corners.

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 particular, in 2014, we:

- renovated the heating plant, and related management and supervision system, of the airport's de-icing system;
- equipped airport beacons with new, low-consumption LED lights;
- purchased last-generation inverters for specific energy-saving purposes.

PROFESSIONAL PROCESS VALIDATION



Professional process validation

The Corporate Social Responsibility Report 2014 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.

It appears from such assessment that the CSR Report of SAGAT Group is substantially consistent with the operational philosophy of Metodo Piemonte, thanks to the correct definition of reference methodologies, the actual involvement of the organization, and the creation of a set of quantitative and qualitative parameters for the measurement of the many impacts of its operations.

On the basis of the social reporting structure developed in this first year, SAGAT Group will now be able to regulate its process developments through a systematic approach based on the integration of sustainability policies in its future business objectives, laying the foundations for a social reporting that is increasingly consistent, meaningful and timely responsive towards stakeholder expectation, also by means of satisfaction surveys.

The assessment performed, with reference to a series of specific qualitative requirements for each stage of the social reporting process, frames our validation opinion into a context of well-defined process quality, with improvement goals already set.

On the basis of our assessment, we hold that the CSR Report 2014 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 and 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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