



2012 Sustainability Report

2012 Sustainability Report

Index

Letter to the stakeholders	4	Environmental sustainability and airport safety	36
		The SEA environmental policy	37
Methodological note	8	Air quality	37
Reporting process and scope	9	Energy	40
Reporting principles	9	Consumption of raw materials	41
		The management of water resources	42
Sustainability performance highlights	10	Noise pollution	43
		Waste management	44
Corporate Profile	12	Landscape and biodiversity	46
Mission and Values	13	Airport Safety	47
Linate and Malpensa airports	14		
Business Divisions	16	Sustainability of socio-economic relations	49
Shareholding structure	16	Human resources	50
SEA Group Structure	17	Suppliers	55
Corporate Governance	18	Passengers	58
Corporate Governance codes	18	Customers	62
Sustainable development governance and strategy	19	The Company within the Region	67
Context analysis and principal impacts	20	Stakeholder engagement	70
SEA stakeholders map	21	Stakeholder's survey	71
Strategic impacts and risks	22		
		Sustainability objectives	73
Economic-Competitive Sustainability	24	GRI Content Index	77
SEA Group business model	25		
Aviation Business performance	33		
Non-Aviation Business performance	33		
Handling Business performance	34		
Energy Business performance	35		

Letter to the stakeholders

*“Every problem has three solutions:
my solution, your solution
and the correct solution”*

Chinese proverb

By 2012 it had become increasingly apparent that the sustainable development path of SEA required a change in outlook – a “raising of the bar” beyond a simple breakdown of actions and measures introduced for compliance or reputational purposes and delivered in a simple format. The present Sustainability Report achieves this objective, clearly outlining the highlights for the last three-year period of the SEA Group.

The document re-affirms the profile of a company which, among other matters, significantly reduced energy consumption and relative CO₂ emissions, whose airports today rely on a fleet of service vehicles powered one-third electrically, which has invested euro 300 million improving the quality and eco-compatibility of its infrastructure over the last three years, which has stepped-up its waste separation activity, which has year after year reduced employee accident rates, which displays a very high level of customer satisfaction at its airports, which has distributed a value of approx. Euro 145 million to its shareholders and has maintained throughout the years its social investment in the region.

Over the period in which SEA has achieved these significant results, considerable difficulties have emerged to challenge its development.

These challenges have highlighted the need to take greater steps to ensure such development takes place in a climate of increased transparency with stakeholders, understanding that our shared development is affected in differing ways, which in turn have a knock-on effect on the company. Firstly, we think of the Malpensa Master Plan, a project focusing on the infrastructure which the airport must have in place by 2030 to meet the traffic estimates forecast for this target date.

A disparate opposition has formed against this project – while awaiting the definitive ruling of the VIA Commission, currently frozen until the end of 2013 – comprising airlines, regional civic committees, political parties, local institutions and environmental groups.

The Master Agreement, under which the regulatory approved aviation tariff system for the coming 10 years has been established and which links the calculation of fees due to SEA from the airlines to the delivery of an infrastructural investment plan and the reaching of specific passenger service quality objectives and environmental impact reduction objectives, has been contested in the Lazio and Lombardy Regional Administrative Courts by the airline representative federations. These issues bring into focus the correctness of highly structured and complex processes, such as those concerning the examples above, which have a significant impact on the time commitment, costs and results of the business planning activities.

For SEA it is therefore fundamentally necessary – and poses a significant challenge for the coming years – to establish and present the public interest profile of its business objectives. The management of SEA has demonstrated its understanding of this challenge, as highlighted by a series of interviews carried out by ISTUD as part of the project concerning the strengthening of the sustainability culture within SEA, begun in 2012 and still in progress.

The management of SEA agree that sustainability should be considered a potential strategic element which can increase competitiveness. But how?

How is it possible to avoid categorising sustainability concerns as bothersome and redundant which absorb resources, which weigh upon and lengthen the decision making processes, which raise costs, which increase commitments and which may distract from the focus on core activities, to however come to understand them as catalysts for the reaching of the business objectives themselves?

Please consider the following as a useful starting point:

in a highly complex and interdependent business environment, is it still possible to plan our development path based on the same spectrum of procedural, regulatory and technical variables as before or is it necessary to change something?

This is the contact point between the challenges of business and the approach towards stakeholder management.

Is it necessary to ask ourselves what can be gained – and the emphasis is placed on “gained”, before considering ethics and community support – from opening the decision making process on company development projects to stakeholders?

The experiences of the major airports across the globe (Hong Kong, Melbourne, Amsterdam and London) in relation to dialogue with and the prior involvement of stakeholders in significant infrastructural expansion projects highlight that the benefit which may be generated by an individual actor is increasingly affected by the contemporaneous generation of benefit for the overall system itself.

If this latter is neglected, the former also becomes at risk.

The recent declaration of the Italian Government to consider with interest the model of public debate in France to promote engagements with local actors on large public works is also a sign of the times.

Positive examples are already evident in Italy on how an open and transparent approach to decisions on large projects may bring advantages not just to the regions, but also to the proponents.

This however would be of little benefit without a significant shift in the behaviour and attitude also of stakeholders. Constructive dialogue, for example, is not built from

questioning the role of an airport such as Malpensa on the socio-economic development of its hinterland and on Lombardy, or by rejecting its expansionary prerogatives. Distorting the employment impact or the contribution of its emissions to regional pollution levels does not lay the basis for a proper assessment of the development prospects of one of the most important economic drivers of the entire Lombardy region.

A simplistic NIMBY viewpoint or one formed on misplaced environmentalism, which makes a good story for the newspapers in reaction to projects to increase the traffic capacity of a strategic communication hub for Italy, does not contribute to shared development.

The ideas which the management of SEA began to develop in 2012 concerning the need to breathe greater life and establish a more far-reaching vision with regard to sustainability actions may be considered a change in direction which is driven both internally – through a belief that each technical project is not strictly such but possesses also a social dimension and which therefore must be opened to discussion – and by the general public who are called upon to consider that the questions brought to the table cannot be solved by simplistic and rigid solutions.

In a complex system the most rigid solution is often that which over the long term costs the most – for all concerned.

Luciano Carbone
SEA Group Chief Corporate Officer



Methodological note

The SEA Group 2012 Sustainability Report (hereafter also the “Group”), in its third edition was prepared according to the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) version 3.1 and the Sustainability Reporting Guidelines & Airport Operators Sector

Supplement (Version 3.1/AOSS Final Version) A+ application level.

At the end of the document the GRI Content Index and the self-declaration of the application level of the GRI guidelines are reported, as expressly required.

Reporting process and scope

The 2012 Report is the product of a structured process carried out by an internal team comprising a number of employees representing all areas involved in social, environmental and economic reporting.

The scope of figures and information concerns Group subsidiaries and:

- the figures relate to the period 1/1/2012 to 31/12/2012;
- the environmental and social figures are fully consolidated and not based on percentage holdings;
- the financial results are sourced from the Consolidated Financial Statements;
- any specific issues and exceptions to the reporting scope are outlined in the relevant sections.

Reporting principles

Inclusivity, Materiality, Sustainability context

The principal social and environmental impacts of the Group concerning stakeholders are outlined and the relative relations and involvement actions concerning each category of stakeholders are identified.

Completeness

In relation to the completeness principle, reference should be made to the previous paragraph “Reporting process and scope”.

Report quality principles

Balance

The figures are displayed in an objective and systematic manner. The result indicators reflect the assessment of the performance independently of improvements or deteriorations on previous periods.

Comparability, Clarity

The disclosure contains clear and accessible charts, tables and language. The indicators are compared with the two previous years and are commented upon.

Accuracy

The figures are checked by the various department heads.

Timeliness

The document is produced annually.

Reliability

The document is approved by the Board of Directors and subject to external and independent audit by PricewaterhouseCoopers. This activity focuses on verifying compliance with the preparation principles, as outlined in the present section concerning the conclusion on the self-declared application level of the GRI G3.1 guidelines.

Sustainability performance highlights

Economic – competitiveness sustainability indicators	2010	2011	2012
Revenues (thousands of euro)	588,573	661,015	720,956
EBITDA (thousands of euro)	134,778	122,693	146,619
Net Profit (thousands of euro)	63,133	52,457	64,003
Value distributed (thousands of euro)	489,221	549,028	617,792
Aviation Business operating revenues (thousands of euro)	293,210	291,972	320,441
Non-Aviation Business operating revenues (thousands of euro)	144,786	158,924	169,088
Handling Business operating revenues (thousands of euro)	126,060	112,315	107,372
Energy Business operating revenues (thousands of euro)	24,517	32,667	35,393
Infrastructural investments (millions of euro)	81.4	95.2	117.4
Movements (airport system)	281,487	281,327	266,933
Passengers (airport system)	27,009,623	28,148,847	27,504,824
Cargo (airport system – tonnes)	437,949	456,111	421,372
Commercial areas (airport system – millions of m ²)	22,560	23,809	24,511
Average passenger shopping spend – Malpensa 1 (euro)	29.3	31.5	33.75
Average passenger shopping spend – Malpensa 2 (euro)	10.37	10.63	11.5
Average passenger shopping spend – Linate (euro)	16.99	19.01	20.81
Handling – passengers sector market share (airport system)	59%	59.7%	70.6%
Handling – ramp sector market share (airport system)	75.4%	75.1%	76.5%
Handling – cargo sector market share (airport system)	86.1%	87.2%	81.4%
Environmental sustainability indicators	2010	2011	2012
Direct CO ₂ emissions – Linate (tonnes) ⁽¹⁾	18,111	16,074	15,692
Direct CO ₂ emissions – Malpensa (tonnes) ⁽¹⁾	46,069	36,061	44,785
Water consumption – Linate (m ³)	2,184,450	2,474,336	2,032,589
Water consumption – Malpensa (m ³)	1,520,871	2,278,313	2,440,218
Water consumption/Passenger traffic – Linate (m ³ /pax)	0.26	0.27	0.22
Water consumption/Passenger traffic – Malpensa (m ³ /pax)	0.08	0.12	0.13
Electricity consumption – Linate (GJ)	125,717	133,540	129,650
Electricity consumption – Malpensa (GJ)	472,045	426,798	426,794
Energy saving – airport system (MWh)	13,589	8,353	1,080
De-icing liquid used – Linate (tonnes)	61	81	104
De-icing liquid used – Malpensa (tonnes)	55	14	21
Number of spillages (oil, gasoline, kerosene) – Linate	32	63	44
Number of spillages (oil, gasoline, kerosene) – Malpensa	129	130	102
Noise monitoring stations – Linate (No.)	4	4	4
Noise monitoring stations – Malpensa (No.)	10	10	10
Separated collection (% of total MSW) – Linate	24.3	27.7	43.0
Separated collection (% of total MSW) – Malpensa	30.7	32.4	34.5
Wildlife strikes (per 10,000 movements) – Linate	4.8	3.2	9.7
Wildlife strikes (per 10,000 movements) – Malpensa	2.3	3.8	2.8
Socio-economic sustainability indicators	2010	2011	2012
Number of employees (FTE)	5,178	5,090	5,054
Use of Extraordinary Temporary Lay-off Scheme (thousands of hours)	1,074	892	831
Average number of training hours – men	6	8.4	6.2
Average number of training hours – women	10	15.5	12.7
Trade union membership rate	67.7%	65.8%	63%
Accidents – frequency index (airport system) ⁽²⁾	6.60	5.89	5.43
Accidents – gravity index (airport system) ⁽²⁾	195.09	130.43	99.78
Number of contractors	955	963	1,017
Value of orders allocated to local suppliers (millions of euro)	140	133	124
Departing passenger flight punctuality – Linate (%)	83.9	88.4	88.6
Departing passenger flight punctuality – Malpensa (%)	74.8	82.7	85.0
Misdirected bags (per 1,000 passengers) – Linate	5.0	4.8	5.0
Misdirected bags (per 1,000 passengers) – Malpensa	3.9	3.1	3.0
PRM service satisfaction level	-	86%	87%
Passengers overall satisfaction level – Linate	96%	96%	96%
Passengers overall satisfaction level – Malpensa	98%	96%	97%
Mystery Shopping – average quality value (%)	-	76.9	74.98
Donations (euro)	1,006,670	1,198,978	1,021,174
Investments in Corporate Citizenship (euro)	-	178,000	228,921

(1) Direct emissions concern Scope 1 + Scope 2

(2) Data changed following the amendments to the measurement criteria

Corporate Profile

The SEA Group (Società Esercizi Aeroportuali) manages the Milan airport system.

The parent company SEA SpA is a joint stock company, incorporated and registered in Italy.

The airport system managed by the SEA Group includes:

- Milano Malpensa 1, dedicated to business and leisure customers on domestic, international and inter-

continental routes, with specific airline and charter areas;

- Milano Malpensa 2, dedicated to high-end low cost traffic;
- Milano Malpensa Cargo, a cargo transport support infrastructure, facilitating the movement of over 500 thousand tonnes of cargo annually;
- Milan Linate, serving a frequent-flyer client base on major national and EU routes.

Mission and Values

Mission

The mission of the SEA Group is to create value for all parties directly involved in Group activities: shareholders, customers and employees. This is achieved through providing services and solutions which serve the growing demands of the market, ranging from passengers to airlines, airport operators and the commercial partners at Malpensa and Linate airports.

Values

SEA's activities are carried out in strict compliance with law, in line with fair competition practices and respect the legitimate interests of customers, suppliers, employees, shareholders, institutions and the general public. The Groups' core values are:

Correctness

Combining compliance with law and regulations – where such are not present or insufficient – with practices based on a code of personal responsibility.

Transparency

Ensuring company representatives access to the necessary information to correctly carry out and guarantee the transparency of their behaviour on the market and within the company.

Objectivity

Undertaking decisions and managing processes based on evaluations founded upon objective and verifiable data.

Partnership

Favouring the pursuit of synergies and common paths, both within the corporate world and in relations with external stakeholders, through ongoing and constructive forms of dialogue.

Equity

Applying equality of treatment at similar conditions, considering fairness as a central principle of the decision making process system.

Professional thoroughness

Reacting to changes and relating each process to sustainable development, cultivating excellence among personnel and improving the value generated by them in relations with the stakeholders.

Linate and Malpensa airports

Linate airport

Linate airport is situated within the Milan urban belt, in the South-East of the province. It occupies an

overall area of approx. 350 hectares.

In 2012, Linate handled 6.2% of passengers, 7.1% of aircraft movements and 1.9% of cargo in Italy.

Linate Airport Table

Traffic	Year 2012	Change 12/11	ITA Rank
Passengers	9,175,619	1.3%	3*
Movements	96,186	1.7%	3*
Competitive profile			
Number of Airlines (with at least 10 movements per year)			19
Number of airports reachable within a day			387
% of EU GDP reachable within 4 hours			82.4%
% of ASK of the principal airline			63.3% (Alitalia)
Operating standards – 2012			
Departure punctuality (delays less than 15 minutes)			88.6%
Delivery of first bag within 18 minutes			95.2%
Number of misdirected bags / 1,000 passengers			5.0
Infrastructural characteristics			
Surface area			350 ha
Number of runways			2
Number of aircraft stands			47
Number of check-in desks			83
Number of departure gates			24
Terminal surface area dedicated to commercial activity			21%
Cargo warehouse surface area			16,800 m ²
Cargo movements capacity			80-100 thousand tonnes/year
Cogeneration station – installed electric capacity			24 MWe
Cogeneration station – installed thermal capacity			18 MWt
No. of car parks			3
Number of parking spaces reserved for passengers			3,933
Number of parking spaces reserved for airport operators			1,850
Number of taxi spaces			169

Sources: SEA, Assaeroporti (www.assaeroporti.it), ICCSAI Fact Book 2013

The Linate traffic model is based on the so-called traditional “Point to point” model, which is centred on serving two airports through direct flights, without the

option for connecting flights to other destinations on the same ticket.

Malpensa airport

Malpensa airport is located on the Lombardy plateau in the South-West of Varese province, 48 KM from Milan, with rail connections to the city (29 minutes from the city centre) and a road system, including a motorway, which connects the airport with the major regions of Northern Italy and Switzerland.

The airport covers 1,220 hectares and is surrounded by a woodland which is maintained by the municipalities who leave space for planting. All

airport grounds are within the Lombardy Valle del Ticino Park, the largest regional park in Italy, created in 1974 to protect the rivers and the numerous natural habitats of the Valle del Ticino from industrialisation and encroaching urbanisation and to safeguard the rich biodiversity heritage.

The Malpensa airport ranks second in Italy for overall aircraft movements and passenger numbers. Malpensa managed 12.7% of overall movements, 12.6% of passenger traffic and 48.6% of cargo transported in Italy in 2012.

Malpensa Airport Table

Traffic	Year 2012	Change 12/11	ITA Rank
Passengers	18,329,205	-4%	2 nd
Cargo (tones/year)	405,858	-7.8%	1 st
Movements	170,747	-8.6%	2 nd
Competitive profile			
Number of Airlines (with at least 10 movements per year)			140
Number of airports reachable within a day			387
% of EU GDP reachable within 4 hours			91.7%
% of ASK of the principal airline			13.1% (easyJet)
Global connectivity rank			29 th
European connectivity rank			18 th
Operating standards – 2012			
Departure punctuality			85%
Delivery of first bag within 27 minutes			
· Malpensa 1			96.5%
· Malpensa 2			96.7%
Number of misdirected bags / 1,000 passengers			3.0
Infrastructural characteristics			
Surface area			1,220 ha
Number of runways			2
Number of aircraft stands			187
Number of check-in desks:			
· Malpensa 1			254
· Malpensa 2			57
Number of departure gates:			
· Malpensa 1			64
· Malpensa 2			28
Terminal surface area dedicated to commercial activity			
· Malpensa 1		16.0% of surface area open to the public	
· Malpensa 2		17.8% of surface area open to the public	
Baggage Handling System Malpensa 1			10,650 bags/hour
Baggage Handling System Malpensa 2			4,800 bags/hour
Number of baggage carrousel:			
· Malpensa 1			10
· Malpensa 2			5
Cargo movements capacity		500-560,000 tonnes/year	
Cogeneration station – installed electric capacity			70 MWe
Cogeneration station – installed thermal capacity			62 MWt
No. of parking spaces:			
· Malpensa 1			4
· Malpensa 2			2
Number of parking spaces reserved for passengers:			
· Malpensa 1			7,288
· Malpensa 2			3,429
Number of parking spaces reserved for airport operators:			
· Malpensa 1			2,563
· Malpensa 2			1,160
· Malpensa 1-Malpensa 2 Intermediate area			1,609
· Malpensa Cargo			1,159
Number of taxi spaces:			
· Malpensa 1			280
· Malpensa 2			20

Sources: SEA, Assaeroporti (www.assaeroporti.it), ICCSAI Fact Book 2013

The traffic model developed and managed by Malpensa airport is categorised as “Big Point”, i.e. a hybrid traffic model which combines “Point to point” services (which is centred on serving two airports through direct flights, without the option for connecting flights to other destinations on the same

ticket) with the feeder system derived from the hub model which directs passengers toward long haul final destinations. Under this model the airport both connects short range destinations and feeds transiting passengers to long haul destinations.

Business Divisions

The SEA Group model is structured according to the business divisions in which it operates:

- Aviation: “core” passenger and cargo aviation support activities;
- Non Aviation: commercial services offered to passengers and airport users within the Milan airports;
- Handling: aircraft, passengers, baggage, cargo and

- mail ground assistance services;
- Energy: generation and sale of electric and thermal energy.

SEA manages its Aviation activities under license. The Handling activities are carried out within a free market system and the Non-Aviation activities are partly carried out in sub-concession and partly through direct management.

Shareholding structure



Shareholders	%
• Milan Municipality	54.81
• F2i Sgr	44.31
• Other	0.88

Public shareholders		
14 entities/companies	Milan Municipality	54.81%
	Varese Province	0.64%
	Municipality of Busto Arsizio	0.06%
	Other public shareholders	0.14%
Total		55.65%
Private shareholders (*)		
	F2i Sgr	44.31%
	Other private shareholders	0.04%
Total		44.35%

(*) 524 shareholders. Based on Consob communication No. 4059866, SEA is excluded from the list of issuers of securities

Source: SEA

SEA holds controlling shareholdings in the companies listed below, upon which direction and coordination

is exercised in accordance with Article 2497 and subsequent of the Civil Code:

Company	Country of incorporation/location	% of share capital
SEA Energia	Italy, Segrate (MI)	100.00
SEA Handling	Italy, Somma Lombardo (VA)	100.00
Consorzio Malpensa Construction	Italy, Milan	51.00

SEA Group Structure

SEA SpA

Airport Management	Utilities	Commercial activities	Other activities	Handling	Utilities
SACBO Bergamo SpA 30,98 %	Disma SpA 18,75 %	Dufrital SpA 40 %	Consorzio Malpensa Construction 51 %	SEA Handling SpA 100 %	SEA Energia SpA 100 %
Aeropuertos Argentina 2000 SA* 8,5 %		SEA Services Srl 30 %	Consorzio Milano Sistema (in liquidazione) 10 %	Malpensa Logistica Europa SpA 25 %	
			Romairport Srl 0,23 %		
			SITA Società Cooperativa arl 1 share		
SBU Aviation		SBU Non Aviation		SBU Handling	SBU Energia

Legend:

Controlling share holding

Associated company

Investments in other companies

(*) In relation to the holding of SEA in AA2000, on June 30, 2011 SEA SpA and Cedcor S.A. in execution of the agreement of August 9, 2006, signed a contract concerning the sale by SEA of the above-stated investment in AA2000, subject to the approval of the Regulator del Sistema Nacional de Aeropuertos, which has not yet been issued at the approval date of the present Report.

Corporate Governance

The Corporate Governance structure is voluntarily based (as SEA is not a listed company) on the recommendations and principles of the “Self-Governance Code for listed companies” of Borsa Italiana.

SEA considers that the adoption of a Corporate Governance Model based on the principles of transparency and the correct balance between management and control, constitutes an essential requisite and an effective instrument to implement the values of the Company’s mission. Under the Code SEA annually prepares a Corporate Governance Report which outlines the Corporate Governance structure at each year-end.

Corporate Governance structure

The SEA Corporate Governance structure is based on a traditional model and is comprised of the following bodies:

- The Shareholders’ meeting;
- The Board of directors, comprising 7 executive and non-executive directors (therefore not granted operating duties and/or directional duties within SEA).

The Board of directors of SEA therefore comprises the:

- Chairman and CEO
- Vice Chairman
- Non-Executive Directors (therefore not granted operating duties and/or directional duties within SEA).

The Board of directors has internally set-up through appropriate resolutions additional committees comprised of non-executives and independent directors, with proposing and consultative functions and has established the number of members and duties. These include:

- The Ethics Committee, chaired by a non-executive director
- The Remuneration Committee
- The Control and Risks Committee
- The Board of statutory auditors comprising 5 standing members and 2 alternate members.

The person with the most extensive managerial responsibilities is the General Manager-Chief Executive Officer (CEO), a title adopted on the allocation of powers by the Board of directors to the General Manger.

The Board monitors the general operating

performance, particularly in relation to conflicts of interest, paying specific attention to information received from the Chairman and the CEO and from the SEA Group Control and Risks Committee, in addition to periodically reviewing results in comparison with forecasts.

The general remuneration policy of the SEA Group is based on its position as a service company which utilises a business model focused on creating value for the shareholder, on achieving excellence in its operating performances and in maximising the service quality provided to Clients, whether Airlines or Passengers.

The Performance Management system (MBO) in place for Group Management – including members of the Executive Committee – links variable remuneration to the reaching of results measurable within a calendar year.

The performance indicators are set according to the annual approved budget and the objectives are based on the result/responsibility area of each role.

Earnings targets comprise a collective Management objective and are the basis of individual Bonuses.

In addition to the economic/financial aspects, performance is measured also on the reaching of departmental and/or individual objectives according to operating excellence indicators and client service level indicators.

Corporate Governance codes

Organisation and management model as per Legislative Decree 231/01

This was approved by the Board of Directors of SEA on 18/12/2003 following the issue of Legislative Decree 231/01 enacting the “Regulation of the responsibility of legal persons, of companies and of associations, also without legal personality”.

SEA and its subsidiaries have adopted the necessary and appropriate measures to amend and improve the “Mapping of risks” and the model in place, to prevent the committal of offenses established by the legislature.

In 2012 training was carried out concerning the Organisational and Operating Model as per Legislative Decree 231/01, involving 0.9% of the workforce.

Ethics Code

The code defines the ethical and moral standards of the Company, indicating the conduct guidelines to be fulfilled by personnel and the members of the Corporate Boards – both within the company and in external relations and with other companies and the market.

Sustainable development governance and strategy

The strategic vision of the SEA Group is founded on the sustainable generation of value. This is always considered from a multi-dimensional point of view (economic, environmental and social) and according to the mutual strengthening of the three components. The SEA Group draws up its strategies in such a manner that the resources, actions and instruments deployed in the social and environmental areas are true and proper investments, which can therefore support the proper management of company risk and in the final analysis feed the growth of the organisation.

The planning and decision making governance in relation to sustainable development within SEA is assigned to the Group Sustainability Committee, with the following objectives:

- to propose to senior management the guidelines for development and the implementation and monitoring of sustainability policies to be integrated into the SEA business model;
- to oversee, within the approved guidelines, the mapping of the principal stakeholders and the proposal of objectives and means for the involvement of such stakeholders in the drawing up of the companies choices or their implementation;
- to ensure the development of synergies between the initiatives of the relevant departments put in place or considered significant for the achievement of the sustainability objectives;
- to ensure, in line with the defined objectives and in maximisation of the synergies with the disclosure and operating processes already in place, the establishment of a reporting model which incorporates the sustainability performances and the oversight of its functioning;
- to monitor the development of the significant corporate performance indicators in terms of sustainability and to propose any corrective actions.

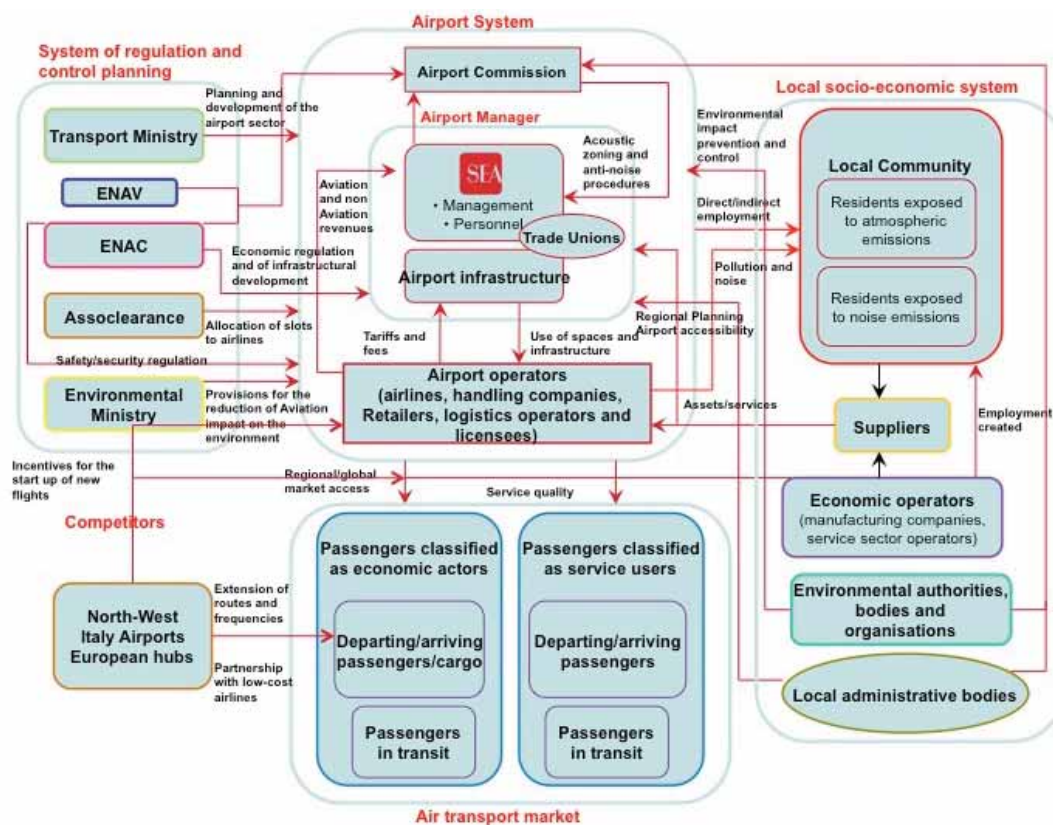
Context analysis and principal impacts

SEA stakeholders map

In its role as a manager of public transport infrastructure, SEA is committed to acquiring in a planned and structured manner and correctly evaluating and including in its decision making process the issues which concern its stakeholders.

This is applicable to extension works at terminals, in making available spaces and services to airport operators and in ensuring the maximum synergy between all airport operators to guarantee continuous, safe and efficient flights for passengers.

SEA Group stakeholders map



The identification and mapping of the stakeholders of SEA and the relative strategic approach which the company seeks to adopt in such interactions was established within the “Developing Sustainability Culture” project, with the objective to define the “Sustainability Vision” for the coming 3 years. Management’s work to this point can be broken down into two categories:

- the identification and role of the stakeholders. Managers have begun to introduce in their

evaluations and decision making programmes a multi-stakeholder view of the problems which they encounter, which allows them a more “systemic” vision of the impact of the business decisions taken by them;

- stakeholder management levers. The objective is to understand which stakeholder relationship levers are practical, according to the vision of managers, and may be easily drawn upon to reach the indicated business objectives.

Strategic impacts and risks

Risks relating to contestation of the ENAC-SEA Master Agreement and the re-establishment of the tariff parameters after the first regulatory period

From September 23, 2012 the ENAC-SEA Master Agreement became effective and therefore SEA applied the new airport tariffs. After approval a number of appeals have been undertaken, on the initiative of the Italian Board Airline Representatives (IBAR), Iberia LAE - S.A. Operadora, Saudi Arabian Airlines and Assaereo, for the voiding of the ENAC-SEA Master Agreement.

Risk related to the traffic volumes managed by SEA concerning the airlines Alitalia and easyJet.

SEA's operations are significantly based on relations with the leading airlines which operate at the Milan airports to which the Company offers its services. Among these, we particularly highlight Alitalia and easyJet.

In 2012, the passenger traffic volumes relating to Alitalia and easyJet respectively totalled 61.1% at Linate and 32% at Malpensa.

As for the other sector operators, any reduction or stoppage of flights by one or both of these airlines or the stoppage or change to flights with other destinations with high passenger traffic volumes may have a significant impact on results.

Risks related to the agreement framework under which SEA operates

SEA manages the Milan Airports under Law 194/1962 and Law 449/1985 and according to the 2001 Agreement, which concludes in 2041.

On conclusion of the 2001 Agreement, the Italian State will fully resume ownership of the State assets within the airports and will freely acquire all works and infrastructure completed by SEA at these complexes.

Risks related to the European Commission proceedings on State aid in favour of SEA Handling

With decision of December 19, 2012 the European Commission ruled that the amount of approx. Euro 360 million granted between 2002 and 2010 by SEA to its subsidiary SEA Handling was incompatible with EU regulations concerning State aid.

According to the Commission, the capital payments by the public shareholders of SEA Handling may have conferred an unfair economic advantage to SEA Handling over the competition which operates without State subventions.

The Commission therefore ordered the recovery of the aid, whose impact on the equity and financial position of SEA Handling would be particularly significant. Where the judgment is confirmed on conclusion of the case, the Group strategy in the

handling sector will be significantly impacted.

Risks related to air transport sector competitive dynamics and potential changes in the cost structure of airlines

In the near future, the industrial and/or commercial strategies undertaken by airlines as part of their competitive positioning may result in a decision by one or more of such airlines to utilise other airport structures which are in competition with those managed by SEA.

Although the Milan airports operate with a diversified mix of airlines, it is possible that such decisions may impact on group operations and on its results. In addition, the choices made by airlines may be impacted by changes to their cost structure, which are in turn affected by the price of oil and obligations under the CO₂ emission limits established by applicable environmental regulations and in particular by the thresholds of the Kyoto Protocol and by Directives 2003/87/EC and 2008/101/EC.

Risks related to airport handling activities and heightened competition in the marketplace

The high level of competition for airport handlers involves a significant risk in alteration of market share held. In fact, the airport handling sector performance is generally impacted by the development and structure of the air transport market, similar to the risks related to airline strategic and commercial choices. Although SEA holds a leadership position in the handling sector within the Milan airports through its subsidiary SEA Handling, it still must be considered that on the one hand an increase in competitive pressures and on the other the low margins linked to such activities may impact or slow down in the near future the achievement of satisfying profitability levels.

Competitive risks related to air transport sector technological development and of alternative transport means

The continuous technical development within the air transport sector over the recent past has resulted in the use of improved aircraft which require the availability of adequate airport structures, in particular for the take-off and landing of aircraft. In this regard, Malpensa airport relies on a system of runways and airport infrastructure which is capable of accommodating some of the most advanced type of aircraft, including wide body aircraft (including the Airbus A380). However, it still must be considered that such continual technological development of the sector requires in the future further modernisation and expansion of the airport structures managed by the SEA Group. The allocation of the funds necessary for such may impact the economic, financial and equity position of the Group.

Risks related to the non-implementation of SEA Group programmes and strategies

The capacity of the SEA Group to increase revenues and improve earnings depends on, among other aspects, the implementation of its industrial and commercial strategies.

The SEA Group, in consideration of the differing characteristics of the business areas in which it operates, has drawn up specific strategies.

The non-realisation of all or part of the Group strategies, also due to the performance of variables not controllable by the Group, may have negative impacts.

Risks related to the non-completion or delayed completion of road and rail links with the SEA Group airports

The accessibility and geographical positioning of the Milan airports favours the growth of the businesses and traffic volumes managed. Currently improvement works on the road and rail networks are planned by third parties which would improve further the accessibility of the Milan airports, in addition to extending the Catchment Area. The non-completion or delayed completion of such development actions may impede access to the airports and therefore impact the activities carried out by SEA.

Operating risks and impacts

Risks related to the drawing up and review of bilateral agreements which govern access to the non-European air transport market

The SEA Group over the years has adopted a growth strategy focused on, among other factors, the extension of routes and flight frequency departing from Malpensa, in order to develop passenger and cargo traffic both through airlines already operating out of the airport and through new airlines, in particular on routes to and from countries and regions with significant economic growth.

The bilateral agreements, as agreements signed between governments of two states concerning air traffic on non-EU routes, provide an opportunity to introduce new routes and to extend the number of frequencies and destinations. It must be considered that the failure to conclude new bilateral agreements

and/or to review existing bilateral agreements may – where airlines do not utilise and/or increase their presence at Malpensa airport – limit SEA's ability to effectively pursue new commercial opportunities.

Risks relating to environmental regulations

Although SEA:

- considers that Group activities are carried out in compliance with applicable laws and regulations;
- avails of an Environmental Management System which establishes procedures to contain and/or resolve any damage which may occur following events which impact the environment, also accidental;
- has attained ISO 14001 Certification and Airport Carbon Accreditation;
- in relation to compliance with noise regulations, has established in the financial statements a provision to introduce noise containment and lowering actions

it must be considered that in the future, also following violations, due to force majeure or any amendments to regulations, the Group may incur costs or require significant investments or may be subject to environmental actions in relation to activities carried out, with possible impacts on the economic, equity and/or financial situation.

Risks related to increased regulation of airport activities

The allocation to EU airlines of slots at the Milan airports, as "coordinated" airports, is carried out in accordance with the applicable EU regulation, by Assoclearance, without the involvement of SEA. Assoclearance is also responsible for the management of slots, the control of their correct use by airlines, and in certain circumstances their revocation. In the case of the revocation or the voluntary return of a slot by an airline, Assoclearance reassigns the slot.

In such cases, it is not guaranteed that the slot will be reassigned to an airline capable of producing - also in consideration of aircraft transport capacity - traffic volumes matching that of the previous airline. The regulation to which the Group is subject is affected by future developments which may not be easily predicted, in addition, also due to its complexity, to interpretations and/or orientations which may have negative impacts on Group activities.

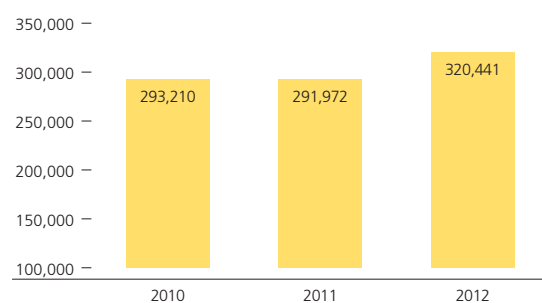
Economic-Competitive Sustainability

SEA Group business model

Aviation Business

The revenues generated by Aviation activities are established by a regulated tariff system and comprise airport fees, fees for the use of centralised infrastructure and shared assets, in addition to security fees and tariffs for the use of spaces by airlines and handlers.

Aviation Business operating revenues* (thousands of euro)



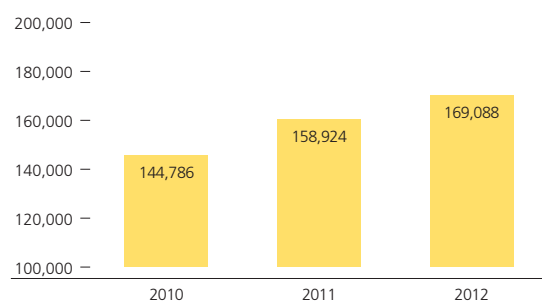
*2010 and 2011 results restated
Source: SEA

Non-Aviation Business

The revenues from this area consist of the market fees for activities directly carried out by SEA, in addition to royalties (based on a percentage of revenues generated by the licensee) from activities carried out by third parties under license, usually with the provision of a guaranteed minimum.

In managing the Non-Aviation Business the SEA Group, no longer operating only as an airport manager whose activities are limited to the management of available spaces within the airport, is actively involved in the commercial development of the airports managed, operating in partnership with the commercial operators, in order to improve, extend and innovate the services provided to users.

Non-Aviation Business operating revenues* (thousands of euro)



*2010 and 2011 results restated
Source: SEA

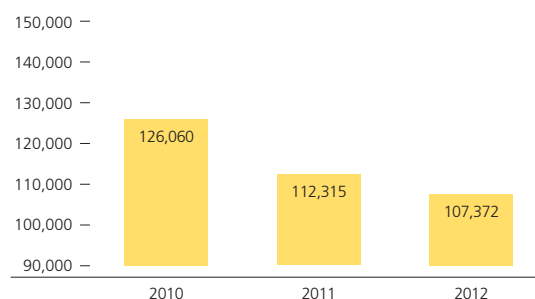
Handling Business

Revenues in this segment comprise market fees for the carrying out of the following activities:

- “Ramp” handling (i.e. air-side services, including the boarding/deplaning of passengers, bags and cargo, aircraft balancing, baggage movements and reconciliation);
- “passenger” handling (i.e. land-side services, including check-in and lost & found).

These fees are freely negotiated between the SEA Group, through SEA Handling, and each airline.

Handling Business operating revenues* (thousands of euro)

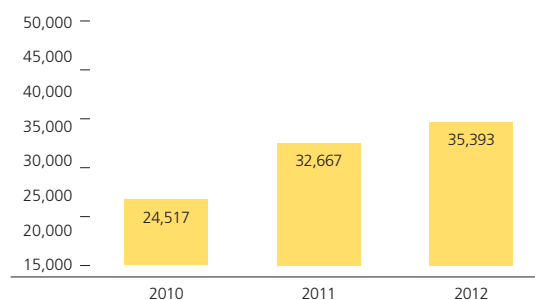


*2010 and 2011 results restated
Source: SEA

Energy Business

Operations, carried out by SEA through the subsidiary SEA Energia, concern the production of electric and thermal energy for the airports managed by the Group, in addition to the sale on the market of excess electricity and thermal energy through Borsa Elettrica (the electricity exchange market), bilateral contracts and, since 2011, through commercial operations on the free market.

Energy Business operating revenues* (thousands of euro)



*2010 and 2011 results restated
Source: SEA

Competitive advantages

Primary airport system serving Northern Italy

The airports managed by SEA rely on a particularly advantageous geographical location in terms of user base, featuring a significant presence of industrial and advanced service sector enterprises and served by logistical infrastructure which facilitates the pursuit of economic activities.

Distribution of air passenger traffic – Italy 2012 (%)

Northern Italy	43
Central Italy	34
Southern Italy	23
Total Italian passengers (000's)	146,610

Source: SEA, Assaeroporti

The natural “catchment area” of the Milan airports comprises a major economic and industrial hub in Europe, including – among others – the Lombardy Region. The positioning of the Milan airports is further enhanced by its location on a number of the major trans-European transport routes. As a result, the Milan airport system in 2012 handled nearly 19% of Italian passenger traffic and 44% of that concerning Northern Italy.

Distribution of air passenger traffic – Northern Italy 2012 (%)

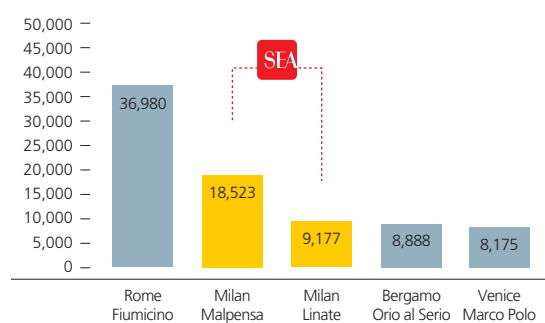
Milan	44.3
Rest of Lombardy	14.3
Rest of Northern Italy	41.4
Total Northern Italy passengers (000's)	62,468

Source: SEA, Assaeroporti

Diversified and extensive airport system

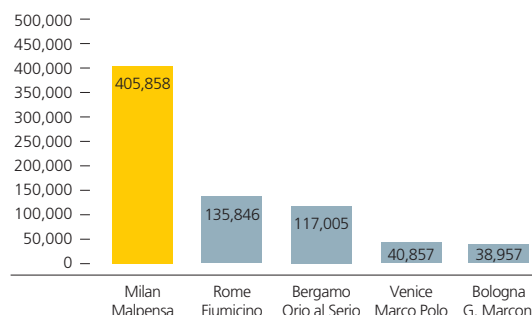
The Milan airport system is significant both within the Italian and European contexts, second in Italy and ninth in Europe for passenger traffic volumes, and first in Italy and sixth in Europe for volumes of cargo transported (not considering courier terminals).

Italian airport rankings by passenger traffic* 2012 (thousands)



*Including direct transits
Source: SEA, Assaeroporti

Italian airport rankings by cargo traffic 2012* (tonnes)



*Excluding postal traffic
Source: SEA, Assaeroporti

Balanced portfolio of airlines and destinations served

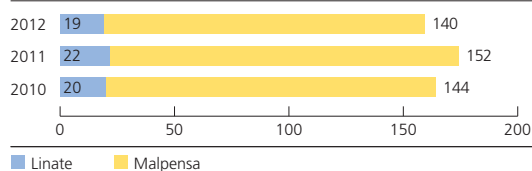
SEA benefits from a diversified and balanced mix of airlines operating from the terminals managed, none of which in 2012 representing more than 30% of overall traffic.

The portfolio of destinations served and frequencies is wide and varied: at December 31, 2012, 180 destinations operated out of Malpensa and 36 out of Linate.

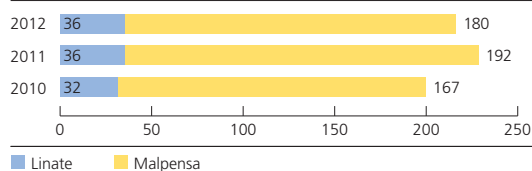
The portfolio of destinations is continually expanding, in particular on routes to and from the Middle and Far East, which are considered areas of high development potential for passenger and cargo traffic.

Development of airline numbers/destinations of the Milan airports

Number of airlines (passengers and cargo with at least 10 movements during the year)



Number of passenger destinations (with at least 1,000 passengers during the year)



Source: SEA

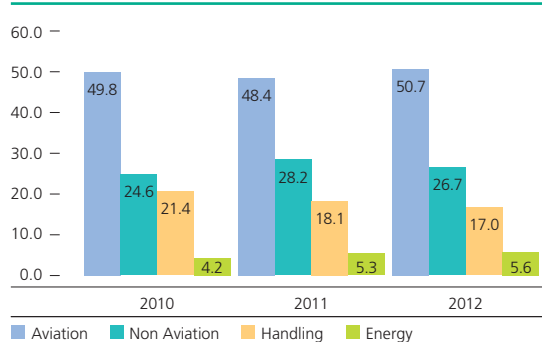
Diversified mix of revenues and with margin for development

SEA Group revenues are broken down between the various areas of activity: in 2012, Aviation, Non-Aviation, Handling and Energy division operating revenues (euro 632.3 million) accounted respectively 50.7%, 26.7%, 17.0% and 5.6% of the overall total.

Group EBITDA in 2012 amounted to euro 146.6 million, significantly increasing (+19.5%) compared to the previous year (euro 122.7 million).

These results were achieved principally thanks to the entry into force of the ENAC-SEA Master Agreement in 2012, which reduced the tariff gap compared to the European sector average and provided a stable regulatory environment for the carrying out of investments.

Operating revenues of the Business - 2010-2012 (%) total



Note: the revenues % does not include the IFRIC effect
Source: SEA

Operating excellence and modern infrastructure

The Milan airports rely on a system of runways and associated specialised airport infrastructure considered cutting edge and with a capacity to accept all types of aircraft currently in use.

The high degree of operational reliability of the Milan airports and the high service quality standards offered are recognised by the international certifications achieved by SEA and by the Group companies (ISO 9001, ISO 14001, OHSAS 18001 and ISAGO).

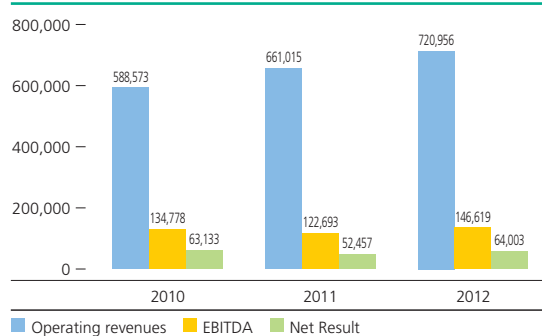
Certified Quality-Environment-Safety management systems (current and scheduled)

	Environment		Safety		Social	
	Current	Scheduled	Current	Scheduled	Current	Scheduled
SEA	Airport Carbon Accreditation - Neutrality Level ⁽¹⁾ ISO 14001 ⁽⁸⁾	ISO 50001 ⁽⁸⁾	OHSAS 18001		Dasa Register ⁽⁴⁾ UNI CEI EN 45011 ⁽²⁾	
SEA Handling	ISO 14001		ISAGO ⁽³⁾			
SEA Energia	EMAS7 ⁽⁷⁾ Certification ISO 14001		OHSAS 18001 ⁽³⁾			

- (1) ACI (Airport Council International) Europe Certification to incentivise the contribution by airports to the fight against climate change. A series of actions for the control and reduction of direct and indirect emissions of CO2 are scheduled. In June 2010 SEA reached level 3+, with Linate and Malpensa classified among the leading airports in Italy (and among the leading in Europe) for achieving carbon "neutrality".
- (2) Certification provided by the IATA and relating to the safety service quality. SEA Handling is the first handler in Italy to obtain this certification.
- (3) Voluntary application, within the organisation, of a system which guarantees adequate control regarding the Safety and Health of Workers, as well as compliance with the regulations in force.
- (4) Concerns the changes to the airport infrastructure at Linate and Malpensa to ensure their usage by persons with reduced mobility, in order to guarantee equality of opportunity.
- (5) Concerns the passenger assistance service to those with reduced mobility at airports.
- (6) International standard for the managements of energy, which focuses attention on the energy yields of the organisation and requires that the promotion of energy efficiency is considered throughout the organisation's distribution chain, as a requirement to be sought from suppliers.
- (7) Enterprises and organisations wishing to voluntarily commit to the evaluation and improvement of their environmental efficiency may adhere to the Eco-management and audit scheme (EMAS). EMAS principally provides stakeholders with an instrument through which the environmental attributes of an organisation may be attained.
- (8) Concerns the provision of an Environmental Management System which identifies, controls and monitors the performance of the organisation.

Solid economic and financial performance

Revenues, EBITDA and Net Result 2010-2012
(in thousands of euro)

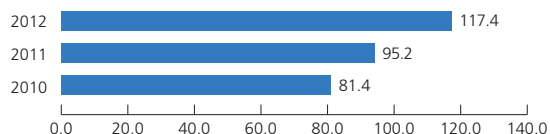


Note: Operating revenues of euro 720,956 include the IFRIC effect
Source: SEA

SEA over the last three years has sustained significant profit levels and a strong value generation at operating level despite the impacts of the de-hubbing of Alitalia and the global economic and financial crisis, demonstrating its capacity to react to extraordinary events through strategic flexibility and to attract new airlines and develop businesses outside of the Aviation business.

The SEA Group benefits in addition from a solid financial structure, despite the significant investment commitments related to the infrastructural development in progress.

Infrastructural investments 2010-2012 (millions of euro)



Source: SEA

Management team

The SEA Group relies on an organisational and managerial structure which supports the growth and

implementation of the strategic guidelines, primarily thanks to the consolidated experience of senior management within large enterprises operating in complex sectors and, in particular, in the air transport sector.

In particular, the current top management has demonstrated its ability to react to the challenges of contracting numbers (the de-hubbing of Alitalia, the economic and financial crisis) by tapping into growth and development opportunities through operating flexibility, the redefinition of strategies and by anticipating major developments within the market.

Stakeholder opinion on SEA management (scale 1-5)

	Suppliers	Aviation Clients	Non-Aviation Clients	Banking/financial community	Companies and Institutions
Competence	4.09	3.67	4.33	4.50	4.31
Reliability	3.75	3.38	4.33	4.17	3.88
Correctness	3.83	3.57	4.56	4.33	3.94
Openness/Availability	3.83	3.76	3.89	3.83	3.69

Source: SWG, Survey of SEA Group stakeholders 2013

The quality of SEA’s management was recognised by the principal stakeholders who allocated very positive average scores concerning competence, reliability, correctness and availability in their interactions with group management.

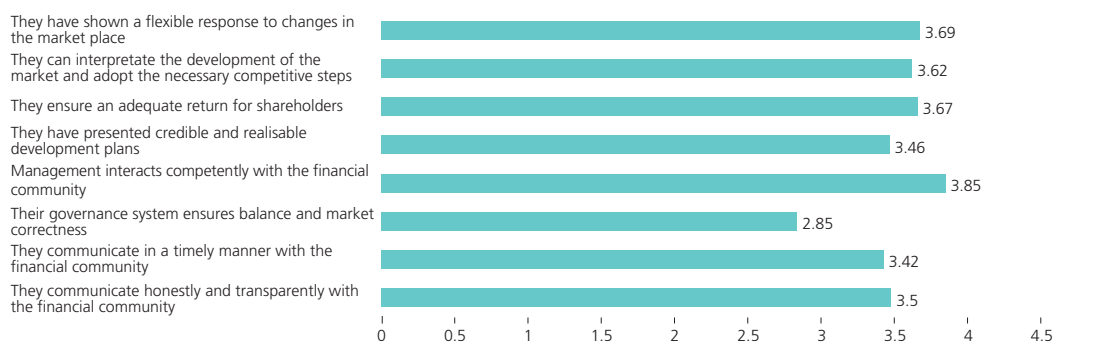
The highest scores were achieved in relation to managements’ relations with the financial community.

In relation to the capacity for strategic vision of SEA management, significant approval was demonstrated both with regard to flexibility in response to changes in the overall environment and in the ability to interpret trends and make relative adjustments to competitive strategies. Finally, the strong capacity of the company to generate value for shareholders and the level of transparency and timely communication to the financial market was recognised.

Reputation among banking and financial community

The financial community expressed very positive opinions in relation to the capacity for strategic vision, managerial competence and relationship capability of SEA.

Evaluation of SEA by the Financial Community (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

Economic value generated and distributed

In 2012 SEA generated a value of euro 632.3 million,

a 6.1% increase on the previous year. The Group has achieved continuous growth over the past three years, corresponding to a CAGR of 4%.

Economic value generated and distributed 2010-2012 (in thousands of euro)

		2012	2011	2010
Economic value directly generated				
a) Revenues	Net sales plus revenues from financial investments and sale of goods	632,294	595,878	587,609
Economic value distributed		617,792	549,028	489,221
b) Operating costs	Payments to suppliers, non-strategic investments, royalties, discounted payments	203,104	194,273	189,088
c) Salaries and benefits	Employee payments (current and non-current payments, future commitments)	256,188	250,355	248,384
d) Payments to providers of capital	All payments to providers of capital to the organisation	121,968	62,173	19,222
e) Payments to the Public Administration	Taxes	35,511	41,028	31,520
f) Investments in the community	Voluntary contributions and investment of funds in the community (including donations)	1,021	1,199	1,007
Economic value				
(calculated as the difference between the economic value generated and the economic value distributed)				
	Investments, equity release etc.	14,502	46,850	98,388

Source: SEA

The economic value distributed increased significantly over the three-year period, from euro 489.2 million in 2010 to euro 617.8 million in 2012 (CAGR: 12%), with an increase over the past year of 12.5%.

In 2012, euro 256 million was allocated to the remuneration of employees, equal to 41.4% of the value distributed and 40.5% of that generated. Significant increases of the value share allocated to

providers of capital (shareholders and credit institutions) have been recorded both in overall terms (from euro 19.2 million in 2010 to euro 121.9 million in 2012) and as a percentage of the total of the value distributed (from 3.9% in 2010 to 19.7% in 2012), in particular in the form of dividends (ordinary and extraordinary) which in 2011 amounted to euro 41.8 million and in 2012 to euro 102.8 million.

Competitive position

Catchment area of the Milan airport system

The Milan airport system is situated in one of the most economically developed regions in Europe, named the "Blue Banana Area", which extends from London as far as Milan/Genoa and acts as a bridge between the Mediterranean basin and continental Europe. The catchment area of the Milan airports includes primarily the Lombardy Region, in which the airports of Malpensa and Linate are located and which represents its primary user base.

The Lombardy region, with an area of 23,861 km², in 2009 recorded:

- a GDP of euro 326.1 billion (accounting for 20.7% of Italian GDP), ranking 2nd among European

airport catchment areas, immediately after Paris (GDP of euro 488.6 billion of Purchasing Powers Standard or PPS), and ahead of London (GDP of euro 249.7 billion of PPS)⁽¹⁾, Madrid (GDP of euro 208.3 billion of PPS) and Frankfurt (GDP of euro 146.8 of PPS);

- a population of greater than 9.7 million;
- a density of active enterprises of over 34.5 per km² ⁽²⁾.

The favourable geographical location of the Milan airports in terms of user base is highlighted by a catchment area of these airports with a significant presence of industrial and advanced service enterprises, served by logistical infrastructures which foster economic development, in particular ports and airports, as highlighted in the following table.

(1) Source: Eurostat - News Release 2010 (Regional GDP 2007); the London zone concerns "Inner London".

(2) Source: Lombardy Regional Statistical Report - December 2010.

Socio-economic development indicators of the catchment area of the SEA Group

	Natural catchment area (*)	% of Italian total
Area (km ²)	49,324	16.4
Population	14,227,529	23.5
Number of active companies	1,226,306	23.1
GDP (millions of euro)	448,953	28.7
Employed persons	6,072,787	26.4
Exports (thousands of euro)	137,513,223	38.3
Imports (thousands of euro)	149,299,814	42.6

(*) The Catchment Area of the Milan Airports includes the provinces of: Sondrio, Bergamo, Brescia, Cremona, Como, Varese, Lecco, Lodi, Milan, Padua, Piacenza, Monza Brianza, Parma, Novara, Biella, Verbania, Vercelli, Turin, Asti, Alessandria and Aosta.

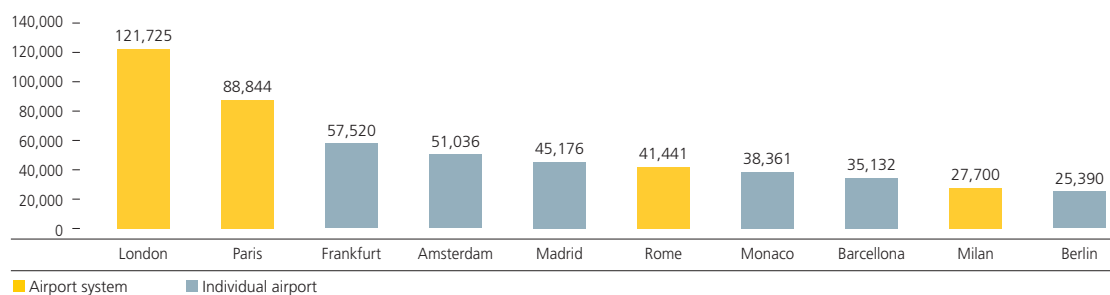
Competitive benchmarking of the Milan airport system

Passenger traffic

The Milan airports are among the major European

airport systems – with 27.7 million passengers transported in 2012 – ranking 2nd in Italy and 9th in Europe for passenger traffic volumes and 1st in Italy and 6th in Europe for cargo traffic volumes.

Ranking by passenger traffic volumes of the principal European airports/airport systems in 2012 (thousands)*



*Including transits
Source: SEA, ACI Europe

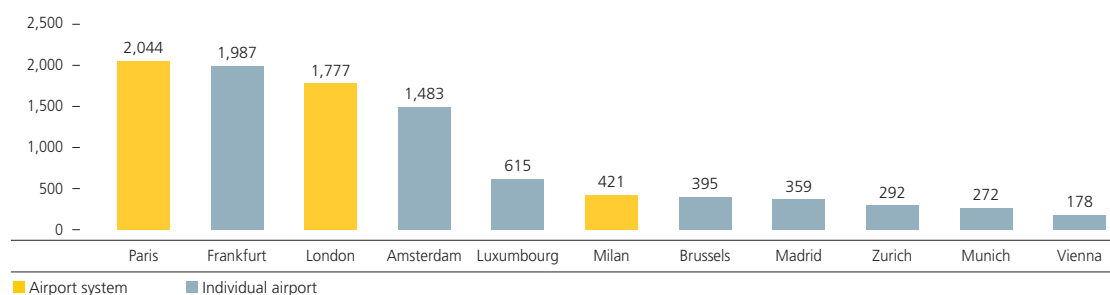
At a national level, Malpensa is the second largest airport in terms of passenger traffic volumes, with approx. 18.5 million passengers in 2012, as well as reporting the highest proportion in Italy of non-EU traffic (38.9%, corresponding to approx. 5.7 million passengers at Milan Malpensa 1), while Linate maintained also in 2012 its position as third largest Italian airport with over 9 million passengers.

Cargo traffic

The Milan airports were also confirmed in the cargo

transport sector as among the leading airports/airport systems in Europe (6th position) and ranked first in Italy with over 421,000 tonnes transported by air. Malpensa cargo traffic in 2012 however contracted significantly (-7.8%) compared to the previous year which – although the Milan airport system maintained 6th position in Europe – was among the worst performances on the continent, ahead only of Athens (-12.1%), Vienna (-10.9%) and Madrid (-8.7%).

Ranking of the principal European airports/airport systems by volumes of cargo in 2012 (thousands of tonnes)



Source: SEA

Connectivity

In the ranking of the 30 best connected airports globally (selected from 3,464 airports), 2 Italian airports feature: Fiumicino at 11th position and

Malpensa at 29th (one position lower than 2011) with a connectivity index of 2.75. In relation to GDP percentage reached through direct flights, Malpensa airport in 2012 reported a poor performance, falling from 20th to 27th in the European rankings.

Connectivity index of the 10 leading Italian airports

Italy Rank	Airport	2012 Global connectivity index	2012 European connectivity index
1	Rome Fiumicino	2.62	1.88
2	Milan Malpensa	2.75	2.01
3	Venice	2.90	1.99
4	Bologna	3.14	2.16
5	Pisa	3.15	2.11
6	Naples Capodichino	3.15	2.22
7	Palermo	3.16	2.27
8	Olbia	3.18	2.18
9	Turin	3.19	2.39
10	Bergamo	3.22	2.22

Source: ICCSAI Fact Book 2013

Accessibility to European GDP

The continental connectivity index is calculated according to the population percentage and GDP

percentage which may be reached with direct or indirect flights.

European GDP reachable based on flying time

Rank	Airport	GDP <2 hours (%)	GDP 2-4 hours (%)
1	Frankfurt	77.76	17.71
2	Amsterdam	76.55	16.40
3	Paris CDG	74.00	18.49
4	Munich	70.56	22.14
5	Zurich	69.60	23.18
6	Geneva	68.76	22.74
7	Brussels	68.70	22.63
8	Lyon	66.53	16.64
9	Dusseldorf	66.01	26.02
10	Milan Malpensa	64.53	27.15

Source: ICCSAI Fact Book 2013

Malpensa is the leading Italian airport (the only one in the European top 20), in 10th position with over

64% of European GDP reachable within 2 hours and with 91% reachable within 4 hours.

Conditions of direct and indirect competition

Direct competition

Analysing the level of dependence of airports on airline companies (established by the Herfindahl-Hirschman – HHI concentration index, which reaches a value of 10,000 in the case in which an airports

offer is entirely dependent on a single company), it emerges that Malpensa airport is considered the European airport with the lowest level of dependency on a single airline, distinguishing itself, for example, from large European airports such as Munich, where over 55% of the offer is served by Lufthansa or from other Italian airports such as Bergamo, where Ryanair controls 80% of the offer.

Principal European airports by level of direct competition

Rank	Airport	HH index
1	Milan Malpensa	1,045
2	Geneva-Cointrin	1,075
3	Nice	1,237
4	Barcelona	1,250
5	Prague	1,261
6	Brussels	1,477
7	Athens	1,819
8	London Heathrow	1,935
9	London Gatwick	2,050
10	Copenhagen	2,068

Source: ICCSAI Fact Book 2013

Indirect competition

Indirect competition relates to competition for the same user base by air services offered in neighbouring or alternative airports.

The level of indirect competition refers to each route offered by a specific airport for which alternative routes are offered by other airports close to that considered or for neighbouring destinations or on similar routes.

Principal European airports by level of indirect competition

Rank	Airport	Number of neighbouring airports	Number of routes in indirect competition	Competitor ASK /ASK in competition
1	London Gatwick	13	108	2.27
2	Paris Orly	6	76	1.42
3	Milan Malpensa	3	63	1.30
4	Manchester	6	87	0.98
5	Brussels	7	69	0.94
6	London Heathrow	13	59	0.92
7	Dusseldorf	7	84	0.82
8	Paris CDG	4	72	0.78
9	Zurich	8	63	0.36
10	Copenhagen	4	21	0.33

Source: ICCSAI Fact Book 2013

Malpensa airport in 2012 ranked in 3rd position, after London Gatwick and Paris Orly in terms of intensity of indirect competition.

Aviation Business Performance

Aviation Business operating revenues (airport fees and tariffs for the management of centralised infrastructure and security services and tariffs for the use of regulated

areas), reported by SEA in 2012 amounted to euro 320.4 million (+10.3% on the previous year), comprising 44.4% of total Group revenues.

Type of revenues from Aviation activities (2012/2011)

	2012 (thousands of euro)	2011 (thousands of euro)	% of 2012 total Aviation Revenues
Fees and centralised infrastructure	239,775	216,175	74.8
Use of regulated spaces	17,656	23,264	5.5
Security	51,691	52,533	16.1
Free transfer of assets	11,319	-	3.6
Total	320,441	291,972	100

Source: SEA

Passenger traffic performance

In 2012 the airports managed by the SEA Group compared to 2011 reported a reduction of approx. 644 thousand passengers (-2.3%) and of over 14 thousand movements (-5.1%), reporting however

significantly divergent performances between Malpensa airport – with passenger numbers decreasing 4.0% and a contraction of 8.6% in movements – and Linate which reported an increase of 1.3% in passengers and 1.7% in movements.

Aviation Business performance indicators of the SEA airport system

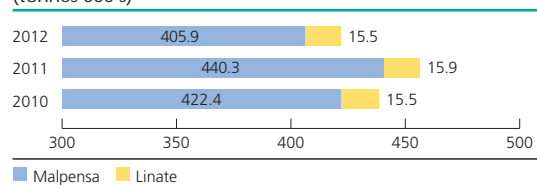
	Movements			Passengers			Cargo (tonnes)		
	2012	2011	%	2012	2011	%	2012	2011	%
Malpensa	170,747	186,780	-8.6	18,329,205	19,087,098	-4	405,858	440,258	-7.8
Linate	96,186	94,547	1.7	9,175,619	9,061,749	1.3	15,514	15,853	-2.1
Airport system	266,933	281,327	-5.1	27,504,824	28,148,847	-2.3	421,372	456,111	-7.6

Source: SEA

Cargo traffic performance

In 2012 cargo traffic managed by Milan Malpensa and Milan Linate totalled 421,000 tonnes, reducing by approx. 35,000 thousand tonnes (-7.6%) on 2011, following reduced global air cargo transport which disproportionately hit the European airports (with a higher exposure to the contraction in imports – in particular of high added value products).

Cargo traffic managed by the Milan airport system (tonnes 000's)



Source: SEA

Non-Aviation Business performance

Non-Aviation Business operating revenues reported by SEA in 2012 totalled euro 169 million (+6.4%

compared to the previous year) and represent 23.5% of total Group revenues.

Type of revenues from Non-Aviation activities (2012/2011)

	2012 (thousands of euro)	2011 (thousands of euro)	% of 2012 total Non-Aviation Revenues
Retail	81,892	79,208	48.4
Parking	46,442	42,210	27.5
Cargo	10,830	10,362	6.4
Services and other revenues	29,923	27,144	17.7
Total	169,088	158,924	100

Source: SEA

The increase in retail revenues (+3.4%) principally contributed to this performance, supported by increased income at the shops following the introduction of a commercial offer strategy focused on the needs of the traffic served at each terminal, and from the food & beverage operations.

Retail activities accounted for 48.4% of total Non-Aviation business revenues.

The most significant retail revenue item was shop sales (43.2% of the total), followed by catering (19.5%) and advertising (12.4%).

Type of Retail revenues (2012/2011)

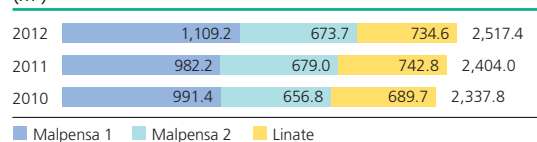
Retail service revenues	2012 (thousands of euro)	%	2011 (thousands of euro)	%
Duty-free and duty paid	35,373	43.2	33,908	42.8
Food & beverage	15,923	19.5	15,254	19.3
Advertising	10,166	12.4	10,353	13
Other (rental+banks)	20,431	24.9	19,693	24.9
Total retail revenues	81,892	100	79,208	100

Source: SEA

The retail sector activities carried out at the Milan airports offer the public and passengers a wide range of products and brands which satisfy the entire customer base and are differentiated at each terminal:

- Milan Malpensa 1 dedicated to luxury and duty free shopping;
- Milan Malpensa 2 dedicated to low cost airline customers;

- Milan Linate focused on a specialised high-end business offer.

Retail areas of the Milan airports by millions of passengers (m²)

Source: SEA

Business Handling performance

The Handling segment in 2012 reported net revenues of euro 107.4 million, reducing 4.4% compared to 2011.

During the year SEA Handling improved passenger

numbers by over 2.6 million (+15.4%), while reporting a reduction of over 7,000 movements served (-3.5%) and of over 54,000 tonnes of cargo (-13.7%).

Competitive performance of the Handling activities (2012/2011)

	Airport system			Malpensa			Linate		
	2011	2012	%	2011	2012	%	2011	2012	%
Passengers served	16,817,003	19,415,140	+15.4	12,148,359	13,761,278	+13.3	4,668,644	5,653,862	+21.1
Passenger sector market share	59.7%	70.6%	+18.3	63.6%	75.1%	+18.1	51.5%	61.6%	+19.6
Movements served	211,417	204,093	-3.5	136,708	124,499	-8.9	74,709	79,594	+6.5
Ramp sector market share	75.1%	76.5%	+1.8	73.2%	72.9%	-0.4	79.0%	82.8%	+4.8
Cargo served (tonnes)	397,772	343,124	-13.7	382,667	328,477	-14.2	15,105	14,647	-3.0
Cargo sector market share	87.2%	81.4%	-6.7	86.9%	80.9%	-6.9	95.3%	94.4%	-0.9

Source: SEA

Market share performance

The development in the 2010-2012 period of the SEA Group market share concerning handling activities in the ramp, passengers and cargo sectors at both airports highlights the strong position of SEA Handling within the market.

Malpensa – Handling market share (%)			
	2010	2011	2012
Ramp sector (movements)	74.1	73.2	72.9
Passenger sector (passengers)	63.8	63.6	75.1
Cargo sector (tonnes transported belly + all cargo)	85.7	86.9	80.9

Source: SEA

Linate – Handling sector share (%)

	2010	2011	2012
Ramp sector (movements)	78.1	79.0	82.8
Passenger sector (passengers)	48.0	51.5	61.6
Cargo sector (tonnes transported belly + all cargo)	96.4	95.3	94.4

Source: SEA

Energy Business Performance

The Energy Business Unit in 2012 generated revenues of euro 35.4 million (+8.3% compared to the previous

year). Electricity sale revenues reduced 1.5%, while thermal energy sales increased by 25.8%.

Type of Revenues from Energy activities (2012/2011)			
	2012 (thousands of euro)	2011 (thousands of euro)	% of total 2012 Energy Revenues
Sale of electric energy	27,200	27,606	76.8
Sale of thermal energy	2,190	1,740	6.2
Other revenues and services	6,003	3,321	17
Total	35,393	32,667	100

Source: SEA

Environmental sustainability and airport safety

The SEA environmental policy

The SEA Group combines respect and protection of the environment with its development strategies. The Group has therefore established an environmental policy based on the following principles:

- comprehensive compliance with regulatory provisions;
- an ongoing commitment to improving the environmental performance;
- education and involvement of all parties involved in the airport system on environmental issues;
- continuous monitoring and checking of areas which concern interaction with the ecosystem;
- a highly developed system of listening and communication with a wide range of external actors to ensure transparency and sharing on environmental issues;
- identification of the sources and control of CO₂ emissions produced – both directly and indirectly (through the involvement of the stakeholders) – as

part of the reduction of greenhouse gas emissions according to the objectives set under international agreements and European directives.

The commitment of the SEA Group towards sustainable development and reduced environmental impact has required in recent years the progressive integration of key environmental protection issues to the organisational, strategic and financial management of the company. In compliance with international principles on environmental protection, SEA is committed to undertaking a prudent approach in defining and managing socio-environmental risks.

The priorities identified for the coming years include:

- the maintenance of “Carbon Footprint” neutrality through the reduction of energy consumption;
- increased usage of renewable resources, apart from the CO₂ emission offsetting actions achieved through the acquisition of Carbon Credits.

Air quality

Air quality in the Malpensa area

To ensure effective air quality control the Regional environmental protection agency of Lombardy (ARPA) monitors on a daily basis the presence of atmospheric pollutants across the entire region through 158 monitoring stations.

The average monthly nitrogen dioxide (NO₂) figures and of the particle PM10, established by the daily results published by ARPA for the Malpensa area are collated from the 3 monitoring stations in the immediate vicinity of the airport (Ferno, Lonate Pozzolo, Somma Lombardo) and from the other stations located in urbanised areas (Busto Arsizio, Gallarate, Varese).

Intensive monitoring campaign of the air quality at Malpensa

In 2012 Arpa Lombardia conducted, together with the Municipalities of the Consorzio Urbanistico Volontario (CUV) surrounding Malpensa airport, an intensive monitoring campaign of the air quality throughout the year. The monitoring focused on evaluating the possible presence in the atmosphere of substances potentially harmful to health, not concerning just pollutants normally seen at the

monitoring stations but also micro-pollutants such as volatile organic material, polycyclic aromatic hydrocarbons (PAH) in a particulate phase and aldehyde.

Between October 20, 2011 and August 30, 2012, four intensive campaigns were carried out, in addition to the usual institutional monitoring. Four additional campaigns were carried out in parallel with mobile laboratories, in two months of the winter and summer, within the municipalities of Arsago Seprio, Samarate, Golasecca and Vizzola Ticino.

Malpensa and motorway network emissions compared to the provincial total

	Aeroporto MXP %	Rete autostradale %
SO ₂	6.9%	0.2%
NO _x	9.1%	14.3%
COV	3.2%	0.9%
CO	7.1%	5.7%
CO ₂	4.8%	7.7%
PM _{2,5}	0.8%	5.0%
PM ₁₀	0.8%	5.8%
PTS	0.7%	6.7%

Source: Arpa Lombardia

The monitoring results demonstrate that there were no significant impacts on the concentration of micro-pollutants directly or indirectly linked to airport activity emissions.

The data was collected through various techniques and no conduct related to airport activity emerged, while links to vehicle traffic emissions or fuel burning were identified, similar to those emerging from other parts of the region, to varying degrees according to the individual station.

Air quality in the Linate area

For Linate the average monthly values for nitrogen dioxide (NO₂) and the particle PM₁₀ are considered, established by monitoring stations in the immediate vicinity of the airport (Limite-Pioltello and Milano-Parco Lambro) and of other stations in urban areas (Milano-Città Studi, Milan-Marche, Monza, Vimercate).

Overall, based on the range of data collected from the areas neighbouring the two Milan airports, over the years – although the airports comprise a significant source of emissions – no significant differentiation exists between the quality of air compared with other areas of the provinces.

Climate change and greenhouse gas emissions

In 2009 ACI Europe (Airport Council International), in order to promote the contribution of the airports towards the fight against climate change, launched an initiative called Airport Carbon Accreditation: SEA and the principal European airport operators voluntarily committed to this project. The project required the

introduction of a series of actions for the control and reduction of direct and indirect CO₂ emissions by airport managers, operators, aircraft and by all those working within the airport system.

The Airport Carbon Accreditation established four possible levels for accreditation:

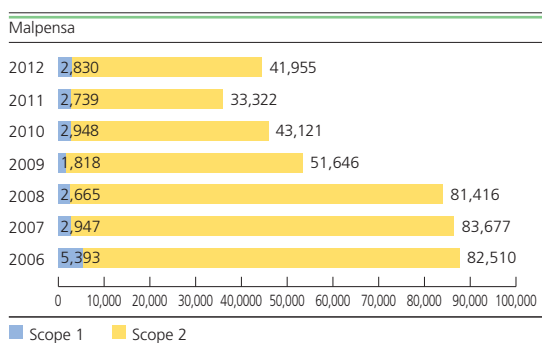
- Mapping – checking of emissions under the direct control of the airport manager (scope 1 and 2);
- Reduction – in addition to the level 1 requirement, the creation of an emission reduction plan which ensures the continuous improvement of emission levels (scope 1 and 2);
- Optimisation – in addition to levels 1 and 2, calculation of the emissions produced by the airport stakeholders and their involvement in the reduction plans (scope 3);
- Neutrality – in addition to levels 1, 2 and 3, the reaching of the “Carbon Neutrality” objective for emissions, under the direct control of the airport manager (scope 1 and 2).

In 2012 SEA confirmed its European leadership position for both the airports of Linate and Malpensa for the fourth consecutive year.

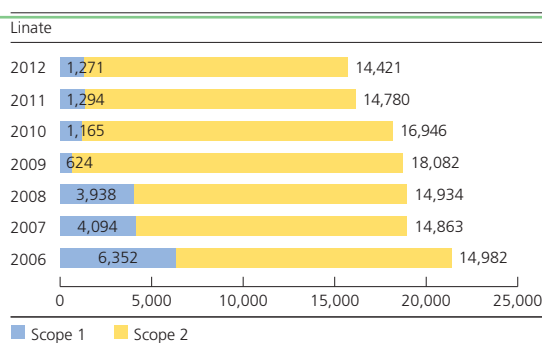
In 2012, thanks to a reduction in CO₂ emissions under the control of the airport manager of 11% at Linate and of 1% at Malpensa, compared to the average emissions for the three previous years, the two airports consolidated their European rankings within the “3+ neutrality” group together with 6 Swedish airports and 2 Norwegian airports.

The trend over the last seven years highlights a constant and far reaching commitment and SEA commits to maintain this level of neutrality through continued effective process rationalisation, the use of renewable energy sources and through the acquisition of offsets (scope 1 and 2).

CO₂ Emissions (tonnes)

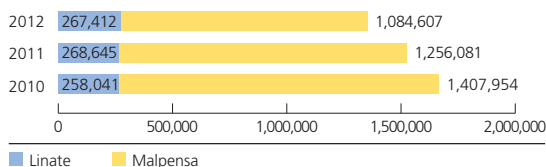


Note: The emissions of SEA Energia are not included
Source: SEA



Note: The emissions of SEA Energia are not included
Source: SEA

CO₂ Emissions (tonnes) - Scope 3



Note: The emissions of SEA Energia are not included
Source: SEA

Energy saving and sustainable mobility

The actions taken by SEA to reduce CO₂ emissions fall principally within the energy saving and sustainable mobility policies.

Energy saving

SEA has taken actions in the areas of lighting, air conditioning and innovation. The lighting actions concerned both technological improvements, with the replacement of internal and external lights and operational improvements such as the turning-off of lights at night in places not utilised or the turning-off of runway lights on runways not used for noise reduction or maintenance activities.

The optimisation of the plant management software involved, in addition to the air conditioning, the baggage/cargo and passenger movement plant. LED lighting and high efficiency motors were also introduced.

The interventions at both airports resulted in energy savings of 13,589 MWh in 2010 (-7.7% compared to 2009), of 8,353 MWh in 2011 (-5.1% compared to 2010) and of 1,080 MWh in 2012 (-0.7% compared to 2011), for a total saving over the three years of 23,022 MWh (-13.0% compared to 2009).

Sustainable mobility

The following initiatives are also in progress:

- the planning, together with Trenord, of the rail extension from Malpensa 1 to Malpensa 2 in order to lessen the impact from vehicle traffic from the airport;
- electric car projects such as:
 - **e-vai** – e-vai car sharing service to Linate and Malpensa (introduced by Trenord with Sems). At each airport, four electric cars with the charging posts are in place.
 - **Air-side company fleet** – the electrically driven fleet comprises 372 vehicles (approx. 27% of all vehicles), in particular mini-tractors for the movement of baggage and loading/unloading vehicles and currently operations are in progress to attain electric runway buses from the German company Cobus. Repair and replacement actions are in progress concerning 400 electrically charged service vehicles in the A, B and multi-space segments (currently Fiat 600, Fiat Punto and Fiat Doblò), utilised both by ramp personnel to operate alongside the aircraft berth and by security both inside and outside the airport.

Energy

The SEA Group at both airports has co-generation/tri-generation stations in operation which generate on an ongoing basis energy savings benefitting the SEA Group, the quality of the environment and the inhabitants of neighbouring areas. The SEA Group offers high efficiency services

which allow the generation of savings both for the Company and for clients which, thanks to the use of district heating, achieve savings from heat recovery. An extensive analysis of energy consumption in the 2010-2012 period highlights a reduction in electricity consumption.

Malpensa – Energy consumption	2010	2011	2012
Methane (GJ)	14,971	12,941	9,770
Gasoline (GJ)	3,381	2,632	2,664
Electricity (GJ)	472,045	426,798	426,794
Electricity sold to third parties (GJ)	152,134	125,391	n.a.

Linate – Energy consumption	2010	2011	2012
Methane (GJ)	9,996	12,494	9,701
Gasoline (GJ)	61	81	0
Electricity (GJ)	125,717	133,540	129,650

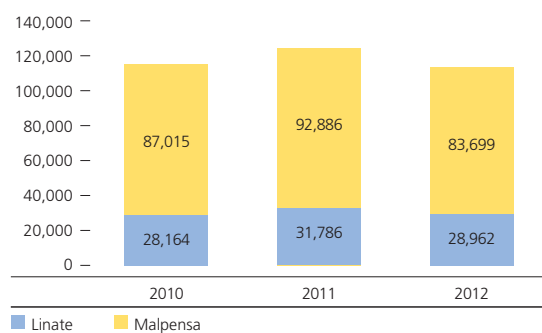
Note: SEA Energia consumption is excluded from the above tables.
For the breakdown of energy acquired, reference should be made to SEA Energia (electricity sold)
Source: SEA

SEA Energia

SEA Energia manages the cogeneration stations at the Malpensa and Linate airports, satisfying all the energy requirements of Malpensa through its tri-generation plant which since 1998 have ensured the self-

sufficiency of the airport from external electricity, heat and cooling through an improved combustion yield compared to large thermal electric stations and an optimisation of smoke and heat otherwise lost. The network is only utilised for the emergency electricity reserve.

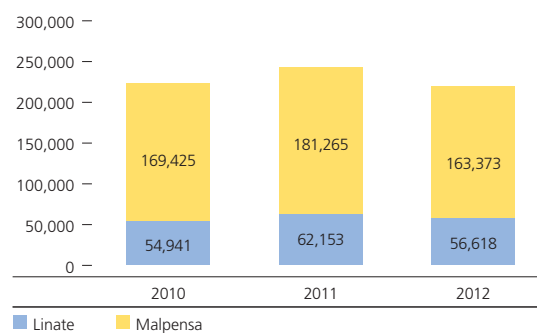
SEA Energia - Methane consumption Sm³ k



Source: SEA

The station is also noted for its high capacity and is one of the largest in Europe. The positive tri-generation experience at Malpensa resulted in the company introducing the project also to Linate, where the heat produced will be used for the provision of district heating to an extensive urban area (Milan-East). The two plants are the first combined cycle co-generation plant at Italian airports and have assisted SEA in achieving significant consumption savings through precise temperature control at the various terminal rooms and offices and for all lighting consumption. In 2012 the thermal and

SEA Energia - CO₂ Emissions (tonnes)



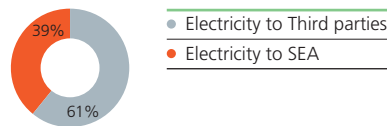
Source: SEA

electric energy production activities continued to satisfy the needs of the airport system and sale to third parties. During 2012 the production of electricity reduced by 13% (-65.6 million kWh).

In 2012 the production of electricity by SEA Energia decreased by 13.7% at Malpensa and by 10.0% at Linate compared to 2011, amounting to a total of 449.2 million kWh (-65.6), with a consequent reduction in electricity sold of 19.1% at Malpensa and 10.4% at Linate compared to 2011, amounting to a total of 416.7 million kWh (-84.8).

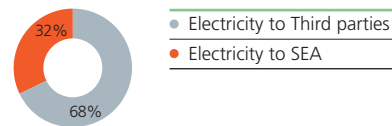
Electricity sold in 2012

Malpensa (305.4 million kWh)



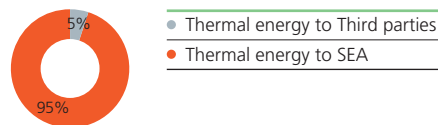
Source: SEA

Linate (111.3 million kWh)



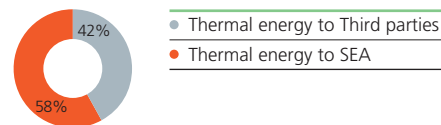
Thermal energy produced in 2012

Malpensa (258.2 million kWh)



Source: SEA

Linate (74.5 million kWh)



In 2012 the production of thermal energy by SEA Energia increased by 2% (+7.1 million kWh) compared to the previous year, amounting to 332.7 million kWh. The Linate Station received green certificates issued by the Energy Service Operator (GSE), valid for 8 years from issue.

In 2012 the electricity supply contracts to Bergamo Orio al Serio airport (13.4 million kWh), to the Sheraton Hotel at Malpensa and to the Rome Airports continued. In 2012, the tender was awarded for the supply of electricity to Gesac which manages the Naples airport.

Consumption of raw materials

As SEA is a supplier of services and not a production company, its consumption of raw materials is limited, apart from electricity, to the consumption of gasoline and petrol utilised for

airport operations and liquids for the de-icing of aircraft during the winter and amid particular weather conditions.

Malpensa – Raw material consumption	2010	2011	2012
Gas for vehicles (Litres)	2,329,197	2,221,221	2,110,410
Petrol (Litres)	370,581	330,140	318,278
Kilfroast ABC3 TYPEII (Litres)	1,850,792	679,666	1,622,074
Solid de-icing material (Kg)	86,500	2,000	140,500
Liquid de-icing material (Kg)	528,994	-	1,066,717

Linate – Raw material consumption	2010	2011	2012
Gas for vehicles (Litres)	585,513	576,372	642,226
Petrol (Litres)	131,139	120,966	127,649
Kilfroast ABC3 TYPEII (Litres)	783,500	193,000	679,940
Solid de-icing material (Kg)	18,500	-	2,500
Liquid de-icing (Kg)	459,866	52,500	634,499

Source: SEA

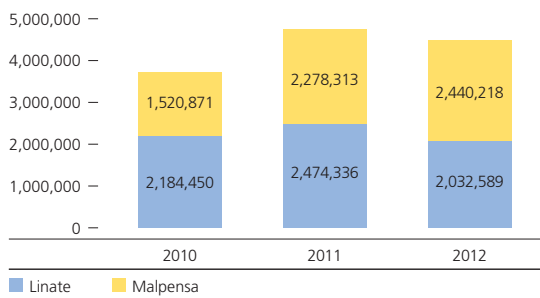
The management of water resources

The management of water resources is an environmental issue which the SEA Group has for some time dedicated focus and its consolidated knowledge, following an undertaking to become entirely self-sufficient in the provision of water, through the construction of a series of independently managed wells which fulfill the hygiene/sanitary, fire control and “industrial” needs of both airports.

The principal water sources utilised are the aquifers, to which the 12 wells located at Malpensa and the 8 wells located at Linate are linked.

The water drawn from wells at the airport sites of Malpensa and Linate are distributed for consumption through internal aqueducts. The chemical/physical and quantitative control, in addition to the consumption rationalisation activities, ensure the highest level of attention to this important common resource.

Water requirements m³



Note: The consumption figures include SEA Energia
Source: SEA

Water quality

SEA guarantees, in accordance with regulations and in strict collaboration with the control bodies such as Air Safety Board and the Health Boards, a high quality level of the water distributed, through a monitoring plan which provides for systematic chemical/physical control checks of the water quality provided. This monitoring allows also the SEA Group to guarantee the quality of the water and to avoid negative impacts from possible contamination through the continual control of the complete cycle, from the drawing from wells to the distribution on the network and the final discharge of water into the environment.

At both airports, the parameters analysed are significantly lower than the maximum levels permitted by law and highlight the good quality of the water distributed at both airports.

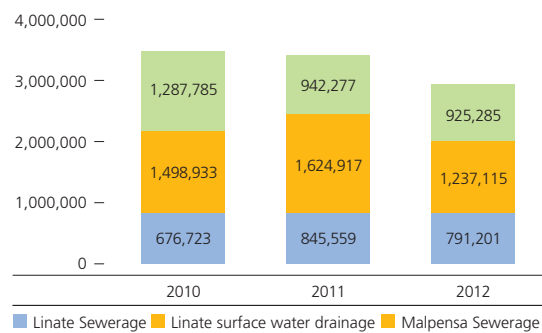
Discharge

The management of water discharge is principally related to the civil sewage filtering and collection

systems (or related systems) from the airport infrastructure and from the meteorological wash away of impermeable areas. The collection and separation of domestic sewage from all buildings present at the airport is assured at Malpensa by the sewage network which delivers sewage to the San Antonio consortium filter system, while the Linate sewage network is linked to the Peschiera Borromeo filter system.

At both airports the quality of the sewage is within the limits established by environmental regulations.

Water drainage m³



Note: Discharge from Linate is divided into “sewage” and “surface water”. The quantification of surface water discharge is only possible considering the empirical difference between the total of water drawn and the quantity discharged as sewage, with a degree of approximation, taking account of the contribution from meteorological water. Discharges by SEA Energia are excluded
Source: SEA

De-icing treatment, relating to the defrosting of aircraft during the winter and when required by the airlines, is carried out at dedicated stands, equipped with a system for the collection of any water discharge from the activities and is treated as special waste.

De-icing liquid drained (tonnes)

	2010	2011	2012
Malpensa	55	14	21
Linate	61	81	104

Source: SEA

The management of meteorological water

Meteorological water can be utilised (with the exception of first flush water which is discharged into the sewage system together with domestic sewage) for the soil at Malpensa and in surface water areas at Linate. In line with sector environmental regulations, collection, separation and treatment of meteorological water plant are in place at both Milan airports, comprising “continuous” oil extraction plant or first flush separation tanks. The quality of sewage falls within the limits established by the applicable environmental regulation, as highlighted below in the tables, which report the parameters monitored.

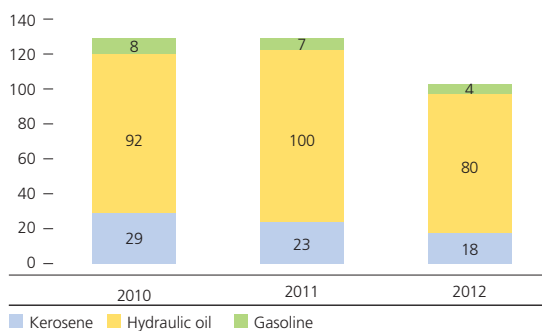
Currently, water re-usage systems are not in place at the airports. The SEA Group, together with other major European operators, is exploring many aspects related to Water Saving systems and the possible re-usage of meteorological water, in order to save aquifer drawn water and rationalise water consumption.

Spillages

SEA is committed to closely considering and ensuring the correct management of potential spillages. In the case of the accidental spillage of fuel or oil in operational areas, runways and stands, procedures are in place to intercept fluids before they reach the meteorological water drainage systems. A specific procedure applicable to the terminal movement areas is in place at the airports in compliance with environmental protection regulations. Spillages have reduced slightly, most likely as a result of reduced traffic; spillages in terms of m² range from 100 (the most significant) to 1m², with an average of 16 m² and a volume in m³ of 1.5 in 2012 (calculated as an average litre of emulsion produced per m² of spillage).

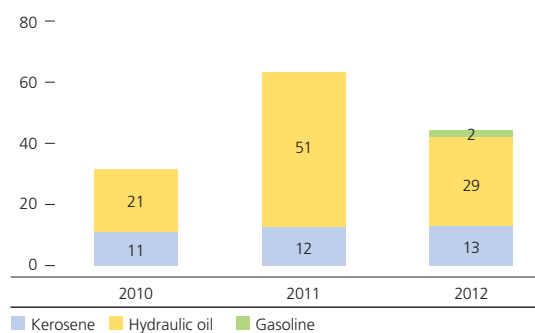
At Malpensa spillages of kerosene reduced (-22% compared to 2011), while at Linate remained stable. Accidental gasoline spillages principally remained under the attention thresholds and overall were insignificant.

Malpensa - Spills



Source: SEA

Linate - Spills



Source: SEA

Spillages of hydraulic oil related to the breakage of operational equipment. Also in this case the number of events is not directly proportional to the quantity. The issue is closely related to the characteristics of the equipment and the terminal Maintenance Department have introduced specific plans to deal with such events.

At both terminals no significant spillages took place in volume terms, as events are contained and resolved in a short period of time, according to standard procedures.

Noise pollution

The noise generated from the take-off, landing and flyover of aircraft is one of the more immediate and obvious disturbances related to airports. The noise produced by aircraft concerns a relatively limited number of events over the course of the day and whose maximum sound values are rather high.

Italian airport noise legislation is extensive and complex and involves the handling of the fundamental aspects concerning its measurement,

the monitoring systems, the zones around the airport where compliance is necessary, the simulation models, the Airport Commissions, the mitigation actions and numerous other aspects. Each airport open to civil traffic must provide in areas surrounding the airport a continuous monitoring system which records any limit excesses and links this information with the data and the trajectory of flights generating such excess noise.

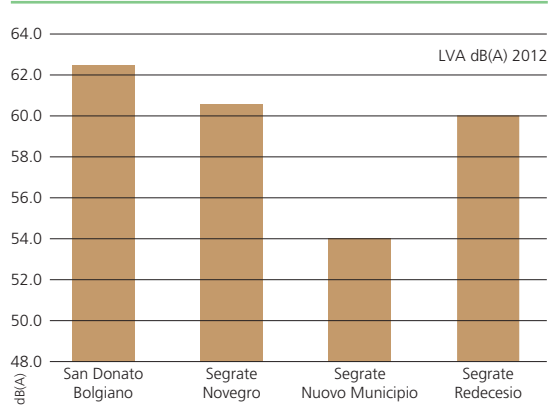
In addition, an Airport Commission has been set up to carry out the following duties:

- classification of the airport in relation to noise pollution produced;
- definition of the anti-noise procedures;
- definition of the parameters to which noise limits are applied.

Noise monitoring at Malpensa and Linate

The SEA Group since 2001 has committed itself to aircraft noise monitoring at the Linate and Malpensa airports and has implemented a recording system comprising 23 fixed stations (17 at Malpensa and 6 at Linate), with five mobile stations, utilised for specific measuring campaigns.

Milan Linate - Noise monitoring 2012



Note: AEL – Airport Evaluation Level: calculated, in accordance with Ministerial Decree 31/10/1997 – Airport noise measurement methodology, based on the AEL data relating to the three weeks with highest traffic identified in 2012.
Source: SEA

The Linate Airport Commission

In May 2009 the Linate Commission outlined a scenario for the rebalancing of the use of take-off routes at the airport in order to reduce the areas and population impacted compared to the situation in 2004, protecting also the most affected parties. The positive result during the experimentation with the new scenario and the improvement actions undertaken thanks to the contribution of SEA resulted in the Linate Airport Commission approving the noise zoning.

The Malpensa Airport Commission

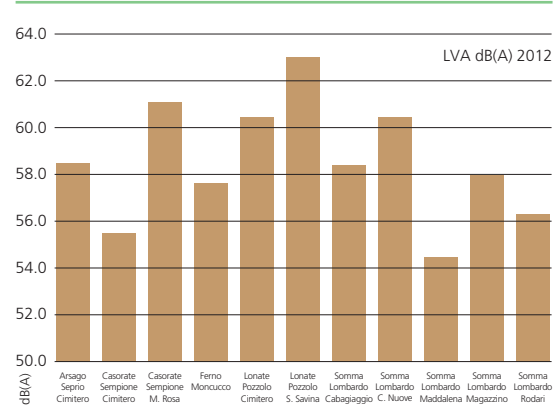
The Malpensa Airport Commission is involved in the rebalancing of traffic, which significantly altered following the de-hubbing of Alitalia. In September 2010 a scenario was adopted at the airport which allows an equal distribution of take-off traffic on the existing departure routes; significant

SEA operates in collaboration and under the strict control of ARPA in order to improve the monitoring actions and protect the areas which surround its airports.

ARPA, based on the criteria defined by the Lombardy Region Guidelines, classified 10 of the 17 stations at Malpensa in the “Monitoring” category and 4 of the 6 stations at Milan Linate, defining the remaining as “Environmental”. The noise data recorded by the stations is analysed with the assistance of an IT system; radar traces of individual flights provided by ENAV assist the distinction between aircraft noise emissions and general noise. The information breakdown concerning noise pollution and operations at the Milan airports is presented in a specific section of the SEA website:

www.seamilano.eu/it/sostenibilita/sostenibilita-ambientale/rumore.

Milan Malpensa - Noise monitoring 2012



Note: AEL – Airport Evaluation Level: calculated, in accordance with Ministerial Decree 31/10/1997 – Airport noise measurement methodology, based on the AEL data relating to the three weeks with highest traffic identified in 2012.
Source: SEA

positive results were also achieved, such as the absolute silence periods at regular intervals in the area, the shortening of a number of take-off routes with the consequent reduction of CO₂ emissions and the reduction in the change of use of runways. The new scenario therefore resulted in the improved efficiency of the airports in relation to safety, environment and overall airport efficiency.

In 2011 the Malpensa Airport Commission approved the introduction of “offsetting criteria” to rebalance the misalignment in relation to the percentage usage of runways used for take-off; in addition, the introduction of a new take-off route with the objective to further minimize impacts on the surrounding area is currently under review.

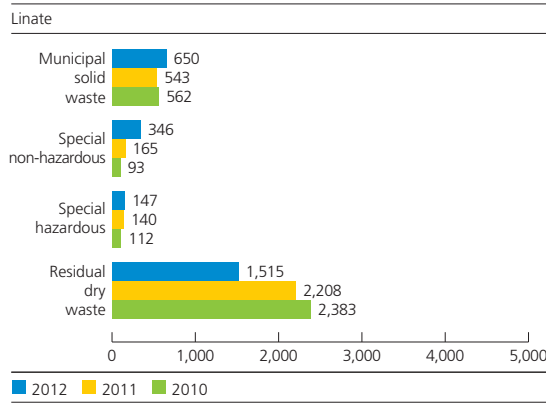
Waste management

Waste produced through airport office management, aircraft cleaning, infrastructure maintenance and commercial and catering activity are largely in line

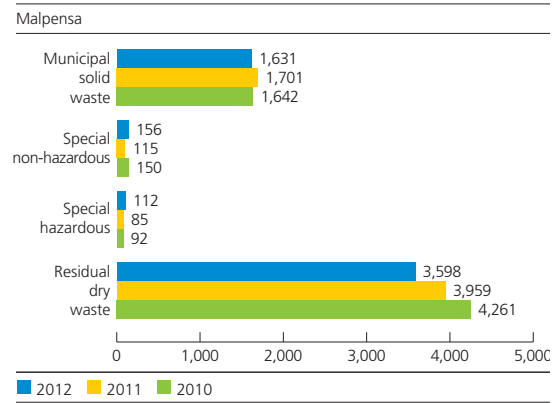
with that produced in general urban areas and are broken down into:

- municipal solid waste
- special, hazardous and non-hazardous waste
- organic waste.

Waste by type (tonnes)



Source: SEA



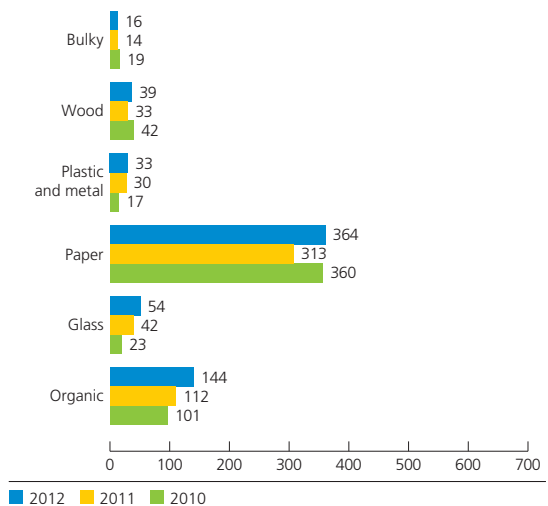
The overall production of waste, amounting to 5,497 tonnes at Malpensa and 2,658 tonnes at Linate, confirms the reduction seen over recent years; this reduction is in line with the area control policies and the progressive restructuring of the operating methods (for example: outsourcing of services).

Separated waste management as defined by Article 183, paragraph 1, Letter P of Legislative Degree 152/2006 was achieved in Linate for 43.0% of waste in 2012 (27.7% in 2011 and 24.3% in 2010) and in relation to Malpensa for 34.5% in 2012 (while amounting to 32.4% in 2011 and 30.7% in 2010).

Separated collection

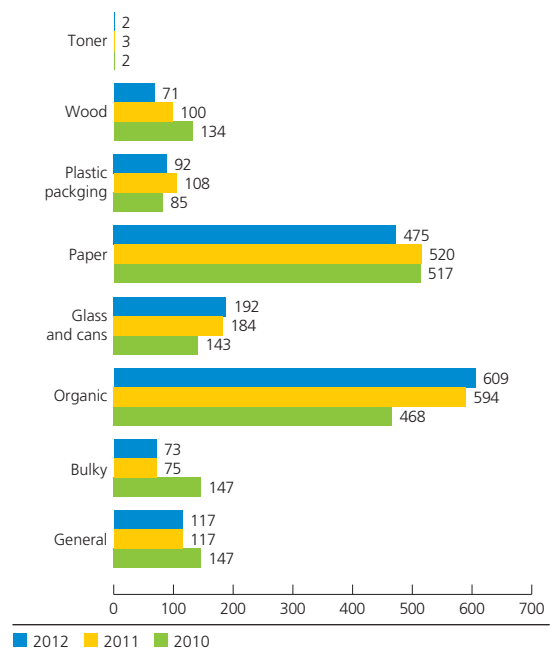
In 2012 the SEA Group confirmed its commitment to separated waste collection at the Linate and Malpensa airports; currently separated waste concerns: paper, cardboard, wood, glass, plastic, metal, toner, organic waste. Separated waste management was introduced also to the areas of the airport open to the public.

Linate - Separated waste (tonnes)



Source: SEA

Malpensa - Separated waste (tonnes)



Source: SEA

Following these actions, the separated waste management at Linate increased, while remaining substantially in line at Malpensa.

The separated waste performance at the airports managed by the SEA Group compares with 2011 as follows: at Milan Malpensa -8.65% for paper, +2.53% for organic waste, +4.35% for glass and cans, -29.00% for wood, -33.33% for toner and -14.81% for

plastic packaging, and at Milan Linate +14.29% for bulky waste, +16.29% for paper, +28.57% for organic waste, +28.57% for glass, +10.00% for plastic and metal and +18.18% for wood.

Landscape and biodiversity

The protection of biodiversity and ecological diversity is of primary importance for sustainable development and in order to guarantee a proper balance between human activities and the natural environment. It is therefore necessary to evaluate the context in which a company operates to analyse its potential impact on biodiversity. The SEA Group is mindful of its position within a green environment, particularly in relation to Malpensa, and this requires a close monitoring of the impact from business activities and a commitment to mitigating actions.

Linate

A number of areas surrounding the Linate airport are within the South Milan Agricultural Park (created by Law No. 24 of 23/4/1990), comprising a vast area which extends over nearly all of the southern half of the province of Milan.

Forlanini Park, one of the major urban parks in Milan, and the Idroscalo lake adjoin the airport. Opened in 1970, the Park draws on the heritage of the Lombardy countryside, characterised by an extensive network of trees and the picturesque Salesina Lake, fed by surface water and rain water which, with extensive surrounding vegetation, provides a good habitat for birds and fish.

Malpensa

The airport is within the Valle del Ticino Regional Park. The Park spans ten of the eleven municipalities within the Malpensa Area Territorial Plan. The only municipality outside the park is Busto Arsizio.

The natural reserves of the park and the relative protected areas are concentrated within the valley of the river, beginning with the Villoresi and Naviglio Grande canals, far from the airport, separated by

wooded areas alternated with protected cultivated zones of little natural value but of high ecological value, also for the lessening of the impact of the airport. The landscaped areas of the Park are located away from the airport, buffered by the residential areas of Somma Lombardo, Arsago Seprio and Casorate Sempione.

The SEA Group previously, with the assistance of the Lombardy Forest Region Company (today ERSAF) has introduced a Malpensa Green Plan relating to the organization – undertaken by SEA and other local bodies – of the green areas within the airport, which concerns principally the replanting and improvement of woodlands and the creation of grass and hedged areas.

SEA recently carried out infrastructural actions at the Malpensa airport which involved a number of wooded areas, however particularly introducing non-native trees such as locust trees and wild cherry plant, for a total of 20.88 hectares.

This offsetting, in collaboration with the Ticino Park, which SEA implemented with the assistance of ERSAF (the Regional Body for Agricultural and Forestry Services), involved a series of investments overall totalling for SEA approx. Euro 2 million, with the planting of over 70,000 trees, concerning:

- replanting for 23.85 hectares;
- forestry improvements for 113.70 hectares.

Under the New Malpensa Master Plan, currently in the authorisation phase, particular attention was focused on the place of the airport within the Park environmental system, establishing a wide range of environmental actions to offset and/or mitigate the loss of part of the natural environment, which was necessary and fundamental for the extension of the airport.

Airport Safety

An effective Safety Management System (SMS), approved and controlled also by ENAC, is in place at the Milan airports. In this regard monthly meetings are held by the Safety Board (a Board within the airport manager) and at both airports Safety Committee meetings are held involving all operators, the airlines, and a range of interested parties concerning the various activities and institutional bodies present at the two airports.

Airport safety policy principles

The principles on which the Airport Safety policy of the SEA Group are based are as follows:

- to guarantee the design and constructive compliance, and its maintenance over time, regarding the flight infrastructure, plant and equipment with national and international standards in relation to efficiency and effective usage, ensuring the maintenance of the highest safety and service quality levels;
- to ensure an ongoing review of operating processes and procedures to achieve the highest compliance possible with national and international regulations concerning safety, quality and operational efficiency/efficacy;
- to introduce a systematic, recurring and sufficient training of all personnel, with a priority for those involved most in operating processes.

Intervention policies

The intervention policies focus upon the following aspects:

- the taking of responsibility for safety issues by all management and individual employees, at all levels

- of the various company activities;
- a need to give priority ahead of all other issues to operating safety;
- the greatest reduction possible of risks related to all land-side operations and in particular those related to aircraft;
- the obligation to maintain safety standards for all operators, companies and external parties of any type within the airport sites;
- maintenance and improvement of the safety level through periodic and systematic risk analysis, system traceability and auditing processes and the identification of specific safety objectives in relation to issues dealt with every month at the meetings of the Safety Board and of the Safety Committees;
- ongoing education and communication so that all events which may affect safety are flagged and subsequently examined.

Wildlife Strike: prevention and monitoring

The prevention and monitoring of wildlife strikes is governed by the “Risk reduction plan from bird and wild animal impacts” and the relative Operational Procedure, both included in the airport manuals. Particular attention is given to the manoeuvre area with the use of modern equipment acquired on the international market. In support of this activity, SEA utilises the company BCI (Bird Control Italy, the sector leader in the prevention of bird strikes and which carries out operations at the majority of Italian airports).

The preventative measures adopted concern the monitoring and the ongoing removal during daylight by biologists and bird experts within the Bird Control Unit. At both airports, a fixed removal system called “Space Control” is in place, in addition to a series of noise deterrent devices.

Wildlife striking indicators

	Linate			Malpensa		
	2010	2011	2012	2010	2011	2012
Wildlife Strike (1)	4.8	3.2	9.7	2.3	3.8	2.8
Wildlife Strike (2)	n.a.	0.11	0.31	n.a.	0.45	0.19

(1) Annual rate per 10,000 movements

(2) Risk indicator BRI2 calculated according to the new Circular APT-01A ENAC

Source: SEA

Safety Management System Indicators

To monitor the efficacy of the airport Safety Management system, SEA utilises a number of quantitative elements both at Linate and Malpensa which are reported as follows:

- the GSR (Ground Safety Reports);
- the indicators of the principal events encountered at the SEA Group airports.

The Safety Management System is controlled and certified by ENAC and the ENAC supervision team also verified its substantial correctness.

The GSR in 2012 respectively numbered 407 for Malpensa and 300 for Linate; the indicators of the principal events encountered at the SEA Group airports did not present particular problems in relation to the maintenance of adequate levels of aeronautic safety.

Malpensa	2010	2011	2012
GSR's received without bird strikes	248	361	407
Aircraft and/or airport resource damage	32	31	20
FOD	23	41	23
Right of way violation	19	24	33
Bird strike reporting form	44	72	48
Linate	2010	2011	2012
GSR's received without bird strikes	198	186	300
Aircraft and/or airport resource damage	10	15	20
FOD	14	8	9
Right of way violation	12	12	19
Bird strike reporting form	58	31	93

Source: SEA

Sustainability of socio-economic relations

Human resources

In pursuit of the business, process efficiency, improved information distribution, involvement and enhancement of internal skills objectives within a context of social collaboration, in 2012 SEA endeavoured to:

- strengthen the corporate structures to involve and assist individuals in development and change;
- encourage dialogue between employees and their clients, investors, the region and institutions;
- develop training and knowledge management in support of the development of corporate and individual skills;
- computerise the communication processes, access to services, to documents and to procedures, simplifying the distribution and access methods.

Efforts were concentrated on achieving innovative solutions to manage individuals and information through ongoing improvements of the internal communication channels.

Employee breakdown

At December 31, 2012, SEA Group employees numbered 5,054, decreasing by 36 on the end of 2011 (-0.7%). The overall Headcount Equivalent in the period January-December 2012 compared to the full year 2011 reduced by 60 from 4,914 to 4,854 (-1.2%).

SEA Group workforce

Year	Executives and managers	White-collar	Blue-collar	Total
2012	346	2,902	1,806	5,054
2011	346	2,880	1,864	5,090
2010	334	2,919	1,925	5,178

Source: SEA

Diversity and equal opportunities

Females represented 31% of the SEA Group workforce at December 31, 2012, with a significant number in the white-collar category, due to a strong female presence in the front-end areas.

SEA Group workforce by gender and professional category

Professional category	2010			2011			2012		
	Women	Men	Total 2010	Women	Men	Total 2011	Women	Men	Total 2012
Executives - managers	102	232	334	106	240	346	106	240	345
White-collar	1,367	1,552	2,919	1,341	1,539	2,880	1,363	1,539	2,903
Blue-collar	80	1,845	1,925	78	1,786	1,864	79	1,727	1,806
TOTAL	1,549	3,629	5,178	1,525	3,565	5,090	1,548	3,506	5,054
Distribution %	29.9%	70.1%	100%	30.0%	70.0%	100%	30.6%	69.4%	100%

Source: SEA

On the other hand, in the blue-collar category, the higher presence of men is due to the load lifting limits imposed by the regulation on the manual movement of loads in force for the female population compared to the male population.

3.36% of the personnel fall within the protected categories (disabled).

Pay gap by gender

Female/male salary and remuneration ratio by category

Professional category	GAS (1)	Income (2)
Executives - managers	82%	78%
White-collar	103%	95%
Blue-collar	92%	85%

(1) Female/male average gross annual salary ratio

(2) Female/male average overall income ratio

Source: SEA.

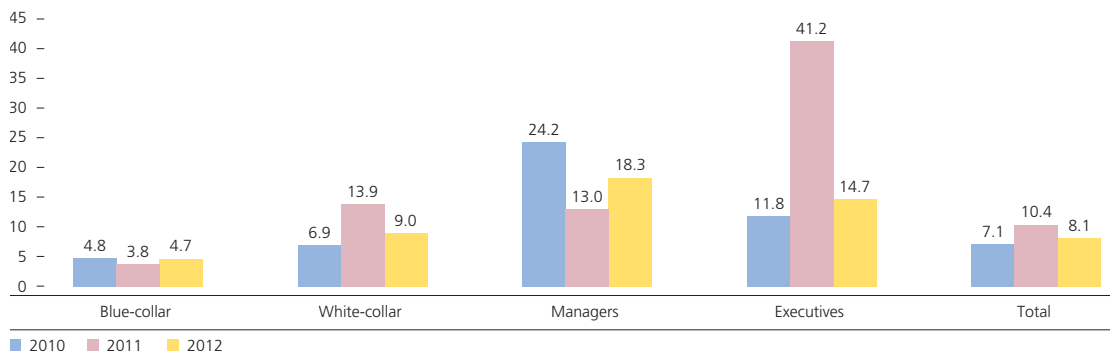
An analysis of the data highlights a difference between the average salaries of men and women, particularly

in relation to overall income (annual income), which includes in particular the various bonuses for working more inconvenient shifts within the day/week. The data relating to the GAS differential within the white-collar category is due to higher average contractual commitments among females in the category. The highest differential between men and women is within the Executives-senior managers category, in part due to the reduced number of females in more senior management positions.

Training

The scheduling and provision of training plans is in general based on a needs analysis carried out according to an evaluation of skills within all of the professional categories. For mandatory training, reference was made to the specific applicable regulations. Overall training hours numbered over 90,000, increasing slightly on 2011 (+2.2%).

Average annual number of training hours by professional category



Nota: The data does not include the mandatory training hours and refers to SEA and SEA Handling
Source: SEA

In relation to non-mandatory training, which represents 43% of total training hours, a reduction of 23% in the number of hours provided was recorded, with a corresponding increase of those dedicated to mandatory training (+37%).

Consequently, the average number of training hours reduced (-22%) – net of mandatory hours – within all categories, with the exception of managers, involved in Business Economics courses (+41%).

Average number of training hours by gender



Note: the data does not include mandatory training hours and refers to SEA and SEA Handling
Source: SEA

Professional development

Evaluation of Skills

In completion of the skills assessment process of the Group and in order to draw up personalised development plans, in 2012 the evaluation activity concluded with the provision of certification relating to specific professions through the feedback interview with the individual Managers. The feedback interviews involved, throughout the process, over 4,700 persons within all professional categories.

For Executives and Managers, in 2012 the second evaluation campaign of skills and duties was carried out.

The SEA Professional System and the results from the recording of skills were taken as the starting point for the introduction in 2012 of a project focused on

defining professional development paths, in order to improve the skills of individuals and to assist them in their professional development.

The SEA Professional System today covers 145 job categories and 27 professional families.

Professional system numbers

4777 persons surveyed
27 professional families
145 job categories
887 skills recorded
approx. 300 individuals involved in the recording process

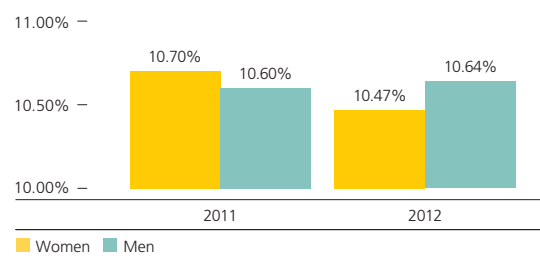
In relation to skills pertaining to the individual job categories, professional courses were drawn up for the management of internal mobility, both horizontal and vertical, identifying the relative source and destination job categories, the relative skills and, in particular, the expected level of coverage with regard to key skills for transfer to a new job category.

Performance and career development evaluations by gender

The percentage of employees by gender who have received regular performance evaluations is in line with the previous year regarding Executives and Senior Managers.

In 2013, a project for the allocation of performance objectives to a target group of company Senior Managers is in the kick-off phase.

Employees involved in formalised performance evaluation processes



Source: SEA

Involvement and information

e.Point

As part of the investments undertaken over the last three years for the development of internal communication channels and the review of work processes, in 2012 SEA implemented innovative solutions in the human resources area.

In 2012 the experience of SElinSEA saw the development of access to the intranet platform through the creation of a new portal – e.point (<https://epoint.seamilano.eu>) – dedicated to all Group employees.

The portal provides a flexible and effective communication channel for company employees (numbering 4,000 persons), which, due to the nature of the airport business, are based at airports or aircraft stands, without access to a work station with a PC (so-called deskless users).

Under a continuous innovation process and in a 2.0 logic, in the immediate future, SEA is committed to create a new company intranet which, drawing on the experience of SElinSEA, with a view to integrating with the various experiences achieved over the years, will develop an integrated information, communication, collaboration and knowledge management environment.

Employee benefits and company Welfare

The governance of Welfare SEA was implemented in

2012 through an innovative model which integrates the various components involved in the provision of services to Group personnel. In addition to the presence of SEA and the Cassa Assistenza Integrativa (Health Fund), in April a new bilateral governance body was introduced with the merger of the two Employee Recreational Centres of Linate and Malpensa and the creation of the Noisea Association, a body which manages the recreational and instructional activities.

In relation to SEA, new initiatives were introduced:

- The Seniors Help Desk, which through a web platform and telephone channel, provides useful support and information for those encountering problems and emergencies related to the assistance of seniors, persons with chronic illnesses and the disabled;
- a listening and assistance service carried out by qualified social workers for the management of serious family, psychological and financial problems.

Access to the “SEA for you” welfare services

In the 2010-2012 three-year period, despite the overall reduction in the workforce, the number of persons benefitting from Welfare initiatives increased.

The following table summarises the access to company welfare services by employees (full-time and part-time) over the last three years.

“Sea per te” – Access to services 2010-2012

Initiative	Beneficiaries		
	2010	2011	2012
Study grants	912	911	925
Trips for the elderly	58	68	81
Gift Vouchers	2,421	2,454	2,472
Anti-flu injections	431	448	266
Home-work transport	320	167	308
Social services (personal loans)	462	526	574
Summer centres	331	366	396
Thermal care	133	138	103
Health Fund (check-up)	444	600	556
Health Fund (general)	3,879	3,674	2,869
Accident insurance	17	14	5
Flexible hours (annual average data)	865	785	795
Part-time mother (annual average data)	114	118	118
Medical visits	776	362	313

Source: SEA

Parental leave

The data relating to the right and usage of voluntary leave is also based on the right, established by SEA welfare, for all mothers to benefit from a reduction of

working hours to 5 hours a day until their children reach five years of age and the drawing up of a work schedule which ensures, even after a first appraisal, a correct balance between work and home life.

Right and usage of voluntary leave

Company		Women	Men
SEA	Right	196	231
	Usage	91	128
SEA Handling	Right	256	301
	Usage	193	174

Source: SEA

The following table relating to parental leave (excluding voluntary leave) highlights:

- nearly all users return on schedule to work after the birth of their child;
- fathers extensively utilise the option and increasingly assist mothers in taking care of children;
- only in one percent of cases was the absence followed by a different form of absence.

Pension plan

The Pension Fund of Società Esercizi Aeroportuali – FONSEA, an individual complementary Pension Fund for employees of the participating companies provides a complementary pension to the obligatory pension, in accordance with Legislative Decree No. 252 of 5/12/2005.

Pension Fund	2011	2012
Number of subscribers	4,825	4,828
Net pension assets (millions)	125	138
Fund yield	3.52%	3.59%

Source: SEA

Health & Safety

SEA workplace safety in 2012

Among the wide range of activities carried out in the year we highlight in particular:

- training courses for employees in the management of fire emergencies, carried out at the fire fighting training field located at Malpensa, which resulted in the certification of approx. 114 new employees

operating at the Linate and Malpensa airports. The result was achieved also thanks to the direct involvement of the Fire Service for the “on-site” certification exams;

- an updating of the work stress risk evaluation which confirmed also for 2012 a risk level classified as “low”;
- in relation to the fire risk, the updating of the risk evaluation for all buildings at Linate and at Malpensa and the continuation of emergency and evacuation exercises scheduled at both airports with positive results reported;
- surveys relating to noise risk evaluation in accordance with Legislative Decree 81/2008, with the updating of the worker exposure levels;
- updating of the mapping of electromagnetic field levels (high and low frequency) at both airports, both outdoor and indoor, in line with the work environment and the spaces open to the public;
- evaluation of risks related to the use of specialised equipment;
- analysis of closed environments with potential pollution risks, in accordance with Presidential Decree 177/2011, and their mapping with the security measures to be undertaken during work in this areas;
- with the support of a certified external laboratory, the recording and acquisition of data for the updating of the risk evaluation concerning the possible presence of “RADON Gas” in particular environments (underground).

Accident statistics

The analysis of accidents highlights significant differences between SEA and SEA Handling, due to the different types of activity carried out.

SEA Group accident indicators					
		Linate	Malpensa	Men	Women
Overall	2010	5.73	9.78	9.56	5.19
Accident	2011	6.01	7.58	8.14	4.04
Rate	2012	6.14	7.00	7.72	4.08
External Transport	2010	0.95	2.25	1.67	2.24
Accident	2011	1.04	1.22	1.14	1.21
Rate	2012	1.34	1.24	1.17	1.55
Professional illnesses	2010	0.00	0.24	0.22	0.00
Rate	2011	0.00	0.29	0.26	0.00
Rate	2012	0.16	0.41	0.45	0.00
Overall Gravity Index	2010	171.85	329.26	305.76	193.73
Gravity Index	2011	163.34	186.17	189.15	149.19
Gravity Index	2012	134.26	145.22	162.65	86.69
External Transport Gravity Index	2010	41.35	101.49	85.57	69.26
Gravity Index	2011	33.09	55.65	47.79	48.72
Gravity Index	2012	52.26	36.08	44.13	35.28
Deaths	2010	-	-	-	-
	2011	-	-	-	-
	2012	-	-	-	-

Note: Accident statistics concern all events which resulted in at least a half-day absence from work, in addition to the day of the accident. In calculating the days of work lost, the calendar days in which the worker was absent is considered, excluding that on which the accident took place.

The figures relating to professional illnesses relates to cases reported in the year and not to the number of professional illnesses effectively recognised by INAIL for the same period.

The accident data was calculated according to the methods defined by the LA7 indicator of GRI version 3.1.

Source: SEA

In particular, excluding external travel accidents, the principal causes of accidents at SEA relates to situations not considered particularly significant in the context of professional risks such as, for example, from walking (slipping, stumbling), while for SEA Handling the principal causes of accidents relates to those involving ramp equipment.

Analysing the accident statistics of the SEA Group, a significant proportion of accidents concern external travel (occurring therefore in the work/home commute), in particular in 2012 the increase at Linate of this category of accident resulted in a slight increase in the accident rate.

Professional illnesses

In consideration of the low number of professional illnesses in comparison to the number of employees/parties involved, it may be stated that within the professional activities carried out by the SEA Group, a high incidence or high risk of specific professional illnesses is not present.

OHSAS 18001 Project

In November 2012 SEA received from TUV Italia certification of its Workplace Health and Safety Management System in line with the BS OHSAS 18001:2007 regulation, as established by Article 30

of Legislative Decree 81/2008 for effective organisational models in line with Legislative Decree 231/2001. Certification was achieved following a process which involved a number of phases, both documental and operative, involving all company operational units.

The achievement of this objective, in addition to confirming the particular focus of the Company on workplace safety, validates the path taken, which seeks to continually improve health and safety conditions through the promotion of a culture based upon the improved knowledge and involvement of all parties involved, at all levels, on prevention issues.

Absenteeism

Absenteeism rates have increased consistently over the three-year period for SEA employees at Linate (from 2.97 in 2010 to 3.40 in 2012 for females; from 2.86 in 2010 to 3.35 in 2012 for males). A similar trend, although to a lesser extent, was seen for SEA employees at Malpensa.

For SEA Handling, a fluctuating trend is reported for workers at Linate, both males and females, while the absenteeism rate at Malpensa significantly reduced (from 4.37 in 2010 to 3.73 in 2012 for women; from 5.39 in 2010 to 4.45 for men).

Company	Absenteeism rate by company, location and gender											
	2010				2011				2012			
	Linate		Malpensa		Linate		Malpensa		Linate		Malpensa	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
SEA	2.97	2.86	3.98	2.88	3.01	3.05	4.02	3.19	3.40	3.35	4.07	3.14
SEA Handling	3.23	4.56	4.37	5.39	2.98	4.09	4.10	4.73	3.68	4.17	3.73	4.45
SEA Energia	0.00	2.01	2.75	4.60	0.00	5.89	0.00	2.21	0.00	3.05	6.61	1.29

Note: the absences considered concern unplanned absences (for example illness, accident etc.), while planned absences are excluded (for example holidays, maternity etc.).

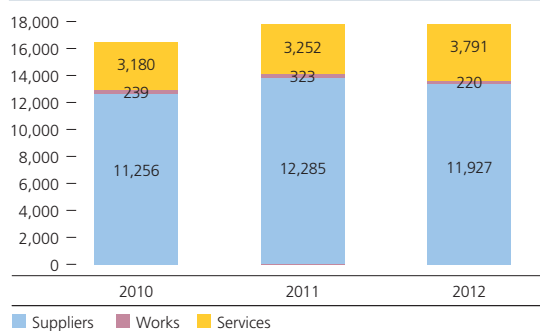
Source: SEA

Suppliers

Supplier relations policy

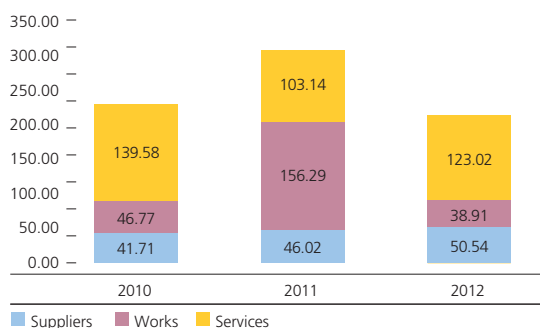
The SEA Group considers its suppliers as an integral part of the sustainability process. Therefore, in choosing its partners, the SEA Group – in addition to considering the qualitative and financial aspects of suppliers and compliance with regulatory obligations (among others the correct payment of contributions to employees) – considers also the sustainability aspects of suppliers.

Number of orders by type



Source: SEA

Value of orders by type



Source: SEA

Therefore, the Suppliers' Register, in place since may 2011 requires specific information and evaluations on the handling of sustainability by its suppliers. In particular in relation to:

Environment

Any environmental management system certifications of potential suppliers are evaluated (such as UNI EN ISO 14001 or the EMAS registration), in addition to product environmental certification (ECOLABEL, FSC, PEFC, recycled plastic and other certifications), the means for internal management of environmental issues such as waste, packaging, the use of materials with recycled content or recyclable, the collection of recyclable materials for recycling, the use of materials with low emissions or low energy consumption and the manner for selecting its suppliers in accordance with environmental characteristics.

Safety

The level of attention and the management of safety profiles through the workplace health and safety management system (if certified in accordance with Legislative Decree 81/2008, under the UNI-INAIL guidelines or the OHSAS 18001 regulation) is analysed, in addition to the presence or otherwise within the company of a Prevention and Protection Service, the presence of a Safety Officer, who analyses the individual contracts/orders, whether at least once over the last three years the INAIL rate has reduced, the number of accidents reported over the last three years, the introduction of a safety training program and the verification of understanding after each training event.

Corporate Social Responsibility

Suppliers are requested to describe any company initiatives to develop a socially responsible approach to the planning and management of the business, in order to ensure that SEA may form a supply chain which contributes to the achievement of sustainable development. In addition, particular attention is placed on the profile level regarding the organisational model as per Legislative Decree 231/2001, in addition to the adoption of an internal Ethics Code by the supplier.

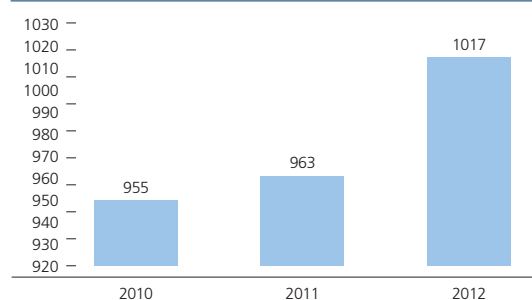
Selection of suppliers

The method for the selection of suppliers awarded contracts is based on the following major categories:

- public tender contracts, awarded following the publication of a tender notice;
- contracts which, based on their value or, as relating to specific services, are considered according to a specific "best offer" procedure;

In relation to the public tenders, the selection of candidates is based on specific criteria, in addition to the economic – financial and technical capacity of the applicant, in compliance with Legislative Decree 163/2006 or sector regulations, in addition to the principles of competition and transparency.

Total number of contractors



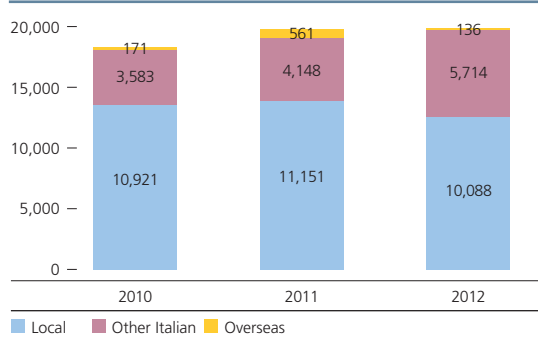
Source: SEA

In relation to the “best offer” contracts, the internal procedures provide for the application of at least five Suppliers, among those included in the Suppliers’ Register in compliance with the principle of rotation and considering their characteristics in line with the offer. For qualified suppliers within goods categories relating to certified areas and for suppliers with a significant or strategic commitment towards SEA, an evaluation during execution of the contract is carried out in which an opinion is drawn up by the internal user managing the contract, which analyses the operational, organisational and conduct profile of the supplier within the supply contract execution. A negative result from the verification results in suspension from the Register for the goods category in the case of serious failure to perform.

Impact of the airports on the local community

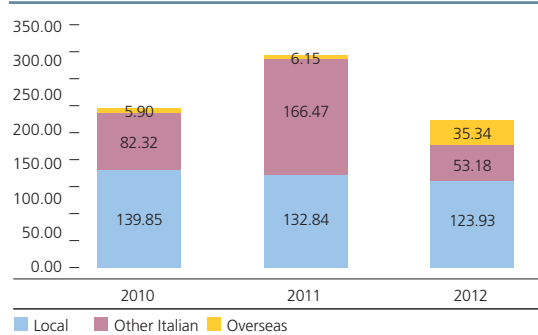
In relation to the geographical origin of suppliers, the SEA Group does not utilise specific tools to favour the selection of suppliers from particular areas, both due to the public tender conditions and due to the choice of the Group to prioritise the qualitative, financial or sustainability aspects of the supplier.

Number of orders by geographic origin



Note: Local concerns suppliers based in the provinces of Lombardy, Novara and Piacenza
Source: SEA

Value of orders by geographic origin (millions of euro)

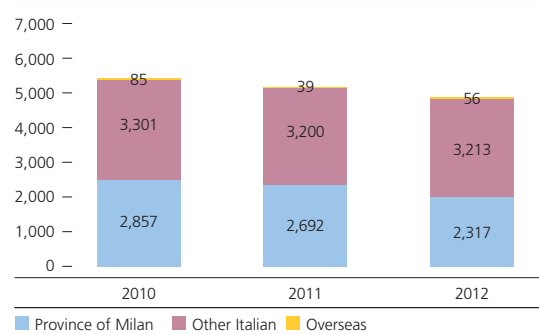


Note: Local concerns suppliers based in the provinces of Lombardy, Novara and Piacenza
Source: SEA

However, the economic impact generated on the areas surrounding SEA Group activities in terms of suppliers of goods and services is particularly significant: in 2012 in fact the number of orders from local suppliers accounted for 63% of the total, while the value of orders from local suppliers accounted for 58% of the total.

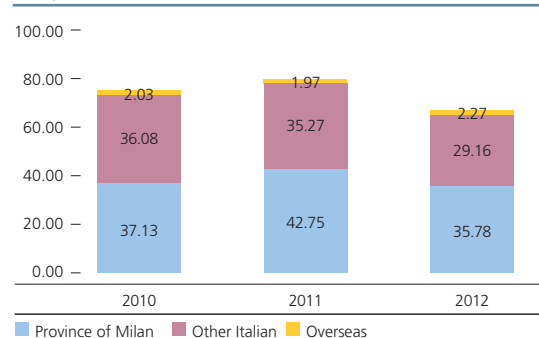
At Linate airport the number of orders from suppliers based in the province of Milan accounted for 41%, for a value of 53%.

Linate - Number of orders by geographic origin



Note: Compared to previous years, the figures refer to positions where the service/supply/work has already been provided.
Source: SEA

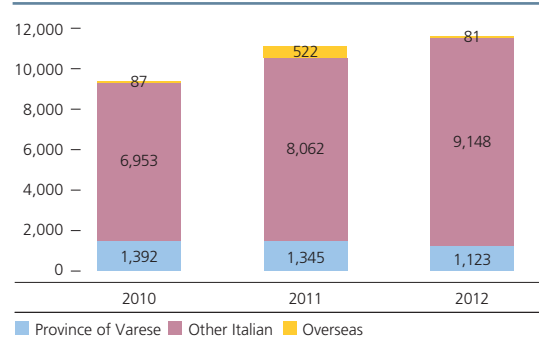
Linate - Value of orders by geographic location (millions of euro)



Note: Compared to previous years, the figures refer to positions where the service/supply/work has already been provided.
Source: SEA

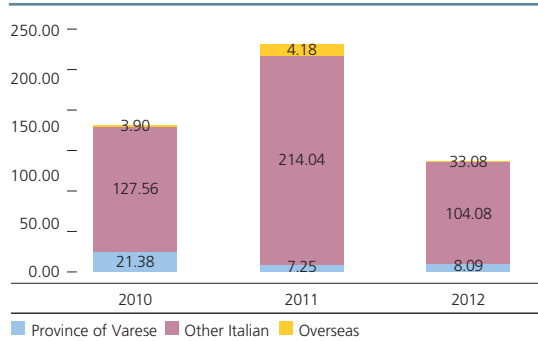
At Malpensa the number of orders from suppliers located in the province of Varese accounted for 11%, with a value of approx. 6%.

Malpensa - Number of orders by geographical origin



Note: Compared to previous years, the figures refer to positions where the service/supply/work has already been provided.
Source: SEA

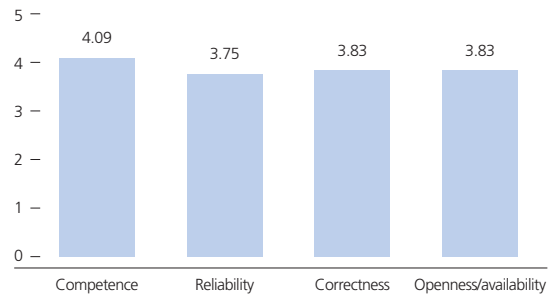
Malpensa - Value of orders by geographic location (millions of euro)



Note: Compared to previous years, the figures refer to positions where the service/supply/work has already been provided.
Source: SEA

relationship with SEA useful or constructive and 84% professed strong or sufficient trust in the company. The opinion expressed in relation to the quality of management is also complementary.

SEA management evaluation (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

Suppliers' opinion of SEA

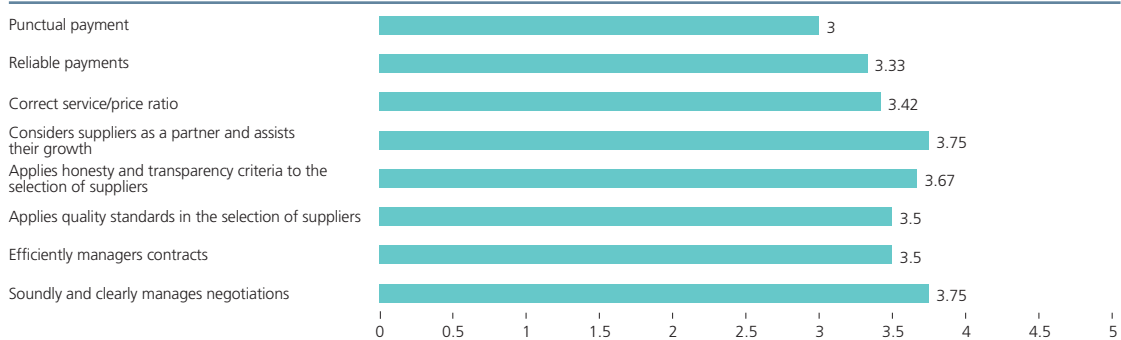
The reputation of SEA and the quality of its relations with supplier stakeholders can be seen in a survey carried out by SWG, the leading market research institute, in 2013. From a panel of 111 internal and external stakeholders, 13 suppliers were interviewed.

Quality of the relationship

75% of suppliers interviewed stated on average to having contact with a SEA Manager on 5 occasions during the year. 83% of suppliers consider the

According to suppliers, the strongest points concerning relations with SEA are the capacity of the company to clearly and soundly manage its business partners, in accordance with quality standards and the soundness and clarity of negotiations and the company's ability to establish effective partnerships with its suppliers. The capacity of the company to select suppliers honestly and transparently and according to high quality and contract management efficiency criteria also received very high scores. Reliability and punctuality of payments also received more than adequate evaluations.

Relations with SEA evaluation (scale 1-5)



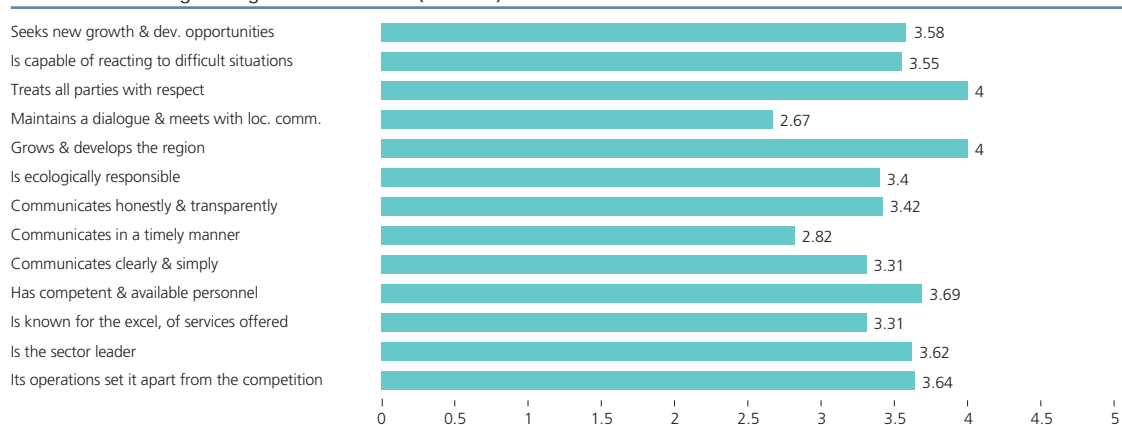
Source: SWG, Survey of SEA Group stakeholders 2013

Evaluation of the distinguishing features of SEA

The suppliers of SEA particularly consider the company as a growth driver for the region, generating wealth and development. Other features which figure prominently in the opinion of suppliers include the

capacity of the Group to treat all partners with respect and the competence and availability of its personnel. Original thinking, the sector leadership and the capacity to seek out new growth and development also received very strong reviews.

Evaluation of distinguishing attributes of SEA (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

Among the aspects which received less than positive feedback concerned the approach to dialogue and

meetings with the local community and the timeliness of communication.

Passengers

The SEA Group objective is to guarantee continued improvement in the level of services provided to its airport clients, both directly by SEA and by other independent operators within the airports and which impact upon the customer experience.

Services Charter

The airport Services Charter is an instrument created to establish the service quality level which the airport manager guarantees to passengers.

Through this document, the management of SEA – together with the airlines and companies which provide services to passengers – communicates to passengers the quality objectives under which specific commitments have been undertaken in relation to the level of services offered.

The qualitative and quantitative standards guaranteed by the airport manager are established through the monitoring of a number of specifically identified indicators.

The Services Charter contains also information and advice useful to passengers as a guide for the utilisation of the airport infrastructure and services. The SEA Services Charter is distributed also through the information desks present at the airports, or may be downloaded from the website www.seamilano.eu.

Quality of service provided to passengers

At a European level, flight punctuality – both arriving and departing – in 2012 improved on the monthly data of the previous year. Over 83% of flights were punctual both in departure and arrival, with an improvement of more than approx. 2.5 percentage points compared to the same period of 2011.

Malpensa

In 2012 with departing passenger flight punctuality at 85%, Malpensa improved its performance by over 2 percentage points compared to 82.7% in 2011. Malpensa confirmed its reputation for punctuality: punctuality improved (+1.2%). In particular the performance gap between the two Terminals closed: Malpensa 2 reported departing punctuality of 88.4%, while Malpensa 1 reported 83.6% for the year.

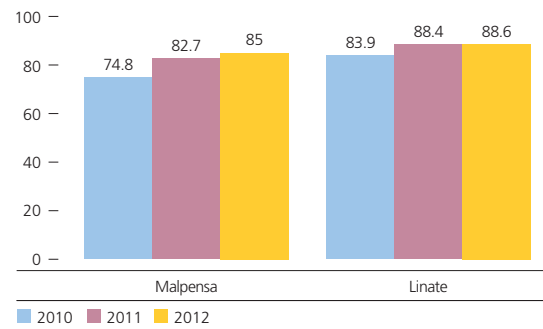
The baggage delivery times reported were well ahead of that declared in the Services Charter:

- the delivery of the first bag within 27 minutes was achieved for 96.5% of flights to Malpensa 1 and for 96.7% to Malpensa 2;
- the delivery of the last bag within 37 minutes was achieved for 93.1% of flights to Malpensa 1 and for 98.0% to Malpensa 2.

At Malpensa 1 the performance was in line with the same period of the previous year, while at Malpensa 2 an improvement of over 2 percentage points was reported.

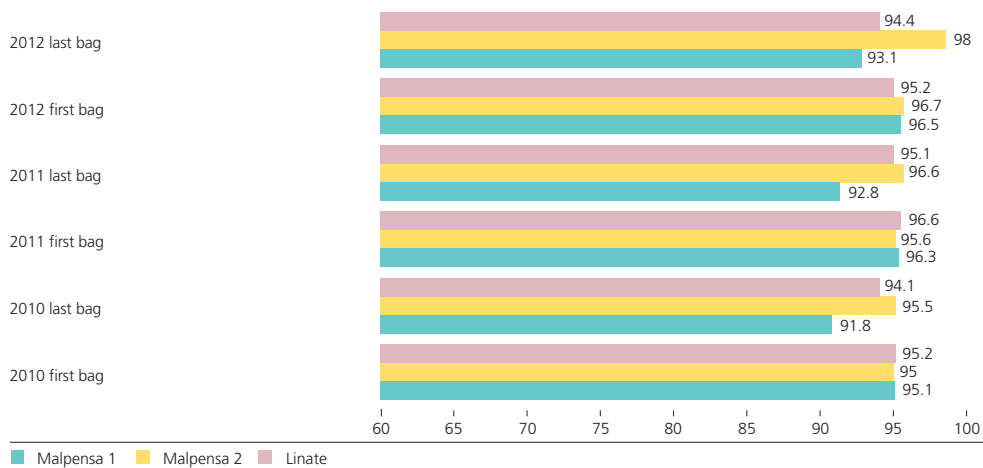
Misdirected bag figures were in line with the previous year at Malpensa 1 (4.2 misdirected bags for every 1,000 departing passengers). The figures concerning Malpensa 2 however improved, decreasing from 0.8 bags per 1,000 departing passengers in 2011 to 0.6 in 2012. In particular, a lower proportion of bags were misdirected due to the operation of the baggage allocation plant. At Malpensa 1 the responsibility for misdirected baggage was allocated as follows: 16% to the manager SEA, 42% to airlines and 42% to handlers.

Departing passenger flight punctuality (% within 15 minutes)



Source: SEA

Baggage delivery (% within the time limit fixed by the Services Charter)



Source: SEA

Linate

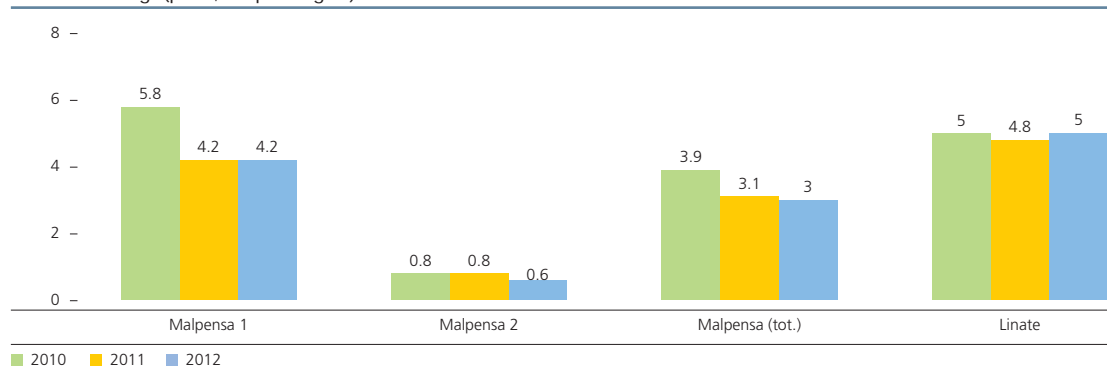
Linate departing punctuality in 2012 was 88.6%, slightly improving on 2011. Within the general European context described previously, Linate, although reducing slightly (0.4%), maintained its capacity to recover arrival delays. This should be considered significant as achieved amid previously very high arrival punctuality, improving therefore on the strong results in the previous year.

Arriving baggage management is governed at this airport by rather more stringent objectives compared to Malpensa and in line with the most advanced European level targets. This requires significant effort and a continuous focus on the process to ensure the delivery of the commitments undertaken. The

delivery of the first bag within 18 minutes was achieved for 95.2% of flights, while the delivery of the last bag within 25 minutes was achieved for 94.4% of flights, in line therefore with the previous year.

The number of misdirected bags (5 bags per 1,000 departing passengers) deteriorated (although only slightly) compared to the previous year (4.8 misdirected bags per 1,000 departing passengers). In 2012 the quantity of bags from other airports which frequently cause space/weight problems related to various types of aircraft increased, with the consequence that some bags may not be correctly unloaded. The number of difficulties relating to the baggage allocation plant however improved slightly (0.5 in 2012 compared to 0.6 in 2011).

Misdirected bags (per 1,000 passengers)



Source: SEA

Persons with Reduced Mobility services

From July 2008 SEA implemented all aspects of Regulation (EC) 1107/06 and the relative ENAC circular which allocated to the airport management companies the responsibility for Passengers with Reduced Mobility (PRM) and the duty to provide assistance to such passengers. From this point, the service was no longer provided under a competitive system, but rather as a centralised service remunerated under a tariff applied to all departing passengers. For both airports, in 2012 assistances provided by SEA increased (more than 70,000 at Malpensa and more than 44,000 thousand at Linate). The service level for such assistance is recognised by the airlines as a distinguishing feature of the Milan airports: the parameters are systematically complied with, the satisfaction is in line with the declared objectives and complaints received number less than ten.

In order to increase the satisfaction level of users of these services, SEA has undertaken a certification path for airport assistance services to Passengers with Reduced Mobility. The process successfully concluded in 2011 with receipt of the certificate TÜV IT 005 MS from TÜV Italia.

Airport Passenger Contingency Plan

On conclusion of the 2012/2013 winter season, the Airport Passenger Contingency Plan reached its third year from start up in October 2010.

The weather events which resulted in a reduction in airport operating capacity, although reduced on the two preceding years, further confirmed the efficacy of the structure.

Although on the one hand the containment of airport operating difficulties allowed the testing for the third year of the contingency plan, on the other it also allowed the implementation of the online channels (Twitter and the website) to communicate situations of reduced operations and the relative updates, a number of hours in advance.

The potential of Twitter to establish contact with Milan airport passengers was developed thanks to the use also of the websites, although with a lower capacity for timely communication, in the specific “news” and “alert” sections, which in the cases of Contingency communicate also news in relation to the operational state of the SEA airports.

Customer Satisfaction

Global satisfaction level of passengers in 2012

The analysis of Customer Satisfaction concerning services provided at the airports managed by SEA in 2012, conducted by SWG, reports a stable passenger satisfaction level overall at Linate and Malpensa, at very strong levels (96% at Linate and 97% at Malpensa for the number of passengers declaring overall satisfaction with their airport experience).

Complaint management

In order to provide a comprehensive and coherent response to all requests, complaints and alerts were closely reviewed and forwarded to the relevant SEA personnel or to airport body personnel or those employed by the numerous companies operating at the airport.

SEA analyses all complaints in order to deal with all critical issues highlighted at the airport system, whose overall proper functioning is the institutional responsibility of the company. The new operational CRM system in place since May 2012 has certainly facilitated passengers in sending complaints and has assisted SEA in their management. The passenger, contacting the call center, may receive information on the state of the case. The percentage of complaints sent via web maintained at 70%, in line with 2012. In 2012 the rate of Milan airport complaints reduced by 25 complaints per million passengers, placing the airports managed by SEA among the best in Europe in this regard.

Complaints classification by issue in 2012



Source: SEA

Customer relationship projects

ViaMilano

In 2012 the “ViaMilano” service was consolidated from a communication and distribution viewpoint, in relation to the “value proposition” for passengers and the improvement of the operating procedures. The totality of these actions enabled the reaching of over 200,000 ViaMilano transits.

Among the additional services offered to passengers utilising “ViaMilano”, we highlight:

- baggage acceptance desk at which transiting passengers can deliver their bag reclaimed from the first flight for transfer to the succeeding flight;
- dedicated transfers within the airport for “ViaMilano” service clients with high frequency shuttle buses;
- specialised assistance for airport security controls, allowing customers to save time, with a consequent increased efficiency in flight connections;
- shopping discounts at Milan Malpensa;
- free insurance guaranteeing repayment of expenses for the purchase of an alternative flight in the case of a missed connection;
- free Wi-Fi;
- access to the VIP lounges.

Customer Relationship Management

In 2012 the Customer Care and IT Departments created within the “online strategy” a supporting technological platform to manage passenger relations. In 2012 the number of users registered on the SEA CRM system exceeded 400,000. The significant improvement was achieved through the ViaMilano competition and the new Wi-Fi system.

Over 240,000 subscribers provided consent to the company to receive newsletters and research questionnaires, through which SEA may inform airport users and at the same time acquire opinions and useful evaluations to develop its airport services offer. From May 2012 the CRM Operativo system has been in place at the Call Center, a system which allows personalised contact between the SEA operators and the registered passenger, accessing client data from all Customer Care contact channels (complaints, e-commerce, requests for information, lost & found, ViaMilano and ViaMilano.program).

Family Friendly Airport

In 2012 the “Family Friendly Airport” project was introduced. The initiative, which assists passengers departing from SEA airports, utilises the image of Geronimo Stilton, a character known to children through a collaboration with the publishing company Edizioni Piemme, coordinated by Atlantyca Entertainment, holder of the character rights.

At Malpensa 1, from December 21, 2012 to January 3, 2013 the image of Geronimo Stilton directed families flying with babies and children up to 12 years of age through a dedicated and personalised lane called the “Family Lane”, allowing approx. 25,000 passengers to avoid the security queues. On this occasion a booklet for children was distributed, with useful information for travelling in the airport together with family (from security controls to refreshment services) and games.

Integrated digital platform project

Among the technological initiatives scheduled at EXPO 2015, in collaboration with CEFRIEL, SEA together with other regional enterprises (ATM, Trenord, Serravalle, InfobluTraffic, Ferrovie etc.) has focused upon a number of transport information issues. Passengers arriving at the airport may see in real time, through installations comprised of 6 large monitors (two at Linate and two at Malpensa 1 in the arrivals and baggage reclaim zone), information on regional travel (road information, rail timetables, underground information, ring road webcams etc.). Under this initiative, which utilises the internal data of the so-called Ecosistema designed with CEFRIEL for EXPO, SEA’s solution demonstrates the concrete, pragmatic and effective applicability of information shared based on end-user needs and which is interactive.

Customers

Aviation customer identity and classification

In 2012 the reduced concentration of traffic continued to be a distinguishing feature of the Milan airport system. In particular, in 2012 Malpensa was confirmed as the European airport with the most contained leading airline overall share. The Malpensa offer is less concentrated than all other major European airports. During the year the leading passenger airline was the Alitalia Group, which represents 28.2% of total traffic at the airports (over 7.8 million passengers, principally served by Linate), followed by easyJet at 22.4% (with 6.2 million passengers, of which 95% at Malpensa).

Principal passenger airlines operating at Malpensa

At Malpensa, on December 31, 2012 140 airlines were present, 7.9% less than 2011. The presence of all the major international airline alliances was confirmed:

- Star Alliance at December 31, 2012 represented 20% of passenger traffic (23.2% at December 31, 2011);
- Sky Team and One World at the end of 2012 represented respectively 17% (16.5% at December 31, 2011) and 6% (5.2% at December 31, 2011) of Malpensa passenger traffic.

At December 31, 2012 Malpensa airport connected with 180 domestic and international destinations, 6.3% less than 2011 (191). The list of the 10 leading airlines in terms of the overall number of passengers highlights the leading position of easyJet, which represents 32% of Malpensa passenger traffic. The English company confirmed the role of Milan Malpensa 2 as an important European base.

% of passenger numbers	2012	2011
easyJet	32.0	28.8
Alitalia	11.8	10.1
Lufthansa	5.1	11.5
Emirates	2.5	2.0
Neos	2.5	2.6
Vueling Airlines	2.1	1.9
Turkish Airlines	1.8	-
Meridiana fly	1.5	2.7
Swiss Airlines	1.4	-
Scandinavian Airlines	1.4	1,7
Other airlines	38.0	36.3

Source: SEA

Principal passenger airlines operating at Linate

At December 31, 2012 Linate airport hosted 19 airlines (22 in the previous year) and connected with 36 airports, both domestic and inter-EU. Linate's activities were significantly affected by Alitalia Group traffic, which in 2012 represented 61.1% of traffic

with 5.6 million passengers transported. The table highlights the 10 leading airlines as a percentage of overall passenger numbers, operating from Linate in 2012.

% of passenger numbers	2012	2011
Gruppo Alitalia	61.1	66.1
Meridiana Fly	8.5	7.9
Air France	5.1	2.9
British Airways	4.4	4.1
Lufthansa	4.4	3.5
KLM	3.5	1.9
easyJet	3.2	2.8
Wind Jet	1.9	3.5
Iberia	1.9	2.0
Scandinavian Airlines	1.1	1.1
Other airlines	5.0	4.7

Source: SEA

Principal Cargo airlines

16 “all cargo” airlines operated from Malpensa at December 31, 2012. The Malpensa cargo business is distributed among a large number of airlines: in 2012, 67% of the total cargo transported was shared among 14 airlines (72% in the previous year). Among these Cargolux, a leading international player – comprehensively held first position, in particular following the stoppage from the first half of 2012 of Cargoitalia which in 2011 moved approx. 38,000 tonnes of cargo.

% of cargo volumes	2012	2011
Cargolux Group	18.2	15.4
Federal Express	8.1	6.9
China Cargo Airlines	5.8	5.8
Cathay Pacific Airways	5.7	5.9
Emirates	5.2	4.2
Korean Air	5.1	6.8
Qatar Airways	5.1	4
Etihad Airways	4.3	3.6
Air Bridge Cargo Airlines	3.7	-
European Air Transport	3.5	-
Other airlines	35.4	35.4

Source: SEA

Aviation area collaboration projects

Chinese Friendly Airport

In 2012 the “Chinese Friendly Airport” project was introduced, with the objective to increase passenger numbers from China to the SEA managed airports through the development of commercial and institutional partnerships with Foundations and Institutional and Governmental Bodies. The foundations were therefore laid for an analysis of the generation of current and potential passenger traffic

from China and the channeling of passengers by the Chinese operators was analysed (airlines, tour operators and other tourism bodies), in addition to the passenger management services. Within the project in 2013 the activities related to understanding the needs of Chinese passengers (principally arriving from China) will continue, a strong link with the Chinese community in Italy will be established and an action plan proposal will be drawn up to be undertaken during subsequent months, in addition to a time and cost schedule.

Integrated transport: agreement with Cathay Pacific and NTV

SEA, Cathay Pacific Airways and NTV have drawn up an innovative agreement which offers passengers departing for Hong Kong and all other destinations on the Cathay Pacific network a new integrated mobility service for those living outside the Milan area. With a view to integrated transport, a rail link with Florence and Bologna was introduced, operated by NTV, for intercontinental flights departing to Hong Kong. Passengers may therefore use a comprehensive array of services which facilitate travel to Milan Malpensa and reduces waiting time at the airport. Specifically, Cathay Pacific offers a free transfer on high speed Italo trains for its departing passengers from Florence and Bologna rail stations to Milan Porta Garibaldi. Air passengers, according to their flight class, can then link up with a chauffeured vehicle or a minivan to Malpensa 1.

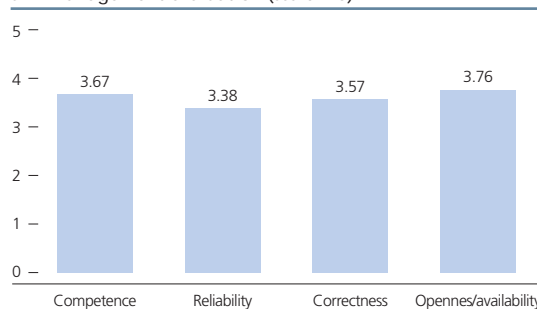
Aviation customer viewpoint

The reputation of SEA and the quality of its relations with “aviation client” stakeholders can be seen in a survey carried out by SWG, the leading market research institute, in 2013. From a panel of 111 internal and external stakeholders, 22 airlines were interviewed.

Quality of the relationship

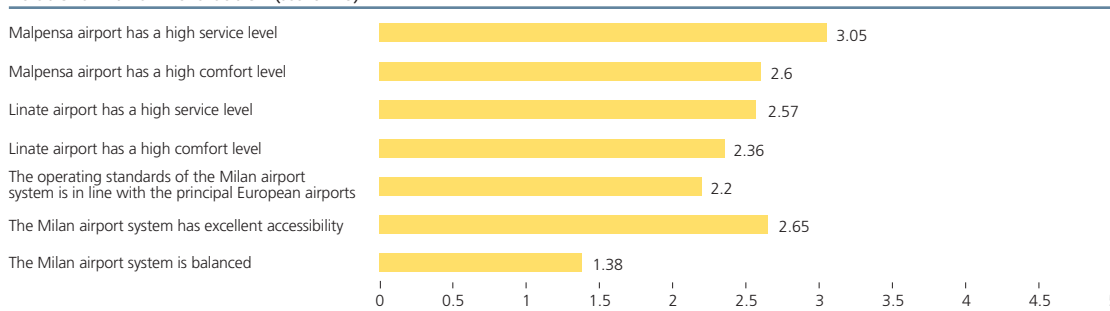
85% of aviation clients interviewed stated on average to having contact with a SEA Manager on 5 occasions during the year. 81% of airlines consider the relationship with SEA useful or constructive and 77% professed strong or sufficient trust in the company. The opinion expressed in relation to the quality of management is also complementary.

SEA management evaluation (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

Relations with SEA evaluation (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

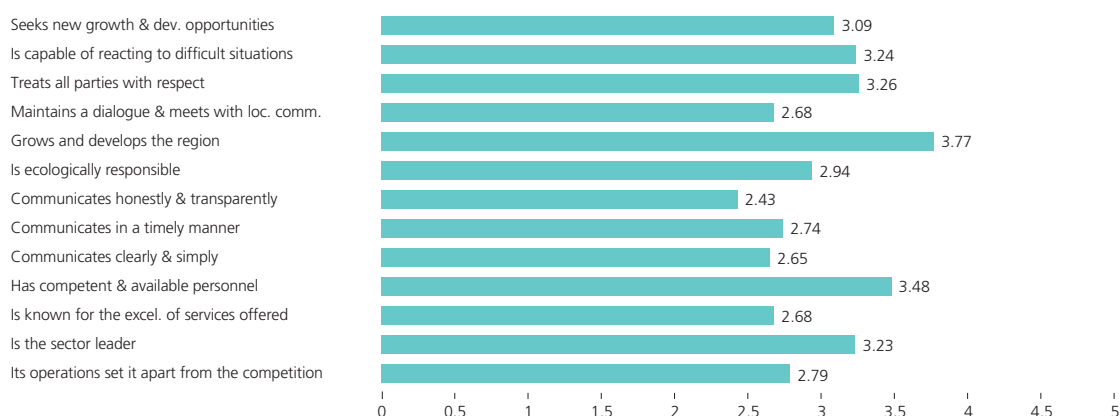
Airlines expressed approval of the quality of services for airlines at Malpensa and the level of accessibility (presence of sufficient infrastructure and transport services) to the Milan airport system. Airlines however expressed significant concerns on the possibility of a fruitful relationship between the two airports of Linate and Malpensa, primarily due to the significant operational limits on the former.

Evaluation of the distinguishing features of SEA

The Aviation clients consider SEA a significant growth driver for the region and an enterprise which attracts skilled personnel with a strong propensity for dialogue and collaboration, capable of reacting to critical situations and who treat their partners with respect.

The leadership of SEA in the airport sector and the focus of the company to continuously seek new development opportunities was recognised.

Evaluation of the distinguishing features of SEA (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

Management of relations with the cargo operators

The operational complexity which defines the cargo activities at Malpensa (as is the case for the major European hubs), and the range of operators combining in an integrated manner, has led SEA to draw up values and quality objectives for the principle parameters concerning the handling of cargo processes at the airports.

In relation to cargo activities, the centralised services at Malpensa airport managed by SEA concern only the warehouse management of radioactive cargo and of the structure for the recovery of medium and large-sized animals.

The remaining management and movement of cargo and of arriving and departing mail at the airport activities are carried out by independent operators which provide their services in compliance with the procedures and regulations contained in the Airport Regulations.

The transport of cargo between the aircraft and the warehouses, the management and movement of cargo within the warehouse and the representation and document handling services are classified among these services.

The airport cargo services are primarily of a "Business to Business" nature, generally governed by contractual agreements between the parties, which include also specific "service level agreements".

The contractual instruments however do not sufficiently ensure compliance with the requirements for timeliness and reliability which the service must ensure.

Therefore, Malpensa airport decided to adopt a Cargo Services Charter, in order to:

- define performance and quality levels which satisfy the expectations of operators utilising the cargo assistance services;
- ensure SEA the availability of a regulation and control system for the cargo services provided at the airport, in order to guarantee the quality of the final result.

The Malpensa cargo services charter defines the operating standards and the service levels for the principal airport processes which affect the performances of the airport in terms of NFD (Notification of Freight and Documents availability) and FAP (Flown As Planned).

The quality objectives defined in the Services Charter are drawn up to satisfy the needs of couriers utilising the air cargo transport services - needs based essentially upon two fundamental factors: the reliability and punctuality of the service.

In addition to being a best practice for the sector at a domestic and European level, the Cargo Services Charter of Malpensa Cargo provides an opportunity for a structured meeting with the stakeholders (Cargo handlers, shipping agents, cargo airlines etc.), introducing, among other issues, for the first time into the B2B environment a customer satisfaction concept assessment through surveys on perceived process quality.

The Mystery Shopping survey

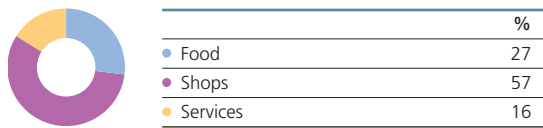
"Mystery shopping" is an instrument which verifies the quality of commercial services – based on visits and interviews carried out by personnel "incognito" – which SEA introduced in 2011 in order to obtain structured information on the shopping experiences of airport users. At the sales point, the mystery shopper, undertaking the experience of a "typical client" focuses upon:

- the attitude and conduct of sales personnel;
- their level of knowledge and professional ability;
- their problem solving capacity;
- their sales skills, customer attention ability and proposal of complementary purchases;
- their capacity to listen, empathy and demeanour;
- fulfilment of the corporate philosophy;
- in-store feel.

“Mystery shopping” was introduced in 2011 to the SEA managed airports and is broken down into two surveys. In 2012 the sessions increased to four and

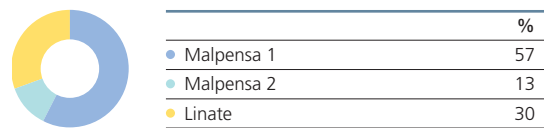
involved 205 businesses for a total of 817 visits. The distribution of shops visited by type and location are listed below.

Mystery shopping – Shops visited by type of activity



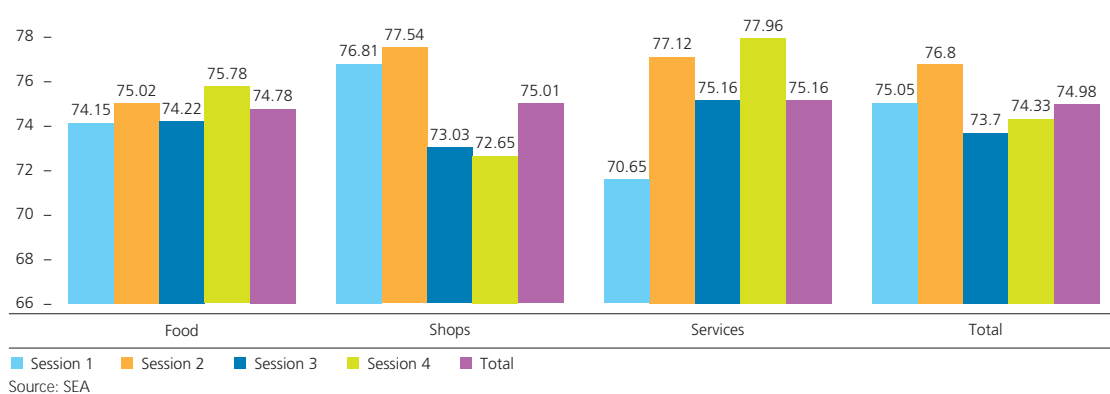
Source: SEA

Mystery shopping – Shops visited by location



Source: SEA

Mystery shopping – Average perceived quality value by type of business

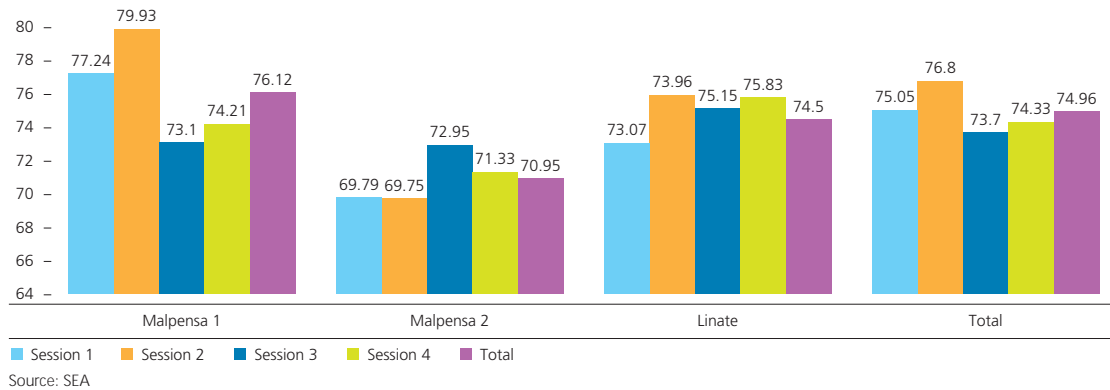


Source: SEA

The perceived quality of the commercial outlets present at the airports managed by SEA in 2012 resulted in an average value of 75/100. Analysing the data based on the type of business, the shops and

service categories attain the highest values (respectively 75.01 and 75.16), while the food category placed slightly below the average (74.78).

Mystery Shopping – Average value of perceived quality by airport

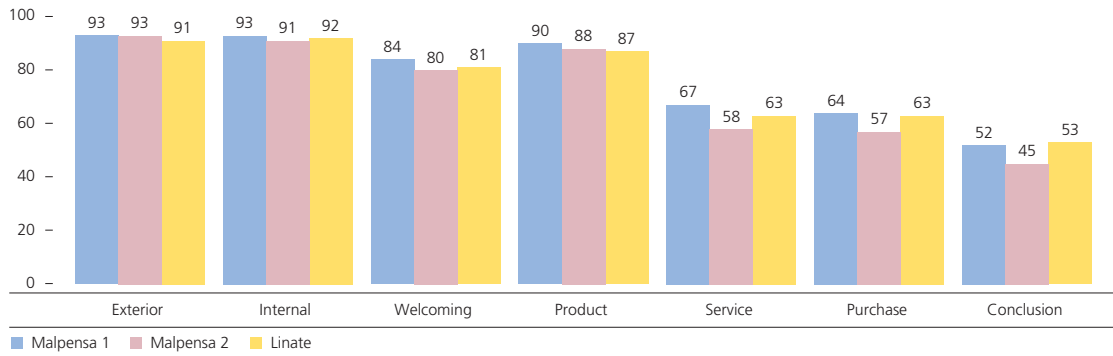


Source: SEA

In relation to the qualitative performances recorded at the various terminals, the shops at Malpensa 1 scored above the average, while the shops at Linate scored

below the average, while those at Malpensa 2 scored a significantly lower average value.

Mystery Shopping – Driver of perceived quality by airport



Source: SEA

Taking into consideration the various components of overall quality, the external (windows) and internal layout scored particularly highly, in addition to the range of goods. A lower satisfaction level was achieved however in relation to the service, the purchase and the conclusion. In particular, the shops placed particular emphasis on effective sales techniques, while the food businesses paid little attention to client relations on conclusion of the purchase.

Evaluation of the SEA airport system by retailers

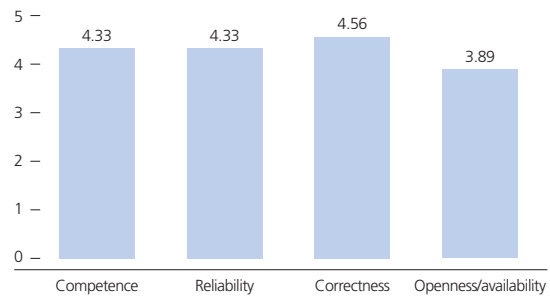
The reputation of SEA and the quality of its relations with “retailer client” stakeholders can be seen in a survey carried out by SWG, the leading market research institute, in 2013. From a panel of 111 internal and external stakeholders, 10 retailers were interviewed.

Quality of the relationship

89% of retailers interviewed stated on average to

having contact with a SEA Manager on 5 occasions during the year. 90% consider the relationship with SEA useful or constructive and slightly less than 90% professed strong or sufficient trust in the company. The opinion expressed in relation to the quality of management is also very complementary.

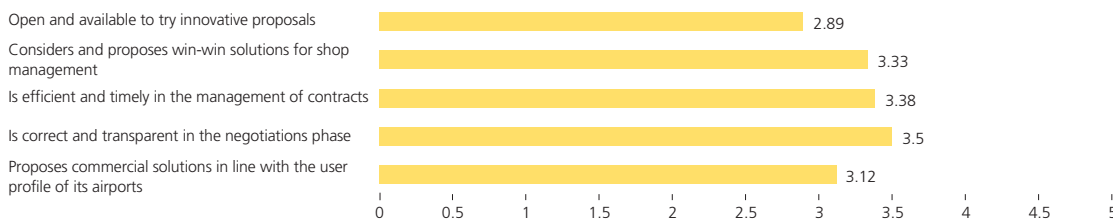
SEA management evaluation (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

The correctness and transparency adopted by the company in the management of negotiations and its administrative efficiency were the strongest points in the opinion of the retailers.

Relations with SEA evaluation (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

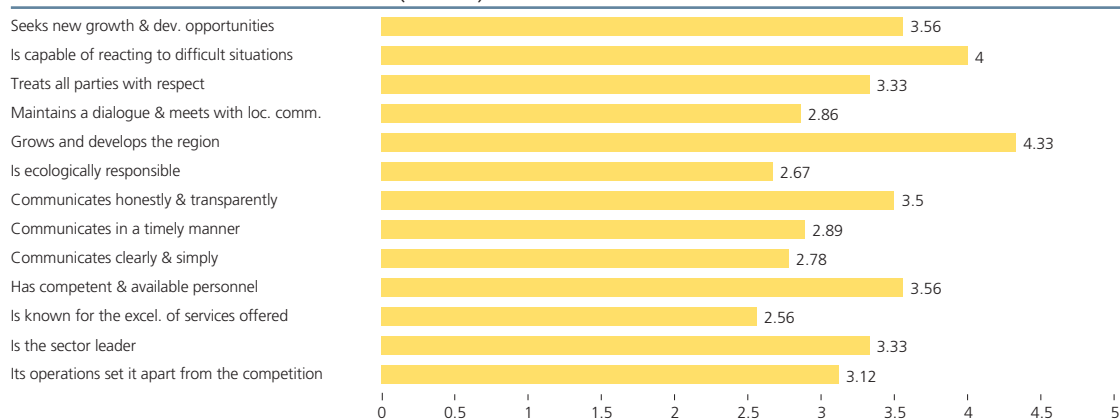
The capacity to reach shared solutions and the compliance of the commercial approach with the user profile of the various airports also received strong scores.

Evaluation of the distinguishing features of SEA

The retailer clients consider SEA a particularly strong driver of regional development and an

organisation which is capable of reacting to difficult situations and which possesses a skilful and available staff. The profile of the company among retailers also features a strong belief in SEA’s ability to deal with partners with respect, the recognition of its leadership role in the sector and communication transparency.

Evaluation of the distinctive features of SEA (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

The Company within the Region

The SEA Group is a fundamental driver of development for the Lombardy region.

This is true particularly for the municipalities neighbouring the airports, which benefit in a continuous and stable manner from the economic advantages provided by employment and the distribution of added value devolving to the families of SEA personnel and of all other companies and entities which operate within the airport system.

The Milan airport system certainly plays a role in the region in attracting capital, in generating employment opportunities and in introducing or acting as a catalyst for investment. It's extraordinarily important role to a number of specific sectors is also recognised, such as tourism, logistics, transport and commerce.

The socio-economic impact of Malpensa airport

SEA has drawn up a platform of socio-economic impact indicators generated in the Lombardy Region, the Province of Varese and the neighbouring hinterland by Malpensa airport.

One study analysed all forms and types of impact, both static – therefore connected to the presence, role, performance and size of the airport – and of a developmental nature, therefore related to the cycles and trends which the airports have significantly impacted and will impact in the future in the affected localities.

On-site direct impact

The various economic activities at Malpensa in 2012 numbered 1,457. Growth of approx. 7.3% is reported on 2011 (1,357).

The proportion of off-site suppliers totalled 63.6% of the total of mapped economic activities, in line with 2011. All enterprises which have not continuously located a proportion of personnel at the airport are considered “offsite suppliers”. The largest categories concern 111 airlines, 104 shop/sales points and 101 shipping agents.

Malpensa – Economic activities related to airport management

Type of activity	Number of operators
Car rental	11
Banks	5
Bars and Restaurants	10
Cargo and Handling	32
Catering	6
State Bodies	31
Various Bodies	19
Off-site suppliers (*)	928
Shops/sales points	104
Refuelling	8
SEA	17
Tourist and passenger services	45
Shipping agents	101
Transport	8
Airlines	111
Security	21
Grand total	1,457

(*) 384 of which are direct suppliers of SEA
Source: LIUC

Employment impact

In 2012 the number of jobs related to on-site economic activity at Malpensa airport totals 16,617, in addition to 3,784 further jobs related to SEA suppliers and third party enterprises operating on-site.

Persons directly employed by SEA numbered 3,378.

Value of production generated

The value of production relating to on-site economic activity amounted to nearly euro 2,776 thousand. Of this, 13% is directly produced by SEA.

The added value is calculated as the sum of the sector employment and productivity, while the value of production is the sum of the added value and final sector prices.

The overall direct effects produced by Malpensa

totalled euro 7,146 million of production value generated and nearly 55,000 jobs.

Indirect economic impact

Based on the direct effects, it is possible to calculate the indirect economic effects generated by the airport utilising multipliers (respectively the Leontievan and Keynesian multipliers) produced by regionalised input/output tables.

Malpensa – Value of production and direct and indirect employment at the airport

	Direct	Indirect	Causal	Total
Multiplier		0.4	0.64	
On-site effect	2,775.79	775.87	1,251.80	4,803.46
Off-site effect	4,370.42	1,221.59	1,970.94	7,562.95
Total effect	7,146.20	1,997.46	3,222.75	12,366.41
Employment (thousands)				
Multiplier		0.33	0.17	
On-site effect	16,617	6,804	4,132	27,552
Off-site effect	38,256	13,705	8,323	55,502
Total effect	54,874	20,509	12,454	87,837

Source: LIUC

The total value (direct, indirect and causal) of the production generated through airport activities at Malpensa totals euro 1.2 billion, while employment created exceeds 87,000 jobs.

Investments in projects and social initiatives

The SEA Group considers the balance between the economic and surrounding social environment of utmost importance and is committed to a frank and

on-going dialogue with local bodies and in relation to the issues which the local communities have expressed concern upon over the years.

Particular importance is placed on relations with the Municipality of Milan, the CUV (neighbouring) Municipalities, the Province of Varese and the relative civic groups, with the Park of Ticino Management Board, with important Milan-based cultural and artistic activities and with non-profit operators and the educational system.

Donations and Corporate Citizen projects 2010-2012 (euro)

	2010	2011	2012	Total 2010-2012
Total donations	1,006,670	1,020,978	792,253	2,819,901
di cui: culture/education	843,310	970,086	690,020	2,503,416
of which: sporting events	14,000	15,000	12,000	41,000
of which: environmental projects	45,680	-	-	45,680
of which: social/health	103,680	35,892	90,233	229,805
Corporate Citizenship projects	-	178,000	228,921	406,921
Total donations	1,006,670	1,198,978	1,021,174	3,226,822

Source: SEA

The majority of donations concern the support of cultural initiatives, in particular support of the La Scala Foundation of Milan. SEA in fact is a founding Member of the Foundation and as such actively participates in pursuit of the promotion of musical culture throughout the world, supporting the national artistic heritage and improving its quality level, and taking part in the artistic life of La Scala.

The Company within the Region

The reputation of SEA and the quality of its relations

with “company within the region” stakeholders can be seen in a survey carried out by SWG, the leading market research institute, in 2013.

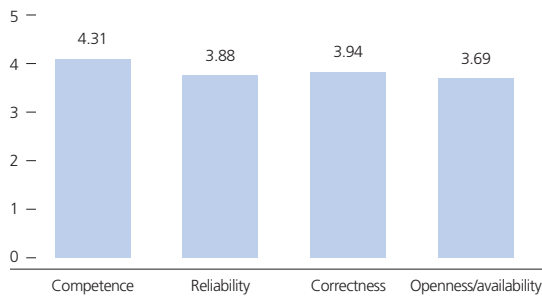
From a panel of 111 internal and external stakeholders, 20 socio-economic actors and institutions within the region were interviewed.

Quality of the relationship

67% of the socio-economic actors and institutions interviewed stated on average to having contact with SEA on 5 occasions during the year.

77% considered the relationship useful or constructive.

SEA management evaluation (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

management of SEA were positive overall and in a number of cases exceeded the average evaluation levels of other company stakeholders.

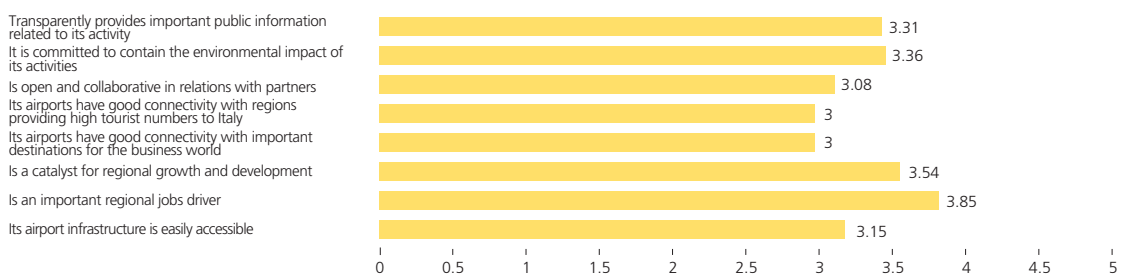
The socio-economic actors confirmed the strong opinion concerning the positive effects produced by the airports on employment.

The role of SEA as a catalyst for growth and development in support of local enterprises was also considered strongly.

The transparency of information provided by SEA and the accessibility of the airports improved on previous data, while the connectivity level of the airports with major international destinations and the availability for dialogue received lower ratings.

The opinions expressed in relation to the

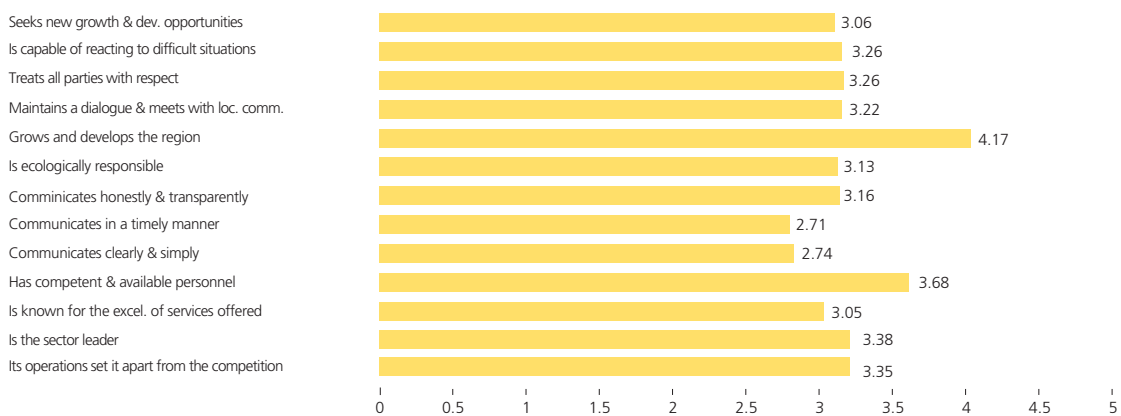
Relations with SEA evaluation (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

Evaluation of the distinguishing features of SEA

Evaluation of the distinguishing features of SEA (scale 1-5)



Source: SWG, Survey of SEA Group stakeholders 2013

The socio-economic stakeholders considered the capacity for growth and development of the region and the quality of its personnel as the principal distinguishing features of SEA. The leadership of the

company in its sector, its capacity to react to difficult situations and the respectful treatment of its stakeholders were also clearly recognised.

SEA places fundamental importance on the opinions of the general public. The stakeholder relations policies undertaken by the Group involved the introduction and consolidation over time of tools for the understanding and involvement of stakeholders, through which the company can garner opinions, attitudes and evaluations in relation to its image, the satisfaction with services provided, the quality of relations with the public and in relation to development projects.

The stakeholder engagement activities currently operate on 3 principal fronts:

- customer satisfaction surveys, carried out quarterly and targeting passengers and cargo operators, in

pursuit of the quality objectives indicated in the respective “Services Charters”;

- the annual survey of the “business sensitive” stakeholders (airlines, retailers, cargo operators, suppliers, public administrations, the business community, credit institutions and the media);
- the multi-stakeholder workshop, carried out for the first time on March 7, 2012 and designed to be implemented annually with the objective to start a systematic dialogue with the principal stakeholders in relation to innovation and development projects of the company and on the manners in which they impact the competitive, social and environmental aspects.

Stakeholder’s survey

111 stakeholders were interviewed, of which 80 within the aviation and non-aviation client categories, controlling authorities, suppliers, the banking and finance community, the regional business community and journalists. The results of the surveys concerning the evaluations of the range of the sample interviewed on the identity and the aspects related to the image of SEA are reported below.

The evaluation of the central identity characteristics of SEA

The perceived image of SEA, as based on the evaluation of its central elements, has deteriorated to a degree

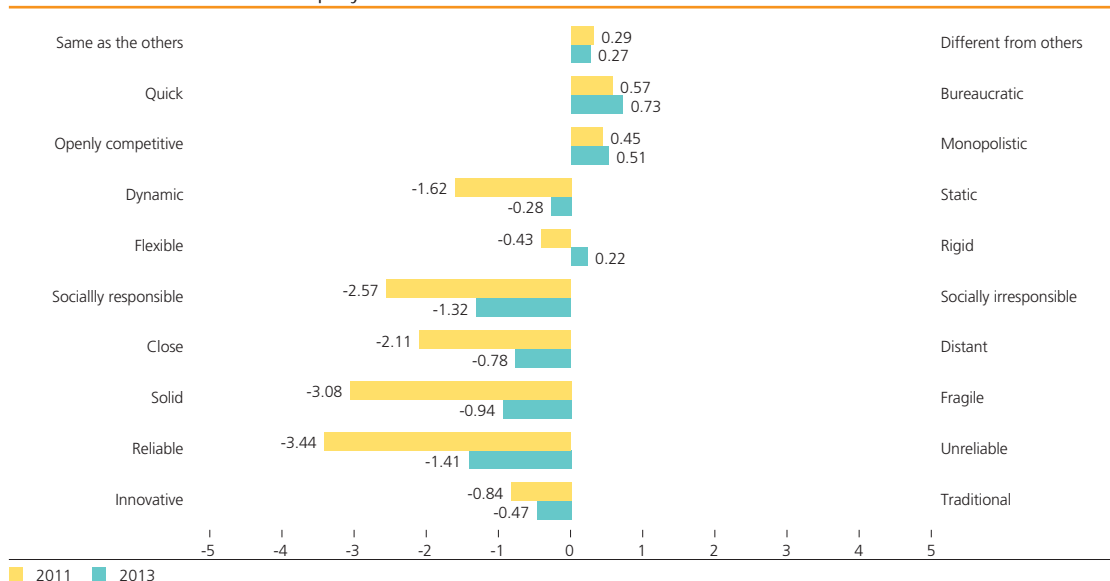
compared to 2011.

The positive aspects which were widely recognised by stakeholders, such as reliability, solidity and a commitment and pursuit of social responsible behaviour remained in positive territory, but having significantly reduced.

The same consideration is applicable for positive aspects (such as flexibility and innovation), which in 2011 were not recognised as significant features of SEA and which in the last survey reduced further or in fact received negative results.

The negative features, such as bureaucracy and a monopolistic approach, remained at the same values – previously very low.

Perceived characteristics of the company



Source: SWG, Survey of SEA Group stakeholders 2013

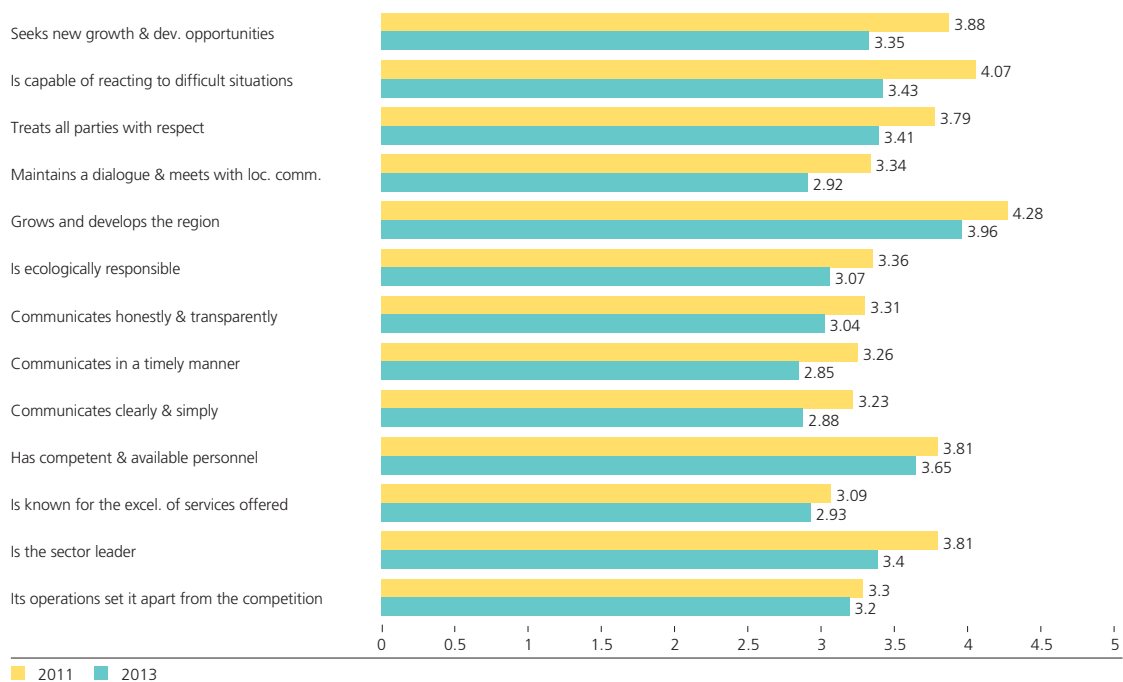
Evaluation of the distinguishing features of SEA

The factors which SEA believe represent the strong points of the company – or rather the intangible assets which the organisation believes to hold and which are considered distinctive aspects compared to other operators in the sector – were evaluated by stakeholders to establish their recognition of such aspects. An overall positive viewpoint emerged in both the first or the second surveys, which highlighted primarily the capacity to create, encourage and accelerate economic development in the areas

surrounding the airports as points of excellence and, although in a more contained measure than the first recording, the “resilience” which the company shows amid difficult situations.

Other distinguishing elements, confirmed in both interview sessions, concerned the professional and relational skills of SEA personnel, the respect of the company in relations with stakeholders and its sector leadership. The competences which received lower ratings from stakeholders concerned availability for dialogue and meeting with the local community (further reducing in the second survey) and the clarity, transparency and timeliness of communication.

Evaluation of the distinctive features of SEA



Source: SWG, Survey of SEA Group stakeholders 2013

Sustainability objectives

The sustainability objectives which the SEA Group will pursue in the short/medium-term derived from two principal areas: the 2011-2015 Master Agreement – signed with ENAC on September 23, 2011 and which entered into force in September 2012 and the innovation and competitive performance quality improvement programmes promoted by the individual departments and presented and discussed within the Sustainability Committee.

Sustainability Governance Objectives

In 2012 SEA consolidated the governance of the sustainability processes through periodic and systematic meetings with the Sustainability Committee, the body which implements the

sustainability policies of the company. In relation to sustainability reporting, application level B+ of the GRI was implemented, while a process for the progressive integration of the Sustainability Report with the Financial Statements within an integrated reporting system was introduced.

In 2012, the drawing up of the "Sustainability Vision" of SEA began, which will establish an agenda of strategic objectives, policies, instruments and resources through which the business objectives will be linked with sustainability issues.

The objective is to establish the "tangibility" of the SEA sustainability policies, with an indication of the remit of action which, in satisfying the expectations of key stakeholders, promotes the competitive strategies of the company.

Sustainability Governance Objectives			
Area	Objective	Timeline	Status
Methodological approach	Develop closer and more extensive interactions between the Sustainability Report and the Annual Financial Report	3 years (2011-2014)	In progress
	Reach application level A+ under the GRI	2 years (2011-2013)	In progress
Stakeholder	Implement permanent dialogue/meeting systems with stakeholders, through which the interaction and collaboration level on initiatives will be increased and the sustainability instruments introduced by the Group improved	2 years (2011-2012)	Completed
Sustainable development strategy and governance instruments	Sustainability Committee becoming fully operational	1 year (2012)	Completed
	Define the Sustainability Vision and the materiality analysis	2 years (2012-2013)	In progress

Environmental Sustainability Objectives

The 2011-2020 Master Agreement contains 5 indicators in relation to environmental protection subject to monitoring. A road map was drawn up for these indicators, with a refocusing scheduled for 2014

concerning the definition of the targets for the subsequent five-year period.

The base year of the performances is 2009 and the timeline for their improvement is the three-year period 2011-2013.

In 2012 all fixed objectives were achieved.

Environmental Sustainability Objectives				
Indicator	Objective		Status 2012	
	Malpensa	Linate	Malpensa	Linate
Master Agreement				
Noise recording stations	2011: 10	2011: 4		
	2012: 10	2012: 4		
	2013: 10	2013: 4	Completed	Completed
Extension of the up-time of the noise monitoring network (% of functioning times/opening hours of the airport)	2011: 91%	2011: 91.4%		
	2012: 91.5%	2012: 91.7%		
	2013: 92%	2013: 92%	Completed	Completed
Increase in separated waste collection (% of separate waste collected/total waste)	2011: 19%	2011: 17%		
	2012: 19.5%	2012: 17.5%		
	2013: 20%	2013: 18%	Completed	Completed
Compliance with a more restrictive threshold than the legal limits for the BOD5, COD and sewage phosphorus values (% thresholds respected – legal thresholds)	2011: -22%	2011: -22%		
	2012: -23%	2012: -23%		
	2013: -24%	2013: -24%	Completed	Completed
Reduction of CO ₂ emissions (kg of CO ₂ / unit of traffic – or 1 passenger or 100 kg of cargo transported)	2011: 3.65	2011: 2.1		
	2012: 3.60	2012: 2		
	2013: 3.55	2013: 1.9	Completed	Completed
Other environmental objectives		Timeline	Status	
Replacement of the corporate fleet with electric vehicles		2012	In progress	
Installation of electric car recharging posts at Linate		2012	In progress	
Energy certification ISO 5001		2013	In progress	

Socio-Economic Sustainability Objectives

The socio-economic stakeholder sustainability objectives may be divided into two categories. The first concerns the objectives for the improvement of the

passenger service quality parameters, relating to the introduction of the first regulatory period of the Master Agreement (2011-2015). The second relates to the initiatives introduced by the individual departments within their ongoing improvement programmes.

Sustainability objectives for the passenger stakeholders

Indicator	Objective		Status 2012	
	Linate	Malpensa	Linate	Malpensa
Availability of operational information points (Typical Peak Hour Passengers - TPHP/No. of information points)	2011: 45.8 2012: 45.6 2013: 45.4	2011: 34.8 2012: 34.6 2013: 34.4	Not reached	Not reached
Opinion on the level of cleaning and functionality of toilets (% passengers interviewed satisfied/total passengers interviewed)	2011: 70% 2012: 76% 2013: 77%	2011: 86.5% 2012: 87.0% 2013: 87.5%	Reached	Not reached
Overall opinion of the airport comfort level (% passengers interviewed satisfied / % total passengers interviewed)	2011: 86.2% 2012: 86.4% 2013: 86.6%	2011: 95.2% 2012: 95.4% 2013: 95.6%	Reached	Not reached
Presence of clear, understandable and effective internal signposting (% passengers interviewed satisfied / % total passengers interviewed)	2011: 89.2% 2012: 89.4% 2013: 89.6%	-	Reached	-
Waiting time for baggage x-ray (minutes waiting in 98% of cases)*	2011: 12'50" 2012: 12'40" 2013: 12'30"	2011: 18'50" 2012: 18'30" 2013: 18'10"	Reached	Reached
Check-in queue waiting (minutes of waiting in 98% of cases)*	2011: 15'50" 2012: 15'40" 2013: 15'30"	2011: 18'50" 2012: 18'40" 2013: 18'30"	Reached	Not reached
Baggage delivery, difference between last and first bag (minutes of waiting in 90% of cases)	2011: 08'50" 2012: 08'40" 2013: 08'30"	2011: 15'50" 2012: 15'40" 2013: 15'30"	Reached	Reached
Passengers with Reduced Mobility (PRM) assistance (% of satisfied passengers / total passengers interviewed)*	2011: 86% 2012: 87% 2013: 88%	2011: 86% 2012: 87% 2013: 88%	Reached	Reached
Misdirected bags due to malfunctioning of the Baggage Handling System (number of misdirected bags / 1,000 departing passengers)	2011: 1.25 2012: 1.20 2013: 1.15	2011: 0.95 2012: 0.90 2013: 0.85	Reached	Reached
Availability of baggage carousels (TPHP/number of carousels)	2011: 3.2 2012: 3.1 2013: 3.0	2011: 2.0 2012: 1.9 2013: 1.8	Not reached	Not reached
Efficiency of the passenger transfer assistance (% time operational / opening hours of the airport)	2011: 97.2% 2012: 97.4% 2013: 97.6%	2011: 99.05% 2012: 99.10% 2013: 99.15%	Reached	Reached
Opinion on efficiency (% transport systems, satisfied passengers interviewed / total passengers interviewed)	-	2011: 92% 2012: 92.2% 2013: 92.4%	-	Not reached
Reliability of the baggage movement system (% time of functioning / operational hours of the airport)*	2011: 99.52% 2012: 99.54% 2013: 99.56%	2011: 99.52% 2012: 99.54% 2013: 99.56%	Reached	Reached

* Indicators concerning both Terminal 1 and Terminal 2

SEA has identified the Sustainability objectives also concerning the relations with other socio-economic

stakeholders, such as Partners, Suppliers and Customers, as shown in the following table.

Sustainability objectives concerning other socio-economic stakeholders			
Stakeholder	Objective	Timeline	Status 2012
Human Resources	Updating of the company welfare initiatives	2011-2012	Completed
	Introduction of the new welfare governance system		Completed
	Achievement of OHSAS 1801 certification for SEA	2011-2012	Completed
	Introduction of a new company intranet with coverage of all services in an integrated communication, collaboration and information portal	2012-2013	In progress
	Allocation of performance objectives to a target group of company senior managers	2013	
Suppliers	Updating of the supplier selection criteria, with the introduction of socio/environmental responsibility parameters	2011-2013	In progress
Retailers/Passengers	Extension of Mystery shopping to all retail operations (% of the number of shops surveyed/number of total shops)	2011-2013	Completed
Airline/Passengers	Extension of the ViaMilano service (number of passenger transited, number of bags handled)	2011-2013	In progress
Cargo operators	Level of cargo security services at the airport	2012	Reached
	Service regularity	2012	Reached
	Cleaning and hygiene conditions of the cargo area	2012	Not reached
	Additional services in the cargo area	2012	Reached
	Information services on cargo traffic available at the airport	2012	Reached
	Courtesy and attention to the client by front-line staff	2012	Reached
	Assistance services	2012	Not reached
	Land/air integration structures	2012	Not reached

Indicators	Description	Status	Reference	
1. Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy	T	5	
1.2	Description of key impacts, risks, and opportunities	T	22-23	
2. Organizational Profile				
2.1	Name of the organization	T	17 (Italian Version)	
2.2	Primary brands, products, and/or services	T	16	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	T	16-18	
2.4	Location of organization's headquarters	T	17 (Italian Version)	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	T	17 (Italian Version)	
2.6	Nature of ownership and legal form	T	16-17	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	T	33; (76-80 Italian Version)	
2.8	Scale of the reporting organization, including: - Number of employees; - Number of operations; - Net sales or net revenues; - Total capitalization broken down in terms of debt and equity; - Quantity of products or services provided and	T	17 (Italian Version)	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	T	16	
2.10	Awards received in the reporting period	T	In 2012 SEA did not receive any awards	
3. Report Parameters				
Report Profile				
3.1	Reporting period for information provided	T	9	
3.2	Date of most recent previous report	T	9	
3.3	Reporting cycle	T	9	
3.4	Contact point for questions regarding the report or its contents	T	87	
Report Scope and Boundary				
3.5	Process for defining report content	T	9	
3.6	Boundary of the report	T	9	
3.7	State any specific limitations on the scope or boundary of the report	T	9	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	T	9	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	T	9	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	T	9	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	T	9; 11; 56-57	
GRI Content index	3.12	Table identifying the location of the Standard Disclosures in the report	T	78-86
Assurance	3.13	Policy and current practice with regard to seeking external assurance for the report	T	87

Status: (T) total (P) partial (NA) not applicable

Indicators	Description	Status	Reference	
4. Governance, Commitments, and Engagement				
Governance	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	T	18
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer	T	18
	4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	T	18
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	T	18
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	T	18
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	T	18
	4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	T	19
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	T	13
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	T	19
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	T	18
Commitments to External Initiatives	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	T	37
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	T	58
	4.13	Memberships in associations and/or national/international advocacy organizations in which the organization	T	51-52 (Italian Version)
Stakeholder Engagement	4.14	List of stakeholder groups engaged by the Organization	T	21
	4.15	Basis for identification and selection of stakeholders with whom to engage	T	28; 57-58; 60; 63-64; 66-67; 69; 71-72
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	T	71-72
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	T	71-72

Status: (T) total (P) partial (NA) not applicable

Management Approach

Disclosure on Management Approach		
Indicators	Description	Reference
DMA EC	Disclosure on Management Approach EC	25-27; 67-68
DMA EN	Disclosure on Management Approach EN	37-46
DMA LA	Disclosure on Management Approach LA	50-54
DMA HR	Disclosure on Management Approach HR	50; 53; 55; 60
DMA SO	Disclosure on Management Approach SO	18; 67-68
DMA PR	Disclosure on Management Approach PR	47-48; 58; 60

Performance Indicators

Economic Performance				
Indicators		Description	Status	Reference
Economic Performance	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	T	29
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	P	99 (Italian Version)
	EC3	Coverage of the organization's defined benefit plan obligations	T	53
	EC4	Significant financial assistance received from Government	T	In 2012 SEA did not receive Public Administration loans
Market Presence	EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	NA	In 2012 no recruitment was undertaken
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	T	55-57
	AO1	Total number of passengers annually, broken down by passengers on international and domestic flights and broken down by origin-and-destination and transfer, including transit passengers	T	77-78 (Italian Version)
	AO2	Annual total number of aircraft movements by day and by night, broken down by commercial passenger, commercial cargo, general aviation and state aviation flights	T	78 (Italian Version)
	AO3	Total amount of cargo tonnage	T	79 (Italian Version)
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	NA	In 2012 no recruitment was undertaken
Indirect Economic Impacts	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	T	169-177 (Italian Version)
	EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	T	67-68

Status: (T) total (P) partial (NA) not applicable

Environmental Performance Indicators

Indicators		Description	Status	Reference
Materials	EN1	Materials used by weight or volume	T	41
	EN2	Percentage of materials used that are recycled input materials	NA	SEA is a services company and is not involved in production, therefore no supplied materials may be recycled
Energy	EN3	Direct energy consumption by primary energy Source	T	40
	EN4	Indirect energy consumption by primary energy Source	T	40
	EN5	Energy saved due to conservation and efficiency improvements	T	39
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	T	39
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved	T	39
Water	EN8	Total water withdrawal by source	T	42
	A04	Quality of storm water by applicable regulatory standards	T	104-105 (Italian Version)
	EN9	Water sources significantly affected by withdrawal of water	T	42
	EN10	Percentage and total volume of water recycled and reused	T	42
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	T	46
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	T	46
	EN13	Habitats protected or restored	T	46
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	T	46
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	T	46
	Emissions, Effluents, and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight	T
EN17		Other relevant indirect greenhouse gas emissions by weight	T	39
EN18		Initiatives to reduce greenhouse gas emissions and reductions achieved	T	39
EN19		Emissions of ozone-depleting substances by Weight	NA	The quantity of ozone substances present in the cooling and air conditioning systems are insignificant as such material is only present in some residual equipment
EN20		NO, SO, and other significant air emissions by type and weight	T	37-38; (92-97 Italian Version)
EN21		Total water discharge by quality and destination	T	42
EN22		Total weight of waste by type and disposal method	T	44-46
EN23		Total number and volume of significant spills	T	43
A05		Ambient air quality levels according to pollutant concentrations in microgram per cubic meter ($\mu\text{g}/\text{m}^3$) or parts per million (ppm) by regulatory regime	T	37-38; (92-97 Italian Version)
A06		Aircraft and pavement de-icing/anti-icing fluid used and treated by m3 and/or metric tonnes	T	41-42
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	NA	The Group does not transport, import or export waste considered hazardous under the Basel Convention	

Environmental Performance Indicators

Indicators		Description	Status	Reference
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	P	42-43
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	T	38; 43-44
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category	NA	SEA is a services company and is not involved in production, therefore it does not sell products with packaging material
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	T	97 (Italian Version)
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	T	39
Overall	EN30	Total environmental protection expenditures and investments by type	NA	Environmental expenditure to date is not quantifiable
	A07	Number and percentage change of people residing in areas affected by noise	T	108 (Italian Version)

Status: (T) total (P) partial (NA) not applicable

Social Performance Indicators Labor Practices and Decent Work

Indicators	Description	Status	Reference
Employment	LA1	Total workforce by employment type, employment contract, and region, broken down by gender	T 50; (120-121 Italian Version)
	LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	T In 2012 no recruitment was undertaken
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	T 52
Labor/Management Relations	LA15	Return to work and retention rates after parental leave, by gender	T 52-53; (127-128 Italian Version)
	LA4	Percentage of employees covered by collective bargaining agreements	T 125 (Italian Version)
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	T 126 (Italian Version)
Occupational Health and Safety	LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	T 130 (Italian Version)
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	T 54
	LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	T 131-132 (Italian Version)
	LA9	Health and safety topics covered in formal agreements with trade unions	T 126 (Italian Version)
Training and Education	LA10	Average hours of training per year per employee by gender, and by employee category	T 50-51
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	T 50-51
	LA12	Percentage of employees receiving regular performance and career development reviews, by gender	T 50-51
Diversity and Equal Opportunity	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	T 50
	LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	T 50

Status: (T) total (P) partial (NA) not applicable

Human Rights				
Indicators		Description	Status	Reference
Investment and Procurement Practices	HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	T	The Group does not invest in other organisations. The purchasing policies include sustainability criteria
	HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	T	Suppliers and contractors who have undertaken contracts must comply with domestic law and international agreements
	HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	T	Security personnel are trained and operate according to Italian and international airport regulations
Non-discrimination	HR4	Total number of incidents of discrimination and corrective actions taken	T	No cases of discrimination were taken.
Freedom of Association and Collective Bargaining	HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	T	All employees are governed by collective bargaining contracts
Child Labor	HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	NA	All operations are carried out in Italy and no children are involved.
Forced and Compulsory Labor	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	NA	All operations are carried out in Italy and do not involve forced or obligatory labour.
Security Practices	HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	T	Security personnel are trained and operate according to Italian and international airport regulations
Indigenous Rights	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	T	The Group operates in Italy and no violations of local community rights were reported.
Assessment	HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	T	The Group operates in Italy and all airport operations are subject to Italian and international regulations
Remediation	HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	T	During the year no cases of human rights abuses were reported.

Status: (T) total (P) partial (NA) not applicable

Society				
Indicators		Description	Status	Reference
Local Communities	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	T	67-68
	SO9	Operations with significant potential or actual negative impacts on local communities	T	43-44
	SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	T	43-44
	A08	Number of persons physically or economically displaced, either voluntarily or involuntarily, by the airport operator or on its behalf by a governmental or other entity, and compensation provided	T	During the year no cases of voluntary or involuntary displacements were reported.
Corruption	SO2	Percentage and total number of business units analyzed for risks related to corruption	T	31 (Italian Version)
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	T	18
	SO4	Actions taken in response to incidents of corruption	T	In the period no cases of corruption were reported
Public Policy	SO5	Public policy positions and participation in public policy development and lobbying	T	51-52 (Italian Version)
	SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	NA	No contributions or donations to political parties or institutions were issued.
Anti-Competitive Behavior	SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	T	22
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	T	During the year no significant penalties for non-compliance with law or regulations were received.

Status: (T) total (P) partial (NA) not applicable

Product Responsibility			
Indicators			
		Status	Reference
Customer Health and Safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	T 43-44; 47-48
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	T During the period no incidents took place
	AO9	Total annual number of wildlife strikes per 10,000 aircraft movements	T 47
Product and Service Labeling	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	T 46-48 (Italian Version)
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	T During the period no incidents took place
	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	T 58-61; (143-152 Italian Version)
Marketing communication	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	T Marketing activities were carried out in compliance with applicable regulations
	PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	T During the year no cases of non-compliance with marketing regulations or codes occurred
Customer privacy	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	T During the period no petitions concerning the violation of privacy were documented
Compliance	PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	T 153 (Italian Version)

Status: (T) total (P) partial (NA) not applicable

SEA Group's commitment towards environmental protection has significantly reduced direct and indirect CO2 emissions thanks to the adoption of focused actions.

In 2010 Malpensa and Linate were the first European Airports to be accredited the "Neutrality" level by European Airport Carbon Accreditation.



SEA Group - 2012 Sustainability Report

Published by SEA Group Corporate Social Responsibility in collaboration with the following Departments and Corporate Functions:

- Auditing
- Aviation Business Development
- non Aviation Business
- Customer Care
- Departments SEA Handling and SEA Energia
- Environment and Airport Safety
- Finanza, Risk Management e Investor Relations
- Infrastructure
- Legal Corporate Affairs
- Operations
- Planning and Control
- Purchasing
- Human Resources and Organization
- External Relations
- Job Safety and SEA SEA Handling Prevention and Protection

Copyright 2012 SEA S.p.A.

For further information:

SEA S.p.A. - 20090 Aeroporto Milano Linate, Sebastiano Renna,
Corporate Social Responsibility Manager
Tel. 02-74852371 - e-mail: sebastiano.renna@seamilano.eu

