



2017



SUSTAINABILITY REPORT

#MOVINGRESPONSIBLY



2017



SUSTAINABILITY REPORT

#MOVINGRESPONSIBLY



FERROVIE DELLO STATO ITALIANE S.P.A. COMPANY OFFICERS

BOARD OF DIRECTORS

	IN OFFICE UNTIL 31 DECEMBER 2017	APPOINTED FROM 1 JANUARY 2018 ¹
Chairwoman	Gioia Maria Ghezzi	Gioia Maria Ghezzi
CEO and General Manager	Renato Mazzoncini	Renato Mazzoncini ²
Directors	Daniela Carosio Giuliano Frosini Simonetta Giordani Federico Lovadina Wanda Ternau	Francesca Moraci Giovanni Azzone Simonetta Giordani Federico Lovadina Wanda Ternau

BOARD OF STATUTORY AUDITORS

Chairman	Carmine di Nuzzo
Standing statutory auditors	Susanna Masi Roberto Ascoli
Alternate statutory auditors	Paolo Castaldi Cinzia Simeone

COURT OF AUDITORS' MAGISTRATE APPOINTED TO AUDIT FERROVIE DELLO STATO ITALIANE S.P.A.

Angelo Canale

MANAGER IN CHARGE OF FINANCIAL REPORTING

Roberto Mannozi

INDEPENDENT AUDITORS

KPMG S.p.A. (2014-2022)

¹ Following the shareholder's resolution on 29 December 2017.
² Appointed by the Board of Directors on 10 January 2018.

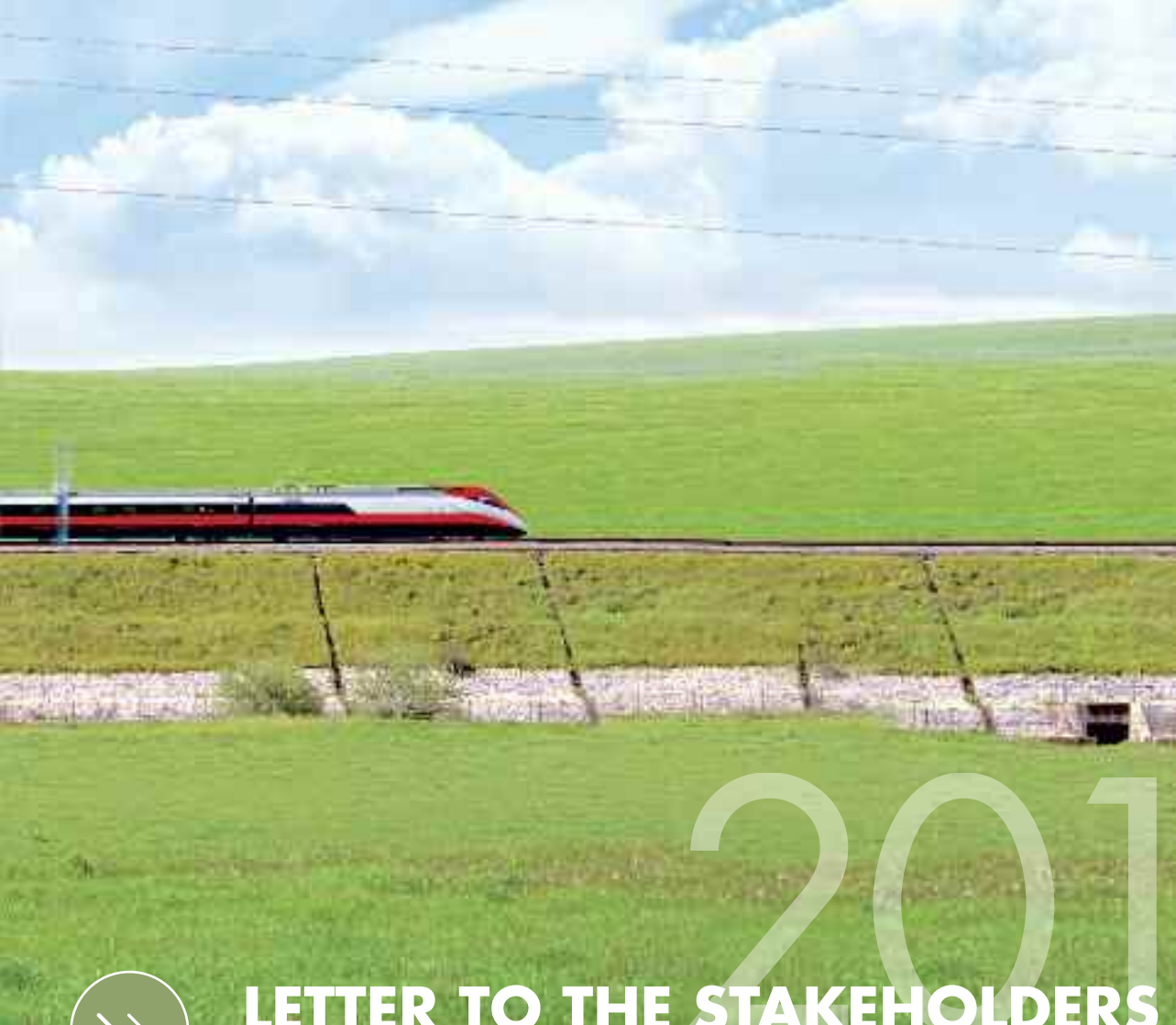


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01.



2017



LETTER TO THE STAKEHOLDERS



LETTER TO THE STAKEHOLDERS

102-14

DEAR STAKEHOLDERS,

The 2017 Sustainability Report clearly and transparently shows the Group's commitment to pursuing the vision of its 2017-2026 business plan: transforming the Group into a mobility company of the future, capable of operating sustainably and meeting the highest standards of ethics and integrity.

Demonstrating this commitment in August 2017, the Group joined the UN Global Compact to formalise its involvement in the creation of an inclusive and sustainable global economy by integrating the Global Compact's ten principles into its strategy and day-to-day operations.

In 2017, FS Italiane Group was Italy's largest industrial investor. With volumes of €5.6 billion, the Group contributed to strengthening the country's economic development, generating almost 100 thousand new jobs (estimated using ISTAT parameters). The economic value distributed amounts to €7.2 billion and mainly consisted of operating costs for goods and services and staff remuneration.

FS Italiane Group registered a profit for the year of €552 million, with a gross operating profit of €2.3 billion, thanks to actions to support the development of integrated mobility, such as agreements with other transport companies. Trenitalia is the leading company in the Group, followed by Netinera Group, a subsidiary of FS Italiane Group in Germany. Revenue from transport services rose to €7.1 billion.

Performance was strong in the infrastructure segment, headed by Rete Ferroviaria Italiana, followed by Italferr's engineering business. This segment ended 2017 with expenditure of over €4.4 billion and calls for tender worth approximately €7.5 billion. In 2017, in addition to replacing the general contractor and thereby taking over the oversight services for the Giovi third railway crossing, Italferr also completed the construction of over 30 infrastructure works across Italy. The results of the "rail therapy" project in Southern Italy began to be seen in the new Naples Afragola station and progress was made on the construction and authorisation of important lots both on the Naples-Bari line and in Sicily.

In 2017, FS Italiane Group achieved significant national and international results: the voluntary adoption of the unified anti-corruption framework, based on the 231 model; the introduction of a digital platform to evaluate the sustainability of partner suppliers; and the issuing of the first Green Bond in Europe (six-years maturity, €600 million) to finance the purchase of trains.

For the fourth year running, FS Italiane placed first in the "Best Employer of Choice" ranking. The recruitment initiative was significant: 4,379 hires (23% women). Activities to make "STEM" (Science, Technology, Engineering and Mathematics) studies more appealing for young female students and employer branding activities were also launched, involving over eight thousand young people in 2017, with the aim of attracting, training and selecting students and recent university graduates for studies in mass, integrated and shared mobility.

All Group employees can be proud of the milestones reached in the creation of value for stakeholders, the community and local areas.

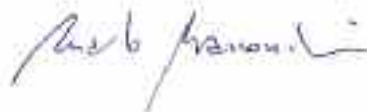
The Chairwoman

Gioia Maria Ghezzi



The CEO

Renato Mazzoncini





02.



2017



FS ITALIANE GROUP AT A GLANCE

FS ITALIANE GROUP AT A GLANCE

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FS ITALIANE GROUP AT A GLANCE

Results of operations

Profit for the year	€ million	552
Directly generated economic value	€ million	9,375
Economic value distributed	€ million	7,208
Investments	€ million	5,625

Passenger and freight traffic

Rail traffic - passengers		
passenger-km	billion	45.3
train-km	million	308
Rail traffic - freight		
tonne-km	billion	23
train-km	million	43.5
Road traffic - passengers		
passengers-km	billion	2.8
bus-km	million	175.4

Dialogue with stakeholders

Stakeholders	no	over 200
Proposals approved by the Stakeholder Panel (since 2013)	no	85
- Proposals implemented	no	52
- Proposals not implemented	no	10
- Proposals under evaluation/implementation	no	23

Focus on the environment

Energy - total Group energy consumption	million GJ	26.8
Emissions - Total greenhouse gas emissions	million tCO ₂	2.4
ISO14001- certified companies	no	14

Putting customers first

Service quality - Punctuality

Railway passenger transport		
Medium and long haul transport	0 -15 minutes	94.6%
Regional transport	0 -5 minutes	96.6%

Customer satisfaction

Railway transport (time on board the train)		
Medium and long haul transport	% satisfaction	93.5%
Regional transport	% satisfaction	84.2%

Customer satisfaction

Road transport (overall satisfaction rate)

Veneto		
- Suburban transport	% satisfaction	85.3%
- Urban transport	% satisfaction	88.4%
Tuscany		
- Suburban transport	% satisfaction	82.8%
- Urban transport	% satisfaction	78.5%
Umbria		
- Suburban transport	% satisfaction	86.9%
- Urban transport	% satisfaction	94.7%
Campania		
- Urban transport/suburban	% satisfaction	78.6%

Infrastructure

Comfort during time at stations	% satisfaction	95.5%
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Travel safety

Investments in non-routine maintenance and network security

Infrastructure	approximately € million	1,794
Transport	approximately € million	378

Sustainability of the supply chain

Economic value of core supplies	€ billion	3
<i>of which generated in Italy</i>	%	78

People, our capital

Total personnel	no	74,436
- women	%	15.2%
- men	%	84.8%
Recruitment from outside the Group	no	4,379
Training	man/days (thousands)	over 431

Focus on the community**Re-use of assets**

Total surface area under free loan for use	mq	119,355
- for social activities	mq	24,037
- other real estate	mq	95,318
Average market value	€ million	over 131

Fondazione FS Italiane

Value of assets	€ million	10.1
Value for local communities (four years 2014-2017)	€ million	11



03.



2017



METHODOLOGY



METHODOLOGY

102-1 | **102-12** | **102-45** | **102-46** | **102-47** | **102-48** | **102-49** | **102-51** | **102-54** | **103-1**

The information in the 2017 Sustainability Report is compared with the previous two years³. Any differences with respect to the information published in previous Sustainability Reports are due to the fine-tuning of the reporting methods⁴. Since 2011, an IT solution (SuPM – Sustainability Performance Management) has been adopted for the data collection process. At present, it covers 21 Group operating companies.

³ The Sustainability Report is published annually. The 2016 report was published in July 2016.

⁴ 2015 data on energy consumption and the related atmospheric emissions have slightly changed with respect to the data published in the 2015 report, mainly due to the fine-tuning of the Netinera Group companies' monitoring process for environmental aspects.

The Group companies, whose activities are covered in this report, were identified on the basis of the following criteria:

- materiality: relevance of the mutual impacts (economic, social and environmental) between each company and its main stakeholders;
- control: the Group's ability to influence activities.

The scope of analysis resulting from the application of the materiality and control criteria are defined on the basis of the scope considered, as follows:

- Company identity and compliance: Ferrovie dello Stato Italiane and the subsidiaries, as per the consolidated financial statements;
- Governance: Ferrovie dello Stato Italiane;
- Economic figures: Ferrovie dello Stato Italiane and the subsidiaries, as per the consolidated financial statements;
- Customer and safety figures: Ferrovie dello Stato Italiane, RFI, Trenitalia, Busitalia-Sita Nord and subsidiaries;
- Workforce figures⁵: Ferrovie dello Stato Italiane and the subsidiaries, as per the consolidated financial statements; the information about the breakdowns required by the adopted standards (e.g., turnover, personnel allocation, remuneration, training, etc.) generally refers to a scope that accounts for approximately 83% of the Group's total workforce⁶;
- Environmental figures: Ferrovie dello Stato Italiane, Ferservizi, RFI, Terminali Italia, Blufferies, Italferr⁷, Trenitalia, Trenitalia C2C, Serfer, TX Logistik, Grandi Stazioni Rail, Centostazioni, FS Sistemi Urbani, Netinera Group, Mercitalia Logistics, Mercitalia Rail, Busitalia-Sita Nord, Ataf Gestioni⁸, Busitalia Veneto, Busitalia Campania and Ferrovie del Sud Est e Servizi Automobilistici; this scope includes the parent, the companies under its direct control (excluding those that perform financial activities and railway transport certification/inspection activities) and the companies that the parent controls indirectly through its subsidiaries and that have more than 100 employees.

This report has been prepared in accordance with the "GRI Sustainability Reporting Standards" guidelines issued by the Global Reporting Initiative (GRI) in 2016, using the comprehensive reporting option. In order to guarantee the implementation of the most recent changes to sustainability reporting, the Group has decided to perform an earlier adoption of the above-mentioned standards (the application of which is provided in the financial statements published after 1 July 2018). The data and information published in this report were provided by the department heads or were taken from other official sources. Ferrovie dello Stato Italiane S.p.A.'s Board of Directors examined the 2017 report during its meeting on 30 May 2018⁹.

The report covers the economic, social and environmental activities deemed to be the most significant for the Group and its stakeholders, as described in the following paragraph. Further details are provided in the "performance indicators" section attached to this report and in the "Content index" (available online in the "Sustainability" section of the website www.fsitaliane.it). Furthermore, the key environmental information for each company included in the reporting scope is provided in an attachment.

The Group is committed to helping achieve the Sustainable Development Goals (SDGs) presented by the United Nations Organisations on 25 September 2015. In the materiality matrix shown below, the Group's objectives are associated with the corresponding material issues.

⁵ The figures in the chapter "People, our capital" refer to the reporting scope of the relevant year.

⁶ The scope includes Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Logistics, Mercitalia Rail, Mercitalia Transport & Services, Cemat, FS Sistemi Urbani, Busitalia Veneto, Busitalia Rail Service, Busitalia Campania, Grandi Stazioni Rail, Grandi Stazioni Immobiliare and Terminali Italia. Where specific information refers to a slightly different scope, this is noted in the relevant paragraph.

⁷ The environmental impacts of the work sites where Italferr performs oversight are presented separately from the environmental data. This decision was made in order to filter out the annual changes from the effects related to the environmental performance of the sites, which, given their nature, do not present continuous or regular volumes.

⁸ This report, the terms parent, FS Italiane or FS S.p.A. are used to identify the company Ferrovie dello Stato Italiane S.p.A. The terms Group, FS Group, on the other hand, include all companies included in the scope of reporting.

⁹ For additional details, in certain cases, reference should be made to the Group's 2017 Annual Report.

MATERIALITY MATRIX

The aspects to be reported in this document were identified based on their materiality and considering the principles that define the content and the quality of sustainability reporting (stakeholder engagement, complete information, balance, comparability, clarity, timeliness, reliability and accuracy).

Material aspects are those considered the most significant for the Group and those that are deemed particularly important for the stakeholders as they could influence their expectations and decisions.

The result of the materiality analysis used is reflected in the matrix below. The horizontal axis shows the importance that the Group attaches to the aspects analysed in terms of business success and the vertical axis indicates the importance that the selected aspects hold for stakeholders.



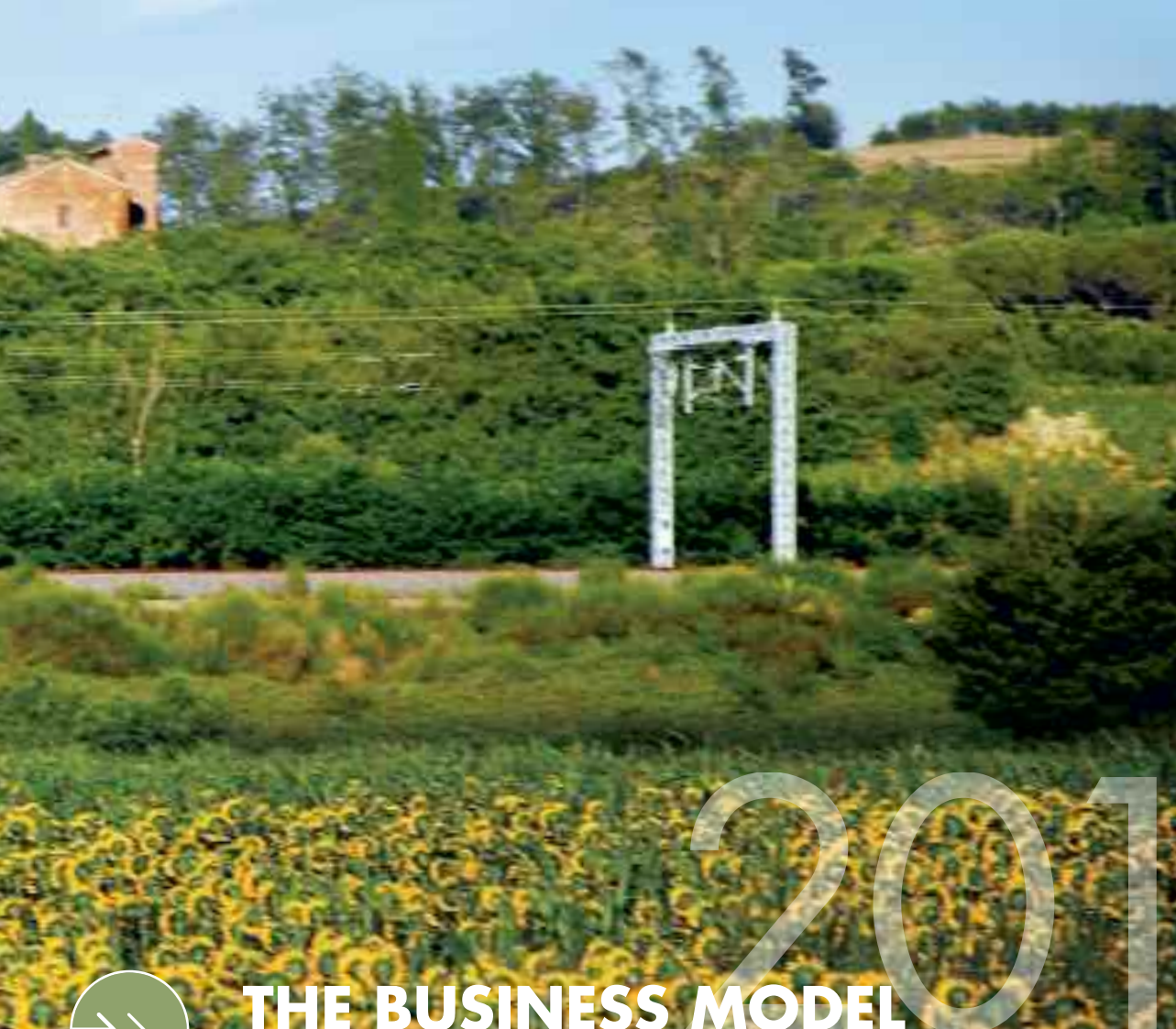
With the aim of developing a broader and more systematic stakeholder engagement process, the Group has decided to gather the external and internal feedback on the materiality of sustainability issues for the Group¹⁰. The final result is represented by the materiality matrix: the upper right corner shows the most significant aspects covered by this report (key information is also provided for the other aspects which are however deemed important for the Group).



¹⁰ The materiality analysis was carried out in 2016 and involved top management and the CEOs of the main Group companies.



04.



2017



THE BUSINESS MODEL



THE BUSINESS MODEL

Our business model is based on the relationships between the different types of capital (inspired by the IIRC - International Integrated Reporting Council framework) and on the ability to organise our activities and processes to reach the pre-established business targets and to create value for all stakeholders in the medium to long term.

As occurs in other public utility sectors, the Group's activities are subject to specific economic regulation by independent national and international authorities, in order to safeguard the correct working of the market and customers rights.

THE BUSINESS MODEL



FINANCIAL CAPITAL

Resources necessary to finance our activities:

- Share capital
- Debt (bonds, bank loans)
- Government grants (Government Programme Contract, EU funds, etc.)



PHYSICAL CAPITAL

Material assets necessary to provide high quality services:

- Railway infrastructure
- Road infrastructure
- Trains
- Buses



HUMAN CAPITAL AND RELATIONSHIPS

Skills, abilities and experiences of our people and relationships with all stakeholders



INTELLECTUAL AND ORGANISATIONAL CAPITAL

Intangible assets which contribute to creating value:

- Patents, rights, etc.
- Trademarks
- Organisational procedures
- IT systems



NATURAL CAPITAL

Natural resources managed (renewable and finite):

- Energy
- Soil
- Water

INPUT

BUSINESS ACTIVITIES

- Planning, assessing and managing investments
- Debt capital market
- Project finance
- Grant award

- Planning new infrastructures
- Management, monitoring and maintenance of the railway and fleet infrastructure (train and bus)
- Defining intermodal transport services
- Providing passenger and freight transport services (Market services¹ and universal services²)
- Monitoring and investments in travel safety

- Selecting and managing personnel
- Training and development
- People care
- Health and safety
- Relationships with customers and suppliers
- Relationships with institutions

- Innovation
- Organisation and administration
- Planning and control
- Risk management
- Internationalisation

- Energy management
- Environmental management systems

OUTPUT

- New infrastructures
- Intermodal services
- High speed services
- Regional services
- International services
- Engineering services

OUTCOME

- Customer satisfaction
- Financial performance
- Environmental impacts
- Punctuality and regularity of the service
- Attractiveness and satisfaction of personnel
- Value creation for the country

¹ Services offered without commercial restrictions and without any government grants

² Public transport services offered at the request of the government or regions under service contracts, whereby the transport companies receive considerations in exchange for meeting agreed requirements in terms of the frequency of runs, fares, service levels and stops

THE GROUP'S PROFILE

102-2 | 102-4 | 102-5 | 102-6 | 102-7 | 102-10

OUR STORY

The Azienda Unitaria delle Ferrovie dello Stato is established on 1 July 1905, based on the unification of stations and a consistent style of carriages. The railway system is designed and built in accordance with one, unified national criterion.

THE COMPANY IS FOUNDED



1905

Together with the Napoli Mergellina station, the direct Rome-Naples line is inaugurated, the first designed to reach high speeds.

THE FIRST EXPRESS TRAIN



1927

The first Italian electric train is built: the ETR 200, paving the way for high speed transport.

ITALY'S FIRST ELECTRIC TRAIN



1936

The ETR 300 arrives on the Rome-Milan line, and is immediately renamed the Settebello, after its seven carriages. Its innovative shape is emblematic of the Reconstruction period and Italian design.

THE LEGENDARY SETTEBELLO



1953



1999



A NEW STRUCTURE

The company is divided into business segments, which will lead to the creation of the Ferrovie dello Stato group in the new millennium.

2005



SETTING INTERNATIONAL STANDARDS FOR HIGH-SPEED TRAINS

The new HS Rome-Naples line is completed, and is the first to adopt the innovative ERTMS/ETCS. Engineers arrive from around the world, including Japan, the US, Russia and China, to study the Italian system, which boasts safe, quiet railway transport at 300km/h.

2008



THE BRIDGE OVER THE PO RIVER

The Ferrovie dello Stato group opens the HS line connecting Milan and Bologna. The works include an extraordinary suspension bridge over the Po River. Trains running on the new line set a new record for Italian speed: 362km/h.

2009



THE HIGH-SPEED BACKBONE IS FINISHED

The Bologna-Florence line, almost entirely in tunnels, and the Novara-Milan lines are opened. The HS line from Turin to Salerno is completed. These lines add 1,000 km of HS rail to the country, changing Italians' way of life and how they get around.

The first electric tilting train is built: the ETR 401, more commonly known as the Pendolino. Designed by Ferrovie dello Stato and Fiat Ferroviaria to reach speeds of up to 250km/h, the Pendolino is a milestone in the path towards Italy's HS rails.

LAUNCH OF THE TILTING PENDOLINO TRAIN



1976



On the direct Rome-Florence line, the ETR X 500 reaches speeds of 317km/h, setting Ferrovie dello Stato's official record. The ETR Y 400 breaks the record soon after when it hits 321km/h.

THE FIRST RECORD



1989



Ferrovie dello Stato becomes a company limited by shares.

CENTRE STAGE IN THE FINANCIAL WORLD



1992



2011



A TOP-THREE OPERATOR IN GERMANY TOO

FS S.p.A. acquires the Arriva Deutschland Group, now known as Netinera, Germany's third largest operator in the passenger transport service sector.



2015



A NEW SPEED RECORD

Frecciarossa 1000, reaches speeds of 390.7km/h, setting new record.



2016



THE PILLARS OF THE FUTURE

Ferrovie dello Stato Italiane S.p.A.'s board of directors approves FS Italiane group's 2017-2026 business plan featuring five strategic pillars to make the group a major international integrated mobility player.



2017-18

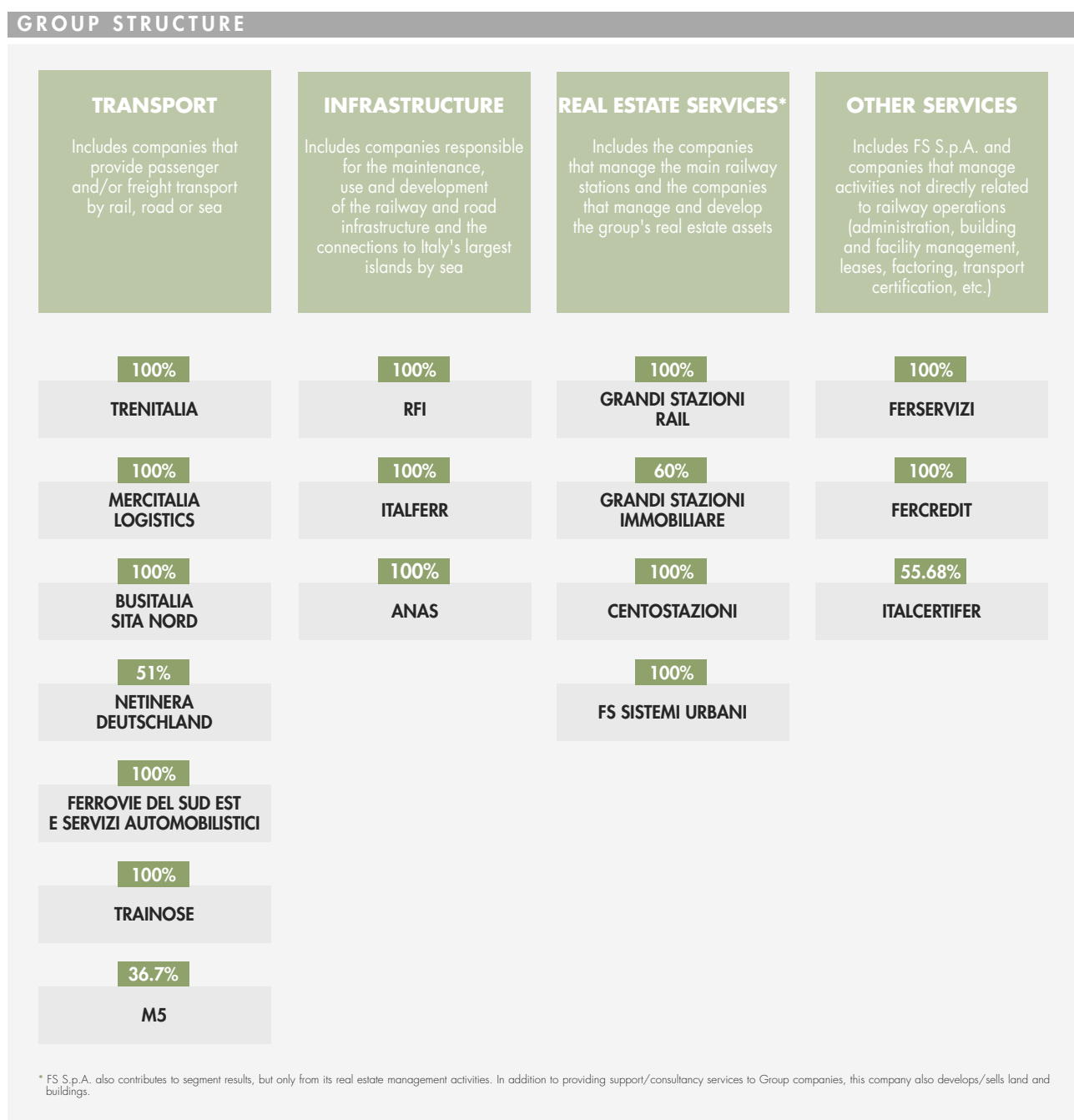


THE GROUP CONTINUES TO GROW

Ferrovie dello Stato Italiane S.p.A.'s shareholder resolves in late Decembers to increase share capital by €2.86 billion through the contribution of the MEF's entire equity investment in ANAS. ANAS joins FS italiane Group on 18 January 2018, after the Antitrust Authority gives its approval.

Ferrovie dello Stato Italiane Group, which is active in Italy and abroad, carries out and manages works and services in passenger and freight railway transport and road transport. As required by the organisational model, which reflects company by-laws, activities are mainly, though not exclusively, carried out through investees.

Ferrovie dello Stato Italiane Group is organised into four operating segments: Transport, Infrastructure, Real Estate Services and Other Services. The parent heads the operating companies in the various operating segments along the chain and other companies that provide services and support for the Group's operations. The companies have their own corporate characteristics and independently manage operations to achieve business targets¹¹.



¹¹ The map of Ferrovie dello Stato Italiane's segments and investments was updated on March 2018. For additional information on the Group companies' business and activities, reference should be made to www.fsitaliane.it ("Group companies").

The Group companies active in passenger and/or freight transport by rail, road or sea operate in the transport segment, which is of primary importance for the Group.

In particular, the leading operator in the railway segment is Trenitalia S.p.A., which provides passenger mobility services in Italy and abroad, managing both regional services and medium and long haul transport, above all high speed Freccie trains. Also contributing to the results of the segment are FSE S.r.l., as concession-holder for rail and road services in Puglia; the Netinera Group in Germany, which operates in rail and road transport in German local public service and the metropolitan market through over 30 investees; TrainOSE SA, which operates in Greece between Athens and Thessaloniki; C2C Ltd, which provides passenger transport in the UK.

The companies which mainly provide freight transport, however, are attributable to the Mercitalia hub, operating on a national and international level and the TX Logistik Group, mainly in Germany, Austria, Switzerland and Denmark.

The transport segment also includes road mobility transport, both in cities and, from 2017, medium and long haul transport, provided by Busitalia-Sita Nord S.r.l. and its investees and by FSE S.r.l.¹².

In June 2017, the Group purchased 36.7% of M5 S.p.A., the company holding the concession for line 5 of the Milan Metro.

Rete Ferroviaria Italiana S.p.A. is the Group's main infrastructure company as the Italian railway infrastructure operator, managing train traffic safety, governing railway companies' and other applicants' access to the network, keeping the infrastructure at full efficiency and planning and performing investments to strengthen and develop the network and its technological equipment. It also guarantees that stations and passenger services are accessible and provides assistance to passengers with disabilities and reduced mobility and generally to all rail users.

To a lesser extent, Italferr, the Group's engineering company, contributed to the segment's results to a lesser extent. The other companies exclusively or partially responsible for the Group's infrastructure are: FSE S.r.l.; Netinera Group; Brenner Basis Tunnel SE; Tunnel Ferroviario del Brennero S.p.A. and Tunnel Euralpin Lyon. These companies are mainly engaged in the construction of tunnels linking Italy to Austria and Italy to France.

ANAS became part of Ferrovie dello Stato Italiane Group on 18 January 2018. With a total network spanning approximately 44 thousand kilometres, it is the leading integrated European hub for rail and road infrastructures in terms of the number of people it serves and the size of investments.

The real estate segment is mainly operated by the companies that manage the main stations (Grandi Stazioni Rail S.p.A. and Centostazioni S.p.A.). Furthermore, FS Sistemi Urbani S.r.l. provides asset management, marketing and development services for the Group's assets not used in core operations.

The parent also contributes to the results of the real estate segment. In addition to establishing real estate and asset allocation strategies (e.g. demergers, mergers, contributions to special purpose vehicles, etc.) for Group companies, it also manages the sale of buildings and land in its real estate portfolio for trading. Lastly, Metropark S.p.A. specialises in the study, planning, construction and management of car parks and transport vehicle parking areas.

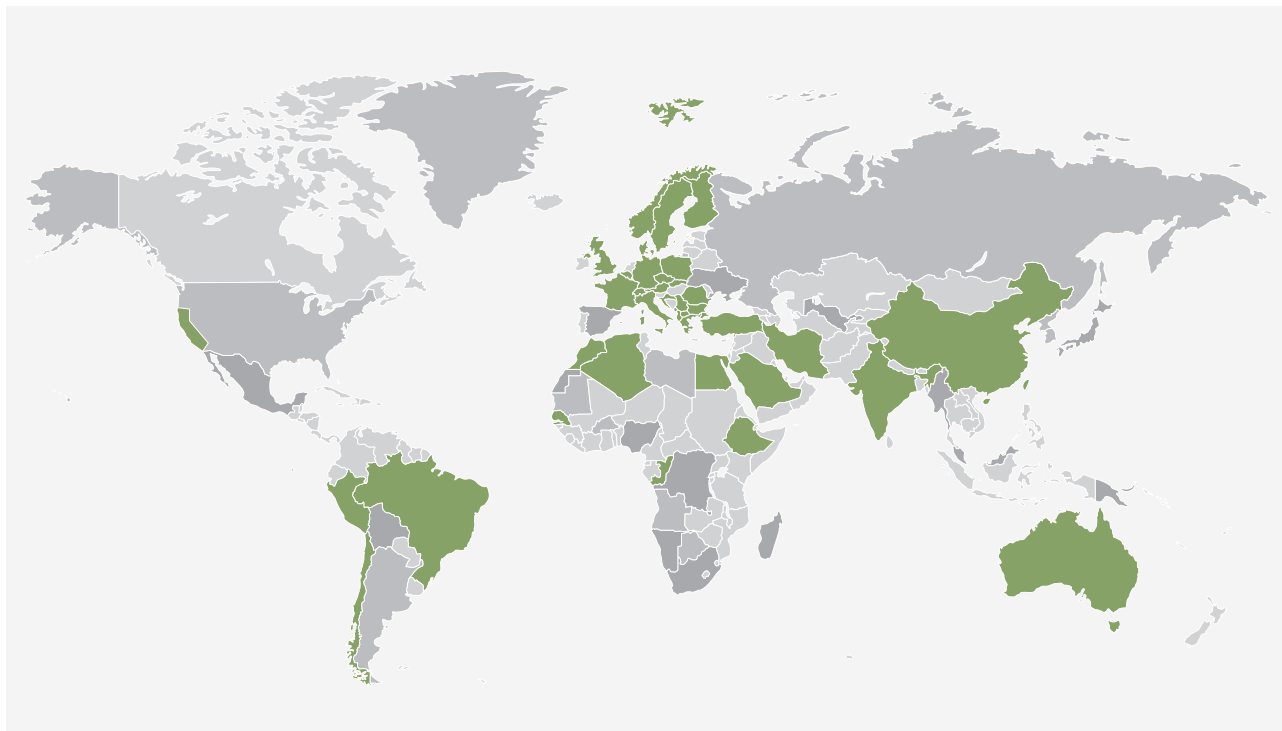
Ferrovie dello Stato Italiane S.p.A. operates in the other services segment as the Group's holding company, and establishes and coordinates the operating companies' policies and business strategies that are not part of the above-mentioned real estate management. The other companies that operate in the segment are: Ferservizi S.p.A., which manages outsourcing for the main Group companies and activities not directly related to railway operations; Fercredit S.p.A., which mainly aims to develop credit factoring and leasing in the captive market, in addition to expanding consumer credit transactions for Group employees, and Italcertifer S.p.A., which certifies, evaluates and tests transport and infrastructure systems.

Non-recurring transactions involving the Group's main companies are described in the Group's 2017 Annual Report (Directors' report, Notes to the consolidated financial statements).

¹² In August 2017, Busitalia Sita Nord purchased QBuzz, Holland's third largest local public transport operator (covering the Utrecht and Groningen – Drenthe area).

INTERNATIONALISATION

WHERE THE GROUP IS PRESENT



FS Italiane Group continuously operates in foreign markets through its subsidiaries, exporting Made-in-Italy quality to 60 countries across five continents, developing projects for high speed and traditional lines, based on transport master plans, feasibility studies, preliminary and executive plans, work supervision and testing.

RFI's commitment mainly consists of the development of a European integrated railway space, strengthening its network along the core corridors of the TEN-T (Trans European Network-Transport) connecting Italy's and Europe's air, port and interport hubs. Specifically, it promotes projects and works for the cross-border sections of the Mediterranean corridor and the Scandinavian-Mediterranean corridor (the Turin-Lyon section between Italy and France, the Brenner Tunnel between Fortezza and Innsbruck and the Trieste-Divaca link between Italy and Slovenia) and participates in the governance, management and operating activities of the four rail freight corridors in Italy. RFI collaborates with other infrastructure operators internationally as a member of both the Union Internationale des Chemins de Fer (UIC)'s Infrastructure Forum and RailNetEurope (RNE). It also participates in European studies and projects funded by framework programmes for research and development.

Italferr is a leading player in foreign markets, acting as a general contractor for the acquisition of orders at all levels. The company has 14 sites around the world (four in Europe). One of Italferr's most recent projects was the signing of a joint venture with Iran Oston, an Iranian engineering company. The contract provides for project management consultancy services for the management and supervision of activities performed by the Chinese contractor, CREC. The design and construction of the first high speed line in Iran (Tehran-Qom-Isfahan) is also progressing. This line will have 440 km of electrified double-track lines and it is expected to travel at no less than 250km/h. In Peru, Italferr was awarded the tender for the Trans-Andean tunnel project, in collaboration with other international engineering companies. The work is part of a wider project for the development of railway connections between the city of Lima and the central

regions of the country planned by the Peruvian Ministry of Transport. In 2017, Italferr signed a memorandum of understanding with RITES (governmental engineering company, the operating branch of Indian Railways for design) and it opened an office in New Delhi. Furthermore, it signed an agreement with Dedicated Freight Corridors Corporation India Limited, a company created by Indian railways for the construction of new freight corridors.

In the field of passenger transport, Trenitalia connects major Italian cities to Austria, France, Germany and Switzerland with its international Eurocity and Euronight trains. Specifically, in France, it has expanded its range of connections to several destinations on the French riviera through the subsidiary Thello (wholly owned by Trenitalia). In January 2017, Trenitalia UK, the UK subsidiary, wholly owned by Trenitalia, purchased NXET (National Express Essex Thameside), the operator of the C2C (City to Coast) franchise for the connections between London and the main coastal destinations of South Essex.

Netinera Group operates in rail and road transport in the German local public service market, and also offers transborder services between Germany and the Czech Republic and Poland, in addition to freight services.

In the freight transport and logistics sector, the Group operates in all major European countries, mainly through TX Logistik, a wholly-owned German company, which plays a fundamental role in the North-South traffic route by providing transport services in Austria, Denmark, Germany, Norway, Holland, Sweden, Switzerland and Italy.

Recently, the international expansion also included Greece, with the purchase of TrainOSE, a company active in passenger and freight railway transport.

Lastly, FS Italiane Group also joined the Dutch local public transport market (bus and tram), purchasing 100% of Qbuzz, Holland's third largest local public transport operator (Utrecht and Groningen - Drenthe), in August 2017 from Nederlandse Spoorwegen (Dutch railways).





CREATION OF SHARED VALUE

102-14 102-15 203-1 203-2

FS Italiane Group confirms the strategic vision underlying its 2017-2026 business plan. Its long term objective is still its transformation from railway operator to integrated and sustainable mobility operator.

The Group's strategy consists of the following five pillars:



INTEGRATED PASSENGER MOBILITY

FS Italiane Group aims to meet the many different mobility needs with a single, tangible, simple response, offering a one-stop mass transport solution. Its goal is to accompany passengers from their front door to their final destination. It will play a key role in restoring the modal balance with mass transport solutions that integrate road and rail.



DIGITAL & CUSTOMER CENTRICITY

The Group's 2017-2026 plan includes a strong push towards digitalisation. Customers will be asked to embrace a new travel philosophy, and they will be given convenient tools for their entire journey, including journey planners, which helpfully combine travel solutions when customers make their plans until the journey is complete. The journey planner is a flexible solution that passengers can update in real time, modifying their plans as needed. It is a true, effective and reliable companion that knows and advises customers.



INTEGRATED LOGISTICS

The goal in this segment, in which road transport is currently prevalent, is to promote a modal balance in favour of rail transport, through the strengthening of the Mercitalia hub, focusing, in particular, on the development of the intermodal offer and expansion in high-added value business segments for customers, such as freight forwarding for a more comprehensive commercial offering of services, like door-to-door.



INTEGRATED INFRASTRUCTURE

In order to strengthen and develop the infrastructures which will allow for the desired paradigm shift, equipping the country with sound infrastructures for an increasingly modern and systemic mobility system for passengers and freight, the Group has budgeted investments for the traditional network as well as for the HS/HC network and European TEN-T corridors, in addition to investments for the modernisation of road infrastructure. In fact, the overall design of the integrated infrastructure is part of the recent addition of ANAS to FS Italiane Group, which will make it possible to pursue a united infrastructure investment policy, developing synergies and managing long-term technological development as an integrated player.

In this respect, railway stations play a central role, connecting the infrastructure level with both public and private rail and road transport services. They are destined to become genuine mobility hubs, which include the provision of services that foster the development of the intermodal nature and the use of increasingly sustainable public transport.

As promoter of integrated mobility, FS Italiane Group is also an active player in the construction of urban metro lines.



INTERNATIONAL DEVELOPMENT

The 2017-2026 business plan places great importance on international growth, which will help to bridge the gap that currently exists with between the Group and other players in the European railway market in terms of the percentage of turnover from foreign activities.

This growth will particularly affect market railway services, considering the fact that Trenitalia can export the service that it already offers with the Freccie trains in Italy to other countries. Not only will it strengthen the transborder relationships already in place, but it will focus on the most attractive European routes, which have been made possible in the wake of the deregulation of the European railways slated to begin in 2020 under the Fourth Railway Package. The international expansion will also include LPT services, with the Group seeking out calls to tender for service contracts in many European countries and acquiring pre-existing players with operating and financial characteristics in line with the Group's own. Last but not least, the Group is confident in the development opportunities of the general contractor business, particularly in countries with large/significant infrastructure gaps, where the Group capitalises on its ability to provide engineering services and create cutting edge railway projects, as these could lead it to acquire contracts for the management of transport services. In 2017, there were many examples of goals brought to fruition using the Group's strategic guidelines: an example of this is the integration of ANAS, the acquisition of Trainose, the leading Greek railway operator, the acquisition of Ferrovie del Sud Est, one of the leading railway companies, the acquisition of Q-Buzz, the third LPT operator in Holland, the continuance of Mercitalia Group's restructuring and many other activities/projects which, day after day, will transform the FS Italiane Group into an international integrated and sustainable mobility operator.

GENERATION AND DISTRIBUTION OF ECONOMIC VALUE

201-1

The table below is based on a reclassification of the income statement in the consolidated financial statements. Specifically:

- economic value generated is an indicator of measurable wealth generated by the Group in the year. The analysis of value added provides an objective evaluation of the Group's economic/social impact by measuring the wealth it has created for all stakeholders;
- economic value distributed is a qualitative/quantitative indicator of the Group's social impact and the distribution of value to the various stakeholder categories.

The value not distributed by the Group (approximately €2.2 billion) consisted essentially of self-financed investments and accruals to reserves, to be reinvested and thereby ensure the continuity of non-current business and, therefore, indirectly benefit FS Group's stakeholders (such as employees and the community through, for example, improvements in service quality).

GENERATION AND DISTRIBUTION OF ECONOMIC VALUE		In millions of Euros		
	2017	2016	2015	
Economic value generated directly	9,375	9,004	8,709	
Revenue from sales and services	8,632	7,908	7,881	
Other sundry income	743	1,096	828	
Economic value distributed	7,208	6,837	6,879	
Operating costs for materials and services	2,760	2,623	2,614	
Personnel expense	4,178	3,951	3,934	
Payments to financial backers	176	170	231	
Payments to public bodies	94	93	100	
Economic value withheld	2,167	2,167	1,830	

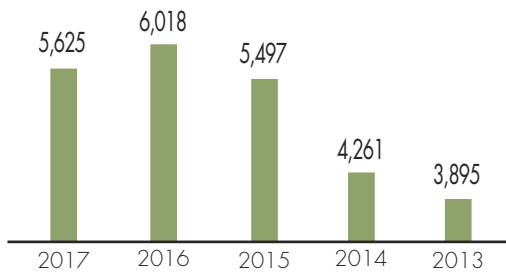


WE CONTRIBUTE TO THE GROWTH OF THE COUNTRIES IN WHICH WE WORK

In Italy, the strengthening of investments (+5% on 2016 – Source: Prometeia, Quarterly Economic Outlook December 2017) was supported by many factors, including favourable financial conditions, better prospects for demand, a renewed climate of confidence and lower levels of unused production capacity.

Continuing the actions in its investment plan, FS Italiane Group invested significantly to expand the country's infrastructure and keep it efficient, with a view to integrating it with other transport systems and providing increasingly high quality mobility services.

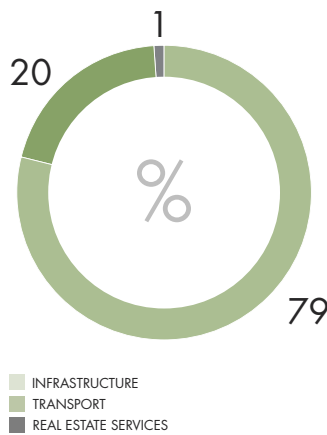
FERROVIE DELLO STATO ITALIANE GROUP INVESTMENTS (mln €)



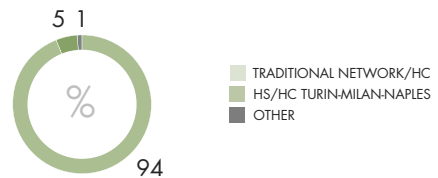
FS Italiane Group's technical investments in 2017 came to €5,625¹³ million (the leading industrial Group by investments in Italy), down 7% on the amount recognised in 2016 following the progressive completion of projects for the acquisition of long haul railway passenger transport (Frecciarossa 1000) and regional passenger transport (Jazz).

Investments are analysed below by segment.

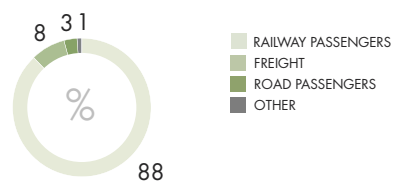
INVESTMENTS BY THE BUSINESS SEGMENT €5,625 MILLION



INVESTMENTS IN INFRASTRUCTURE €4,451 MILLION



INVESTMENTS IN TRANSPORT €1,134 MILLION



Furthermore, approximately 50% of investments in the infrastructure segment were for security, technology and to maintain efficiency, including approximately €400 million invested in cutting-edge technologies.

Approximately 45% of investments in the transport segment were used for long haul railway passenger transport and 36% for regional passenger transport.

6% of investments in transport relate to Group companies operating abroad.

Group spending for development in 2017 came to €33.2¹⁴ million, approximately 87% went to traffic safety technologies, 11% to studies and tests on new parts and systems and 2% on applications for environmental compatibility.

¹³ This includes routine maintenance on rolling stock and excludes the acquisition of companies or business units and equity investments (in companies or joint ventures) and any other financial investments.
¹⁴ These investments are considered infrastructure investments - traditional/HC network.



05



2017



**WE PROMOTE BUSINESS
TRANSPARENCY**



GOVERNANCE MODEL

102-5 102-14 102-18 102-19 102-22 102-24 102-25 102-26 102-28 102-29 405-1

A SYSTEM OF RULES THAT LEADS THE GROUP IN THE RIGHT DIRECTION

The corporate governance¹⁵ structure of FS S.p.A. and its main subsidiaries is organised according to the traditional system: the shareholder appoints a Board of Directors (the parent's BoD is responsible for management and is currently comprised of seven directors) and a board of statutory auditors (the parent's board of statutory auditors is responsible for controls and is currently comprised of three standing statutory auditors and two alternate statutory auditors). The shareholder also appoints the independent auditors, responsible for performing the legally-required audit. Pursuant to article 12 of Law no. 259/1958, the Court of Auditors' Magistrate appointed to audit FS S.p.A. attends the meetings of the Board of Directors and the board of statutory auditors, integrating the corporate governance system.

In accordance with the by-laws, the Board of Directors: (i) appoints a CEO; (ii) may assign proxies to the Chairwoman, with the shareholder's approval, with respect to issues that may be delegated by law; (iii) sets up committees, where necessary, to provide consultation and make proposals (two committees were set up in FS S.p.A.: the Remuneration and Appointment Committee and the Audit, Risk Control and Corporate Governance Committee); (iv) appoints the Manager in charge of financial reporting; and (v) appoints the general manager.

The following chart represents FS S.p.A.'s corporate governance structure.

Additional information is given in the Group's 2017 annual report (Directors' report, Report on corporate governance and ownership structure).

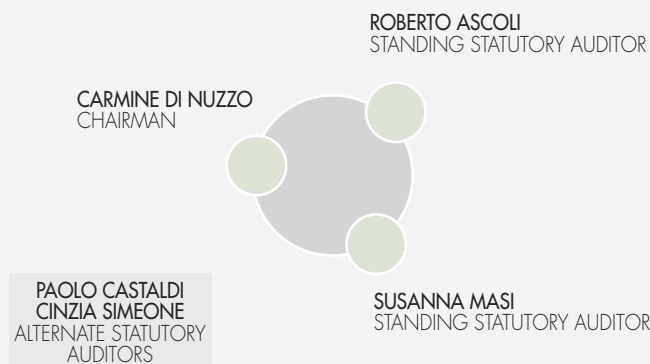


¹⁵ KPMG S.p.A. was engaged to perform the legally-required audit for both the parent and the subsidiaries beginning from 2014. Based on the applicable special provisions provided for by Legislative decree no. 39/10 (article 16 and subsequent articles), after FS S.p.A. became an "entity of public interest" by issuing the listed bond in 2013, the engagement lasts for nine years (2014-2022).

GOVERNANCE MODEL

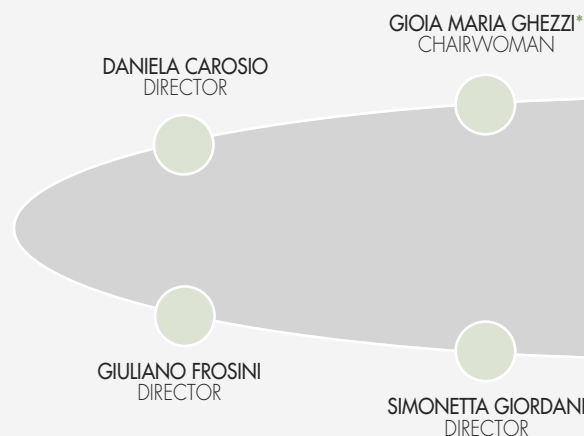
BOARD OF STATUTORY AUDITORS

The board of statutory auditors systematically monitors that the corporate governance principles are applied and oversees compliance with the law, the by-laws and the principles of correct administration.



BOARD OF DIRECTORS*

Has exclusive powers for the Group's financial and strategic aspects and the appointment of the main subsidiaries' boards of directors and boards of statutory auditors



INDEPENDENT AUDITORS

KPMG SPA

COURT OF AUDITORS' MAGISTRATE

ANGELO CANALE

CRISTIANA RONDONI
DELEGATE

AUDIT, RISK CONTROL AND CORPORATE GOVERNANCE COMMITTEE**

As defined in the aforementioned BoD resolution of 1 December 2015, the members of this committee are: Wanda Ternau [Chairwoman], Giuliano Frosini and Federico Lovadina. They are all non-executive and independent directors. This committee is responsible for supporting, by presenting proposals and advising, the BoD's assessments and decisions concerning the internal control and risk management system, the approval of periodic financial reports, assessments of the board's size/composition, the company's and the group's corporate governance and social responsibility

ETHICS

This committee carries out advisory activities and sets guidelines within the framework of the principles and rules of FS Italiane group's code of conduct to facilitate the integration of ethical principles, monitor that actions and conduct are compliant with the established rules of conduct and update the code on an ongoing basis

ANTITRUST COMPLIANCE

It defines the guidelines and steering the objectives and developments of the "FS Italiane group antitrust compliance plan", in accordance with the proposals submitted by a specific technical panel. The committee is routinely informed on the status of FS Italiane group companies' application of antitrust and unfair business practice regulations, the progress of any pending proceedings and regulatory developments in the sector. It also reports regularly, via the CEO and General Manager, to Ferrovie dello Stato Italiane S.p.A.'s BoD.

IT SYSTEMS AND INFORMATION SECURITY COMMITTEE

It steers the FS Italiane group's information security strategies, makes proposals to group companies for critical business processes in relation to emerging risks with respect to the use and management of IT resources, monitors IT initiatives and evaluates and approves proposals for the regulation of evaluations and certifications with respect to the security of information and IT systems

SUSTAINABILITY

The sustainability committee guarantees the integration of social and environmental aspects into economic-financial strategies and promotes the values and principles of sustainable development, in line with stakeholders' needs and expectations

FOREIGN INITIATIVES

This committee guarantees strategic oversight of development initiatives in the group's interests abroad.

CREDIT

The credit committee monitors the performance of group loans and receivables, highlighting any critical areas and promoting the necessary corrective action, while also assessing consolidated exposure to each counterparty and any possibility of offsetting amounts.

(*) After all members of the Board of Directors resigned effective 1 January 2018, considering that the extraordinary shareholders' meeting was held to resolve on the Ministry of the Economy and Finance (MEF)'s contribution of the investment in ANAS to FS Italiane S.p.A. and in order to allow the shareholder to take the best decisions regarding the governance of the company, during the shareholders' of 29 December 2017, the shareholders appointed the following members to the Board of Directors: Gioia Ghezzi (as Chairwoman), Renato Mazzoncini, Giovanni Azzone, Simonetta Giordani, Federico Lovadina, Francesca Moraci and Wanda Ternau to the Board of Directors for three years (2016, 2019 and 2020) starting 1 January 2018. Following the decisions taken at the meeting of 29 December 2017, the Board of Directors met on 10 January 2018 and re-appointed Renato Mazzoncini as CEO and General Manager.

RENATO MAZZONCINI*
CEO
AND GENERAL MANAGER

WANDA TERNAU
DIRECTOR

FEDERICO LOVADINA
DIRECTOR

MARCELLO
TORREGROSSA
BOD SECRETARY

SHAREHOLDERS' MEETING

Attended by the sole shareholder, the Ministry of the Economy and Finance

SUPERVISORY BODY

CARLO PIERGALLINI
CHAIRMAN

GIANFRANCO CARIOLA
GUSTAVO OLIVIERI

MANAGER IN CHARGE OF FINANCIAL REPORTING

ROBERTO MANNOZZI

REMUNERATION AND APPOINTMENT COMMITTEE

This committee's members are Simonetta Giordani [Chairwoman], Daniela Carosio and Giuliano Frosini, who are all non-executive directors and most of whom are independent. This committee is responsible for supporting, by presenting proposals and advising, the BoD with respect to, inter alia, the criteria for the appointment of key management personnel, as well as the boards of directors and boards of statutory auditors of FS Italiane S.p.A.'s direct subsidiaries, the co-option of FS Italiane S.p.A.'s directors, remuneration guidelines and policies, the incentives for group managers and directors with special duties in strategic companies and the remuneration of FS Italiane S.p.A.'s CEO and Chairwoman, pursuant to article 2389.3 of the Italian Civil Code (should the Chairwoman receive executive powers)

CENTRAL DIVISIONS

- CENTRAL MANAGER OF INSTITUTIONAL AND REGULATORY AFFAIRS
- CENTRAL MANAGER OF ADMINISTRATION, FINANCIAL STATEMENTS AND TAX ISSUES
- COURT OF AUDITORS' MAGISTRATE
- CENTRAL MANAGER OF BRAND STRATEGY AND COMMUNICATION
- CENTRAL MANAGER OF FINANCE AND EQUITY
- CENTRAL MANAGER OF GENERAL COUNSEL, CORPORATE BUSINESS AND COMPLIANCE
- CENTRAL MANAGER OF GOVERNANCE AND FOREIGN INVESTMENTS
- CENTRAL MANAGER OF INNOVATION AND INFORMATION SYSTEMS
- CENTRAL MANAGER OF INTERNATIONAL MARKETS
- CENTRAL MANAGER OF COMPANY SECURITY
- CENTRAL MANAGER OF HUMAN RESOURCES AND ORGANISATION
- CENTRAL MANAGER OF STRATEGIES, PLANNING, CONTROLLING AND SUSTAINABILITY

INVESTMENTS

This committee provides guidelines on investments and divestments, directing the Ferrovie dello Stato Italiane Group's planning process, expresses fairness opinions on investments and divestments, monitors the development of the investment plan and proposes any corrective action to be taken.

EQUAL OPPORTUNITIES

This committee promotes initiatives and pro-active measures to offer women workers more favourable working conditions and work distribution, to help them achieve a better work/family balance

SOD (SEGREGATION OF DUTIES)

It is an advisory and steering body with respect to the segregation of duties. This committee is also responsible for defining, validating and safeguarding the Group's SoD risk matrix, analysing and monitoring the implementation of the appropriate remediation actions to manage/resolve SoD risks that are detected throughout many group companies' staff processes.

IMPLEMENTATION OF THE FOURTH RAILWAY PACKAGE****

Considering the significant impact of the European delegated law for 2016-2017 on group operations, this committee is responsible for conducting a detailed assessment of the new legislation and its effects on group activities, monitoring the development of the implementation of directors in other EU member states and coordinating the preparation of FS Italiane group's positions with respect to the adoption of legislative texts implemented in Italy

231 STEERING COMMITTEE*****

This committee steers the work of the 231 team and assesses its proposals. The 231 team was set up in 2017 to provide the parent with permanent, expert, technical support on the updating of FS Italiane S.p.A.'s organisational, management and control model, defined pursuant to Legislative decree no. 231/2001, and to guarantee a periodic flow of information to the CEO and General Manager, the Supervisory Body and other control bodies

ADVISORY COMMITTEES*****

OTHER COMMITTEES*****

(**) On 10 January 2018, the board of directors resolved to set up the Audit, Risk Control and Corporate Governance Committee and the Remuneration and Appointment Committee, appointing the following: Audit, Risk Control and Corporate Governance Committee, Wanda Ternau (Chairwoman), Giovanni Azzone (member) and Francesca Moraci (member). The members of both committees are non-executive and independent. The directors' independence was assessed by the board of directors, based on the statements and information provided by the concerned parties and - albeit with no formal obligation - referring to the provisions of the code of conduct for listed companies.
 (****) Set up with Group measure no. 244/AD of 24 January 2018.
 (*****) Set up with organisational communication no. 536/AD of 28 February 2018.
 (*****) Set up to carry out the advisory or proposal-making functions of the BoD.
 (*****) These are tools used by CEO of FS Italiane S.p.A. for steering and support activities.

BUSINESS INTEGRITY

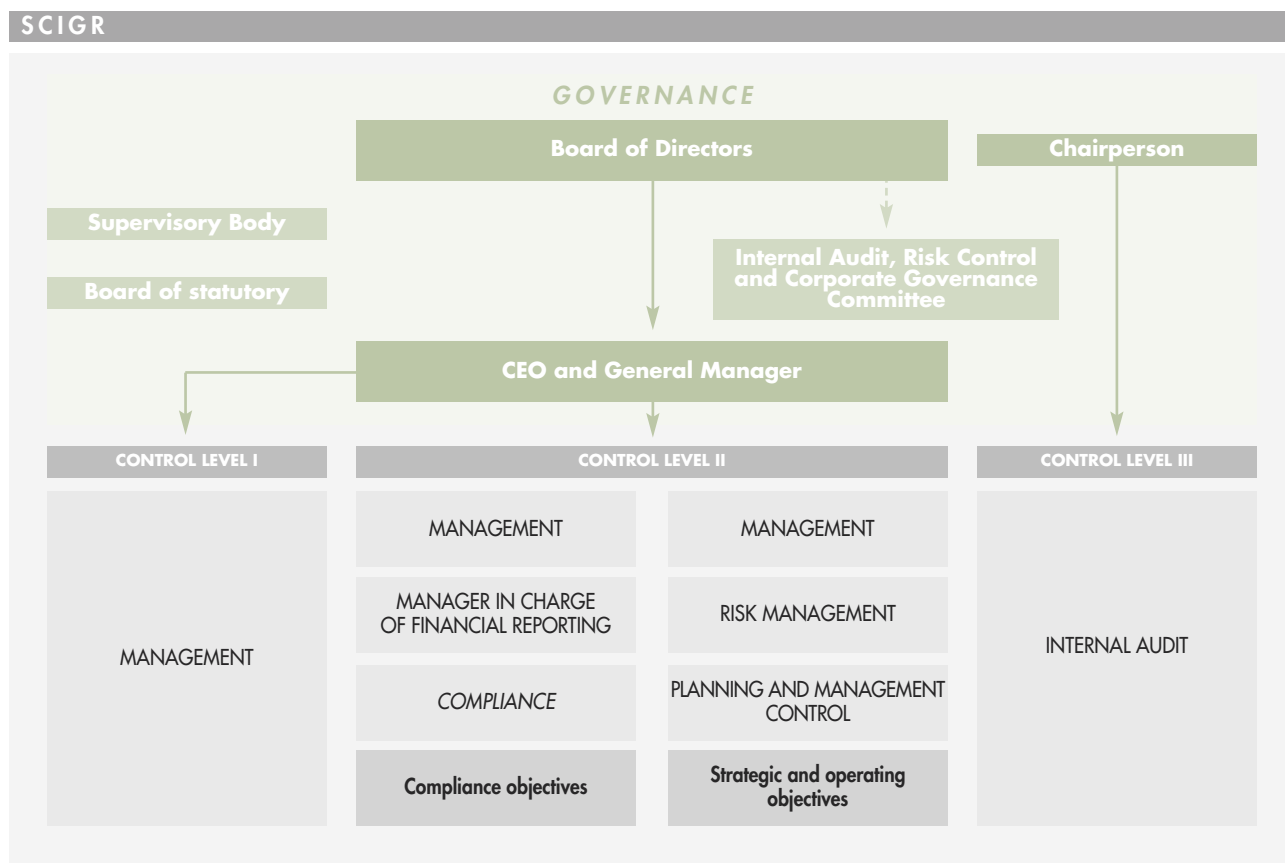
102-11 | 102-14 | 102-15 | 102-18 | 102-22 | 102-25 | 102-30 | 205-1 | 205-2 | 205-3

Spreading a culture of integrity is a priority of the Group, and is a crucial and strategic element for sustainable business. In order to achieve this goal, by qualifying as a trustworthy partner for stakeholders, the Group has defined the best practices through a concrete system of rules aimed at guaranteeing business integrity.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system (ICRMS) is a series of tools, organisational structures, standards and rules aimed at sound and proper business management in line with the business targets set by the Board of Directors, with an adequate process for the identification, measurement, management and monitoring of main risks, and the structuring of adequate flows of information to ensure its circulation.

FS S.p.A. uses the internationally recognised Internal Control Integrated Framework (the “CoSO Report”) as its reference framework, for the implementation, analysis and measurement of the internal control and risk management system.



The internal control and risk management system consists of the following three control levels:

- **Control level 1:** to ensure the correct performance of operations and an adequate response to the related risks. These activities include periodically checking the effectiveness and efficiency of the design and functioning of controls to: i) ensure that they are tailored to their objectives, ii) check that they are updated to any changes in operations, iii) identify and promote any improvement actions. Management, working at all levels of the organisational structure, is responsible for defining and conducting these controls, and they are considered part of continuing operations.
- **Control level 2:** to monitor the main risks with the aim of ensuring the effectiveness and efficiency of the related risk management and to monitor the adequacy and functioning of controls (for main risks). Control level 2 also supports level 1 in the definition and implementation of adequate management systems for the main risks and related controls. Management and other specific functions, like Risk Management, Compliance and the manager in charge of financial reporting conduct the level 2 controls.
- **Control level 3:** to provide independent and objective assurance on the adequacy and effective functioning of the level 1 and 2 controls and, in general on the overall ICRMS. Independent, non-operating units, such as the Internal Audit Department, perform level 3 controls.

A brief description of the duties and responsibilities of the main parties involved in the internal control and risk management system is given below.

THE MANAGER IN CHARGE OF FS S.p.A.'S FINANCIAL REPORTING

In 2007, FS Italiane S.p.A. created the position of "manager in charge of financial reporting" on a voluntary basis, and the position became legally mandatory in 2013 pursuant to article 154-bis of the Consolidated finance act when the parent subsequently issued bonds listed on the Irish Stock Exchange (EMTN programme), resulting in FS Italiane S.p.A.'s status as a public interest entity pursuant to article 16 of legislative decree no. 39/2010 as an "Issuer of listed financial instruments".

FS S.p.A.'s manager in charge defines and updates the Control model for financial reporting (the so-called 262 Model), in accordance with the provisions of article 154-bis of the Consolidated Finance Act and based on the international standards (the CoSO Report - Internal Control Integrated Framework - published by the Committee of Sponsoring Organizations of the Treadway Commission).

The model requires that there is a manager in charge of the parent and managers in charge of the main subsidiaries. The manager in charge of FS S.p.A. defines and checks that the Group's annual business plan complies with Law no. 262/2005.

COMPLIANCE

The compliance structure monitors the national and international legislation and best practices with which the company and Group rules must conform, ensuring and providing information about the correct legal basis of initiatives and guidelines followed by FS S.p.A. to the relevant departments. Furthermore, the structure also ensures the assessment of legal risks and opportunities following the introduction of new legal and regulatory requirements, as well as the resulting organisational, strategic and business implications; it checks that the company and Group guidelines, requirements and procedures are in line with legislation, proposing areas of improvement for the purpose of correct legal orientation.

RISK MANAGEMENT

The Group's risk management/CRO (Chief Risk Officer) coordinates and manages the risk management process, overseeing the design, implementation and governance of the integrated enterprise risk management model, guaranteeing the identification, classification, measurement, assessment and monitoring of main risks to support strategic and operational planning processes.

The risk management process entails: mapping processes and their objectives, identifying and assessing risks and their controls and proposing any improvement action to contain risks.

The Group has adopted the *Risk & Control Self Assessment* (RCSA) method for risk management, which is characterised by the active participation of the respective Process Owners in the identification and assessment of the risks related to their activities.

PLANNING AND MANAGEMENT CONTROL SYSTEM

In line with the strategic guidelines and objectives that the Board of Directors has defined:

- the Group Strategy, Planning, Verification and Sustainability Department (DCSPCS) defines the Group's business and market strategies and the related planning, monitoring and strategic and operational control process;
- the planning and management control system supports the Group's strategic planning process, the budgeting process (operational implementation of strategies), the calculation of actual results and the analysis of such results.

INTERNAL AUDIT

Internal auditing is independent and objective for assurance and advisory purposes in order to improve the organisation's efficiency and effectiveness. It is responsible for: i) checking that the internal control and risk management system is operating and adequate, both on an ongoing basis and in relation to specific needs and to provide assessments and recommendations to promote efficiency and effectiveness; ii) providing specialist support concerning the internal control and risk management system to management, in order to improve the effectiveness, efficiency and integration of the controls in the business processes and to promote the constant improvement of governance and risk management.

The internal audit departments report to the Chairperson of the Board of Directors, CEO and Audit Committee (where applicable).

The internal audit departments provided operational support to the supervisory bodies of their respective companies in the performance of supervisory activities.

A new organisational and functional structure of the Group's internal audit department was introduced in 2017, which entails:

- the introduction of an internal audit department for the parent, FS S.p.A. and its main subsidiaries consolidated on a line-by-line basis. Considering their characteristics and respective risk profiles and the guidelines established by FS S.p.A.'s Central Audit Department, these subsidiaries assess their internal audit structure to determine how efficient they are, with the assumption that the aim is always the effective protection provided by their internal control and risk management system.
- Central Audit Department's coordination of the Group's internal audit departments by: i) defining and updating audit guidelines and methodologies; ii) managing the professional internal audit family, as Group process owner.

EXTERNAL CONTROLS

- **Independent auditors:** KPMG S.p.A. was engaged to perform the legally-required audit for both the parent and the subsidiaries, starting from 2014. Based on the applicable special provisions provided for by Legislative decree no. 39/10 (article 16 and subsequent articles), after FS S.p.A. became an "entity of public interest" by issuing the listed bond in 2013, the engagement lasts for nine years (2014-2022);
- **Court of Auditors' control:** the court of auditors verifies FS S.p.A.'s financial management, using a Magistrate present at the meetings of the Board of Directors and board of statutory auditors.

ORGANISATIONAL, MANAGEMENT AND CONTROL MODELS PURSUANT TO LEGISLATIVE DECREE NO. 231/2001 AND SUPERVISORY BODIES

Group measure no. 209/P of 9 June 2016, which replaced the previous measures issued after 2002, requires that FS Italiane Group companies adopt organisational, management and control models that adequately prevent the illegal conduct covered by legislative decree no. 231/2001 and set up supervisory bodies responsible for monitoring that the models function and are complied with and for proposing updates to the models.

The supervisory bodies are normally set up as boards with a chairperson from outside the company with extensive, specific expertise in this area, an internal audit manager and a legal expert from outside the Group or, alternatively, a member of the board of statutory auditors.

In order to guarantee the independence of these bodies', their members cannot hold similar positions with subsidiaries or parents or have economic relationships with the company, subsidiaries or parents.

The FS S.p.A. supervisory body consists of two external members, one of which as chairperson and one internal member, represented by the head of FS S.p.A.'s Internal Audit Department.

ZERO TOLERANCE OF CORRUPTION

FS Italiane Group conducts its business in compliance with the principles of integrity, ethics and zero tolerance for corruption. The Group has been pursuing its commitment to business based on the above-mentioned principles for some time, with the adoption of the Group's code of ethics, the 231 model and the issuing of specific guidelines for the prevention of corruption between private parties within FS Italiane Group. In 2017, the Group joined the United Nations' Global Compact, the tenth principle of which is to "work against corruption in all its forms".

To further support this commitment, in 2017, the parent voluntarily adopted a self-regulatory tool to prevent corruption.

This tool, which is called the unified anti-corruption framework, is based on two management and control models:

- the 231 model, for suspected corruption within the scope of Legislative decree no. 231/2001 (including corruption between private parties, undue soliciting to give or promise benefits and misconduct);
- the anti-bribery and corruption (ABC) management system¹⁶, for acts of large-scale corruption, including maladministration, implementing the anti-corruption policy guidelines¹⁷ which also constitute an integral part of the framework and which contain the directive criteria for the creation of an effective anti-corruption system within FS Italiane S.p.A.. The anti-bribery and corruption unit collaborates with other parties involved in the model to monitor the ABC system and the implementation and enforcement of the measures set out therein, proposes updates to the ABC system as part of the ongoing improvement process, supports the process owners in the identification of risks and in defining relevant prevention measures, and collaborates with management to promote initiatives for training and communication on anticorruption and the framework. During the first year of application (2018), the ABC system will focus on the analysis of at-risk events during the processes identified in the anti-corruption policy guidelines, in accordance with the relevant legislation and best practices, as being the most exposed to the risk of corruption: procurement/contracting, advisory engagements, international business development, membership fees, sponsorships, co-marketing, gifts and donations and human resources.

Furthermore, in 2017, a process began to prepare a procedure for the management of reports, which governs the receipt, analysis and handling of reports sent or forwarded by anyone, about illegal or irregular events and conduct in violation of the law or internal regulations, including the organisational, management and control model pursuant to Legislative decree no. 231/2001, the ABC system or the Group's Code of Ethics, with respect to the operations and organisation of FS S.p.A. and/or its subsidiaries. During the year, FS S.p.A.'s Ethics Committee managed a total of 57 reports of alleged abuses/violations of the company regulations and code of ethics, 11 of which related to 2016

¹⁶ Approved by FS S.p.A.'s BoD on 19 December 2017.
¹⁷ Approved by FS S.p.A.'s BoD on 13 September 2017.



and 46 to 2017. The reports are subject to documentary investigations by the competent company structures, after which corrective actions are taken where necessary.

The management of reports is communicated to the BoD periodically. Reports with an impact pursuant to Legislative decree no. 231/2001 are provided to FS S.p.A.'s supervisory body. The Ethics Committee and the supervisory body work together to manage the reports of common interest.

AWARENESS, COMMUNICATION AND TRAINING ABOUT ANTICORRUPTION POLICIES AND THE MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/01

Activities promoting awareness, communication and training are fundamental to spreading a culture of integrity. In this respect, by implementing the directive criteria of the anti-corruption policy guidelines, the ABC system requires management accountability, a culture of risk prevention and ongoing training and communication, among other important elements.

The guidelines recognise the importance of spreading awareness about anticorruption to FS S.p.A.'s management and personnel, with the conviction that knowledge of the rules in place to protect business conduct and a culture of integrity constitute an essential condition for the knowledgeable application of regulations as a means of preventing corruption. This goal was pursued in the preparation of the ABC system by directly involving the heads of the relevant company structures, including in specific meetings, and, with regard to the specific prevention measures, involving the structures and chairpeople of FS S.p.A.'s main subsidiaries. In due time, the latter will be required to adopt their own framework and ABC system.

Before its approval, the ABC system was presented to the Audit, Risk Control and Corporate Governance Committee, the Executive Committee and FS S.p.A.'s control and supervisory bodies. Raising awareness to prevent corruption will take place through a specific training plan in 2018.















In 2017, around 1,730 man/days were dedicated to training/raising awareness about anti-corruption policies and procedures implemented at Group level. With reference to Legislative decree no. 231/2001, an e-learning training initiative targeted at all FS S.p.A. personnel was launched during the year, focusing on the administrative responsibilities of the bodies, pursuant to Legislative decree no. 231/01: the Decree, the relevant crimes, the organisational model, the code of ethics, the supervisory body, and the responsibility of the Groups of companies.

Additional information regarding business integrity is given in the Group's 2017 annual report (Directors' report, Report on corporate governance and ownership structure).

MANAGEMENT SYSTEMS

102-12

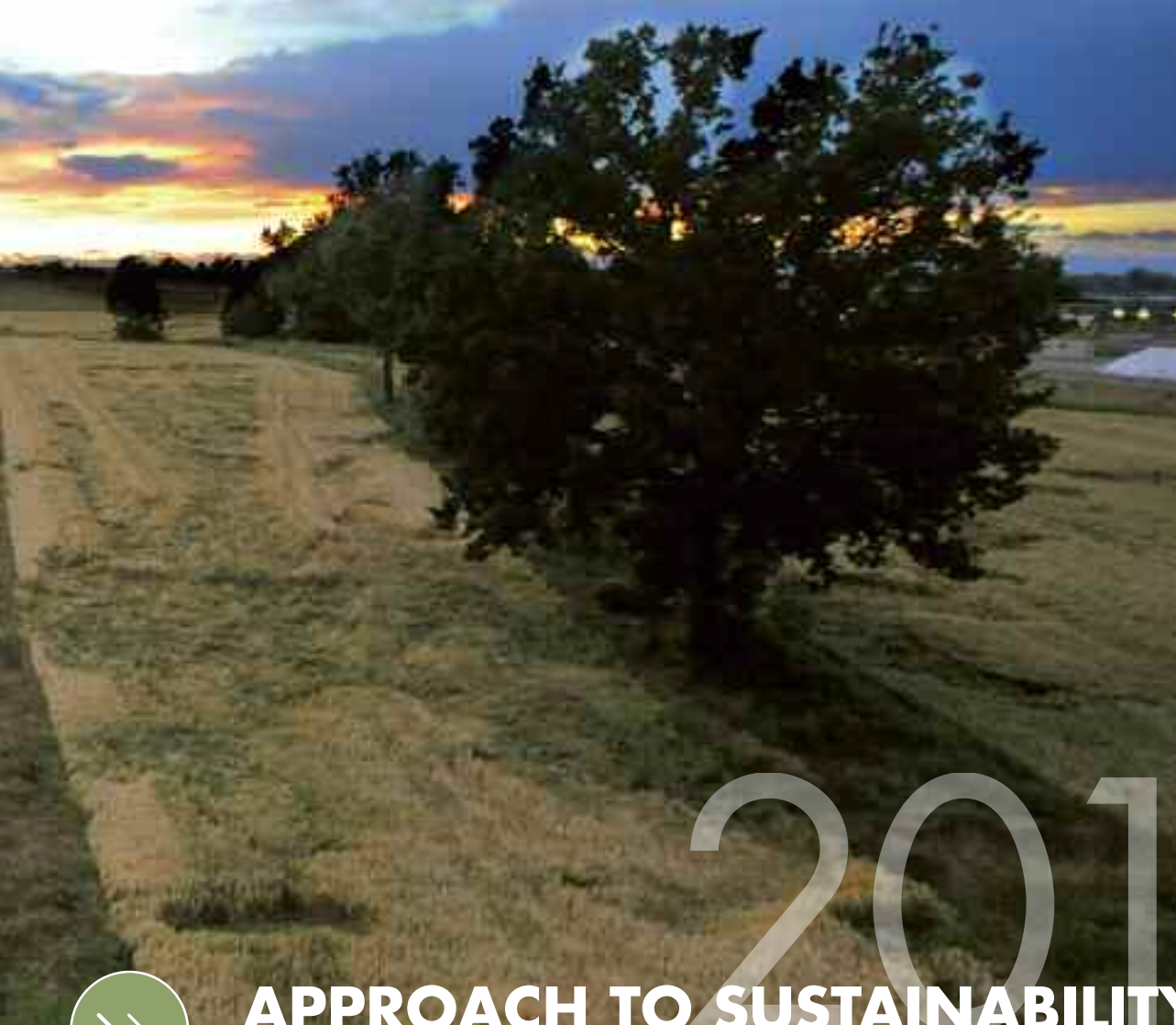
FS Italiane Group and the main Group companies remain committed to implementing, certifying and maintaining their environmental management systems or integrated management systems, with the goal of continuing to improve the Group's environmental services¹⁸.

MANAGEMENT SYSTEMS			
			
 FERROVIE DELLO STATO ITALIANE	✓	✓	
 RFI GRUPPO FERROVIE DELLO STATO ITALIANE	✓	✓	✓
 TRENITALIA GRUPPO FERROVIE DELLO STATO ITALIANE	✓	✓	✓
 ITALFERR GRUPPO FERROVIE DELLO STATO ITALIANE	✓	✓	✓
 NETINERA EIN UNTERNEHMEN DER FS-GRUPPE	✓		
 BUSITALIA GRUPPO FERROVIE DELLO STATO ITALIANE	✓	✓	✓
 CENTOSTAZIONI GRUPPO FERROVIE DELLO STATO ITALIANE	✓	✓	✓
 FERSERVIZI GRUPPO FERROVIE DELLO STATO ITALIANE	✓	✓	✓
 MERCITALIA LOGISTICS GRUPPO FERROVIE DELLO STATO ITALIANE	✓	✓	✓
 SISTEMI URBANI GRUPPO FERROVIE DELLO STATO ITALIANE		✓	
 GrandiStazioni GRUPPO FERROVIE DELLO STATO ITALIANE		✓	

¹⁸ For more information about the certification scope of operating Group companies' management systems, see the attached introductory company information table.



06.



APPROACH TO SUSTAINABILITY



THE GROUP'S VISION

103-2

FS Italiane Group has translated its long-term vision into the new 2017-2026 business plan, which intensifies its ambition of creating transport works and services that create long-lasting value for the community by redefining the business through intermodal transport. The vision is based on three commitments: economic, social and environmental.

THE GROUP'S VISION

Be a business that is part of the economic community and will create an offer of **integrated and sustainable** mobility and logistics services, in compliance with safety, using transport infrastructures in synergy with other operators and creating value in Italy and abroad



ECONOMIC COMMITMENT

BE A LEADER
in the mobility sector by promoting the quality and efficiency of transport and infrastructure services



SOCIAL COMMITMENT

BE AT THE FOREFRONT
of an integrated mobility project that, through a virtuous business model, encourages fair business practices and active engagement



ENVIRONMENTAL COMMITMENT

BE PIONEERS
in the development and implementation of integrated mobility solutions on a large scale that contribute to regenerating natural capital



This expression of intent constitutes the shared foundation of values and beliefs that guide FS Italiane Group's decisions and operations.

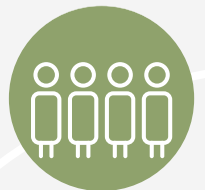
SUSTAINABILITY POLICY AND GOVERNANCE

102-12 | 102-14 | 102-15 | 102-16 | 103-2 | 103-3 | 201-2

The Group formalised a set of principles targeted at all the company parties on which the company policies, code of ethics and vision are based:

- We continuously communicate with communities during the planning and completion of infrastructural investments.
 - We develop initiatives based on current issues and continuously support national events through partnerships with foundations, museums and cultural associations.
 - We ensure the utmost level of safety for customers, employees and the community, focusing on the consolidation of the culture of risk management and prevention.
 - We carry out projects and initiatives to help disadvantaged people.
 - We promote significant employer branding initiatives, aimed at developing above-par training and introducing young people to the employment experience;
-
- We consider our human resources to be the Group's main assets, with their value, their differences and their rights.
 - We maintain their professional growth through technical/professional and managerial training.
 - We make sure that our recruitment, training, development and career advancement are based on merit and free from any form of discrimination.
 - We develop tools capable of improving the well-being and motivation of workers, in addition to facilitating a healthy work/life balance and integration.
 - We constantly strengthen and update the prevention measures, and this has included the implementation of OHSAS 18001-certified management systems.
-
- We integrate environmental and social issues in the procurement of goods, services and works.
 - We have structured a supply chain assessment process in order to better identify and manage the impacts of the supply chain.
 - We guarantee that our activities respect human rights, operating within the framework of the UN's Universal Declaration of Human Rights and contributing to the creation of a responsible chain through our suppliers and business partners.

COMMUNITY



OUR PEOPLE



SUPPLIERS





SHAREHOLDERS AND OTHER INSTITUTIONS

- We promote the balancing of economic objectives with social and environmental ones, creating value for the shareholder, stakeholders and the land where we work, making the most of external benefits and avoiding or reducing negative repercussions.
- We maintain a continuous and transparent dialogue with institutions and all our stakeholders through various channels (stakeholder panel, relationships with associations/institutions, partnership initiatives, relationships with the media etc.).



THE ENVIRONMENT

- We adopt a group environmental management model, which sets out short and long-term strategies and principles, which the companies translate into independent paths for improving their own performance: this commitment will also see the implementation and certification of environmental management systems (EMS)/integrated management systems (IMS) to cover all the operating sites and processes of the Group companies.
- We minimise the environmental impact of our activities by adopting an LCA approach from the planning stage to all processes thereafter.
- We encourage our suppliers to improve their environmental performance and, where possible, we guide them and support them in their improvement process.
- We promote sustainable financial tools (e.g. Green Bonds)



CUSTOMERS

- We pay close attention to delivered and perceived quality. In order to improve the experience of our institutional and private customers and in the name of intermodal transport and integration with the land, we are transforming stations into mobility hubs.
- We promote an integrated door-to-door system through the creation of intermodal hubs, vehicle sharing agreements, bus-rail connections, etc...
- We inform all stakeholders of our principles and commitments to improving the services we offer through Service Charters.
- We measure quality perceived by customers through periodic customer satisfaction reports, using the management of complaints as a valid tool for interaction with customers and to monitor inefficiencies reported by customers and improve performance.



OUR COMMITMENT

The desire to transform the Group into a mobility business of the future, capable of meeting sustainability principles, while maintaining the highest levels of ethics and integrity, was shown in August 2017, when the Group joined the UN Global Compact. Demonstrating this commitment in August 2017, the Group joined the UN Global Compact to formalise its involvement in the creation of an inclusive and sustainable global economy by integrating its strategy and day-to-day operations with the Global Compact's ten principles.

FS Italiane Group is also a member of the UIC, which promotes the railway sector around the world as a solution to the challenges of mobility and sustainable development. The Group signed the "UIC declaration on Sustainable Mobility and Transport" in 2011, committing itself to promoting responsible behaviour, in line with the GC's ten principles.

The Group's code of conduct establishes the rights and responsibilities of corporate officers, managers, employees, freelancers, business partners, suppliers and all other parties involved in transactions with the Group. With the code of conduct, FS Italiane Group transparently takes on its responsibilities and commitments to both internal and external stakeholders.

Lastly, the FS Italiane Group wants to help achieve the Sustainable Development Goals (SDGs) as part of the UN's 2030 Agenda, for common, solid development, specifically with the following:



THE FIRST FS ITALIANE GROUP GREEN BOND

302-5



On 30 November 2017, FS Italiane group issued its **first green bond** to finance new trains for both regional and high speed transport. It has a nominal value of €600 million and a duration of six years. This is in line with the Group's strategy for the modal shift from private cars to other more environmentally and socially sustainable modes of transport.

The proceeds will be used to update the rolling stock for public transport as detailed below (Eligible Green Projects)

- New high-speed ETR 1000 trains for high-speed passenger transport;
- New electric multiple unit (EMU) trains for regional passenger transport

The transaction allowed FS Italiane to set a coupon of 0.875%, the lowest ever obtained by railways for a public bond on the capital market.

In order to finance projects with a positive impact in terms of environmental and social sustainability, Ferrovie dello Stato Italiane has developed a **Green Bond Framework** ("GBF") in line with the 2017 **Green Bond Principles** issued by the International Capital Market Association, establishing the eligibility criteria for projects and the methods for the allocation, management and monitoring of income from green bonds.

For this reason, the Group has created the **"Green Bond Working Committee"** which sets up, maintains and updates the GBF, with particular focus on the identification and measurement of so-called EGP (Eligible Green Projects). The committee will meet at least every six months to check that projects which have been financed still meet the criteria, including the GBF, and to identify additional eligible projects. An external advisor, Sustainalytics, expressed a second-party opinion, which confirmed the GBF's compliance with the above-mentioned principles.

¹ The documentation is available at the following address: <https://www.fsitaliane.it/content/fsitaliane/it/investorrelations/debito-e-crediting/green-bond.html>

ELIGIBLE GREEN PROJECTS

NEW HIGH-SPEED ETR 1000 TRAINS FOR HIGH-SPEED PASSENGER TRANSPORT

Frecciarossa 1000 is Trenitalia's most modern train. Comfortable, safe and environmentally friendly, it is equipped with the most advanced technological system for controlling train speeds (ERTMS/ETCS) and a predictive diagnostics system to ensure maximum safety while travelling.

- less energy consumed than the ETR 500
- extremely accurate aerodynamic design to minimise drag
- highly efficient traction system
- LED lighting
- over 92% recyclable
- first high speed train with an Environmental Product Declaration (EDP)
- access to white certificates (national framework of incentives for investments in high energy efficiency) obtained 1 December 2015

NEW "ELECTRIC MULTIPLE UNIT (EMU)"

Upgrade of the Trenitalia fleet for regional transport continues with the **Pop** and **Rock** trains, maintaining the same technical, highly innovative techniques, particularly in terms of safety, accessibility, comfort and energy and environmental efficiency.


- less energy consumed than other trains in Italy
- innovative technologies for energy efficiency (natural gas engines, light alloys, LEDs, CO₂ sensors for optimum air conditioning, etc.)
- Over 92% recyclable
- bike racks, with recharging stations for electric bikes
- access to the white certificates (national framework of incentives for investments in high energy efficiency) obtained 15 February 2017

ALLOCATION OF INCOME

Net income from the bond of approximately €600 million was allocated to two Eligible Green Projects, as detailed in the table below. The allocation was completed on 4 April 2018 and income not allocated at that date was managed in accordance with the group's management policy for liquid funds.

Income from Green Bonds was allocated to the following rolling stock:

ALLOCATION OF GREEN BOND INCOME		(in millions of Euros)	
ELIGIBLE GREEN PROJECT	Funds allocated at 7 December 2017	Funds allocated at 4 April 2018	
New high-speed ETR 1000 trains	535.49	549.64	
New electric multiple unit (EMU) trains for regional passenger transport	49.78	49.78	
TOTAL	585.27	599.42	

TYPE	NUMBER OF TRAINS
	FRECCIAROSSA 1000 17
	"POP" TRAINS 3
	"ROCK" TRAINS 4





ENVIRONMENTAL IMPACTS OF ROLLING STOCK

The environmental performance of the rolling stock financed using Green Bonds is given below:

- energy savings
- greenhouse gas emissions
- greenhouse gas emissions avoided

The data relating to 17 "ETR1000s" are included as they are already in operation





THE ENVIRONMENTAL IMPACT OF THE ETR 1000

KPI	U.M.	TOTAL	IMPACT
 NUMBER OF TRAINS FINANCED WITH THE GREEN BONDS	No.	17	
 ENERGY SAVED*	MWh	-33,108	↓ -20.5%
 TOTAL GREENHOUSE GAS EMISSIONS	tCO ₂	47,960	
 TOTAL GREENHOUSE GAS EMISSIONS AVOIDED *	tCO ₂	-12,349	↓ -20.5%

* The point of reference for calculating energy services and eliminating emissions is the ETR 500 train with nine carriages

With regard to the EMU trains for regional transport, estimates are based on amounts stated by suppliers during the tender process. The first EMU trains will be rolled out for the first time in Emilia Romagna in 2019, where the group has signed a 22.5-year service agreement of with the region.

THE ENVIRONMENTAL IMPACT OF THE POP AND ROCK TRAINS

KPI	U.M.	POP	ROCK	TOTAL	IMPACT
 NUMBER OF TRAINS FINANCED WITH THE GREEN BONDS	No.	4	3	7	
 ENERGY SAVED*	MWh	-2,565	-497	-3,061	↓ -20.5%
 TOTAL GREENHOUSE GAS EMISSIONS	tCO ₂	3,388	1,193	4,581	
 TOTAL GREENHOUSE GAS EMISSIONS AVOIDED *	tCO ₂	-957	-185	-1,142	↓ -20.5%

* The calculation of energy savings and emissions avoided is based on the market average of comparable trains.
 2. In accordance with the European technical specification: TS 50591 (formerly known as UIC/UNIFE TECREC 100_001) "Specification and verification of energy consumption for railway rolling stock"

SUSTAINABILITY GOVERNANCE MODEL

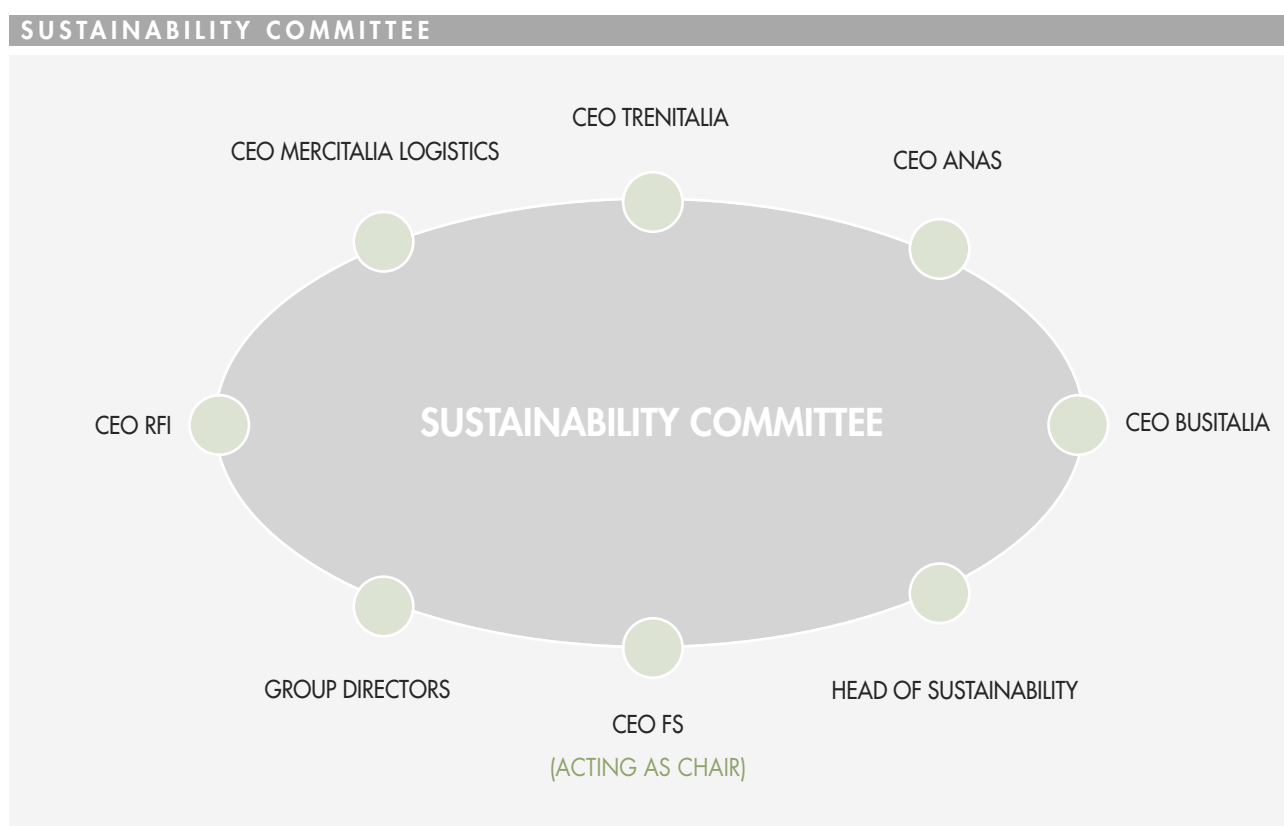
102-18 102-19 102-27 102-29

In 2016, FS S.p.A. established a Sustainability Committee¹⁹, an advisory board made up of senior managers from the main Group companies, formed to integrate social and environmental aspects into economic-financial strategies, promote the values and principles of sustainable development and meet stakeholders' needs and expectations. The CEOs of six Group companies, five central directors and the head of sustainability are members of the Sustainability Committee.

So as to integrate strategies with sustainability aspects, using the corporate shared value approach, the Group has initiated pilot projects to create a methodology that incorporates multi-dimensional assessments of activities.

In 2017, an induction programme was launched for both the Board of Directors and the Sustainability Committee, aimed at strengthening the top management's knowledge of and commitment to sustainability: a total of three meetings were held.

In addition, a process began to define the Group's long-term goals (2030-2050) on a selection of strategic issues, and these goals will be shared with key stakeholders at the Group's fifth stakeholder panel, before being finalised.



¹⁹ Established by the Group decision of 1 July 2016.

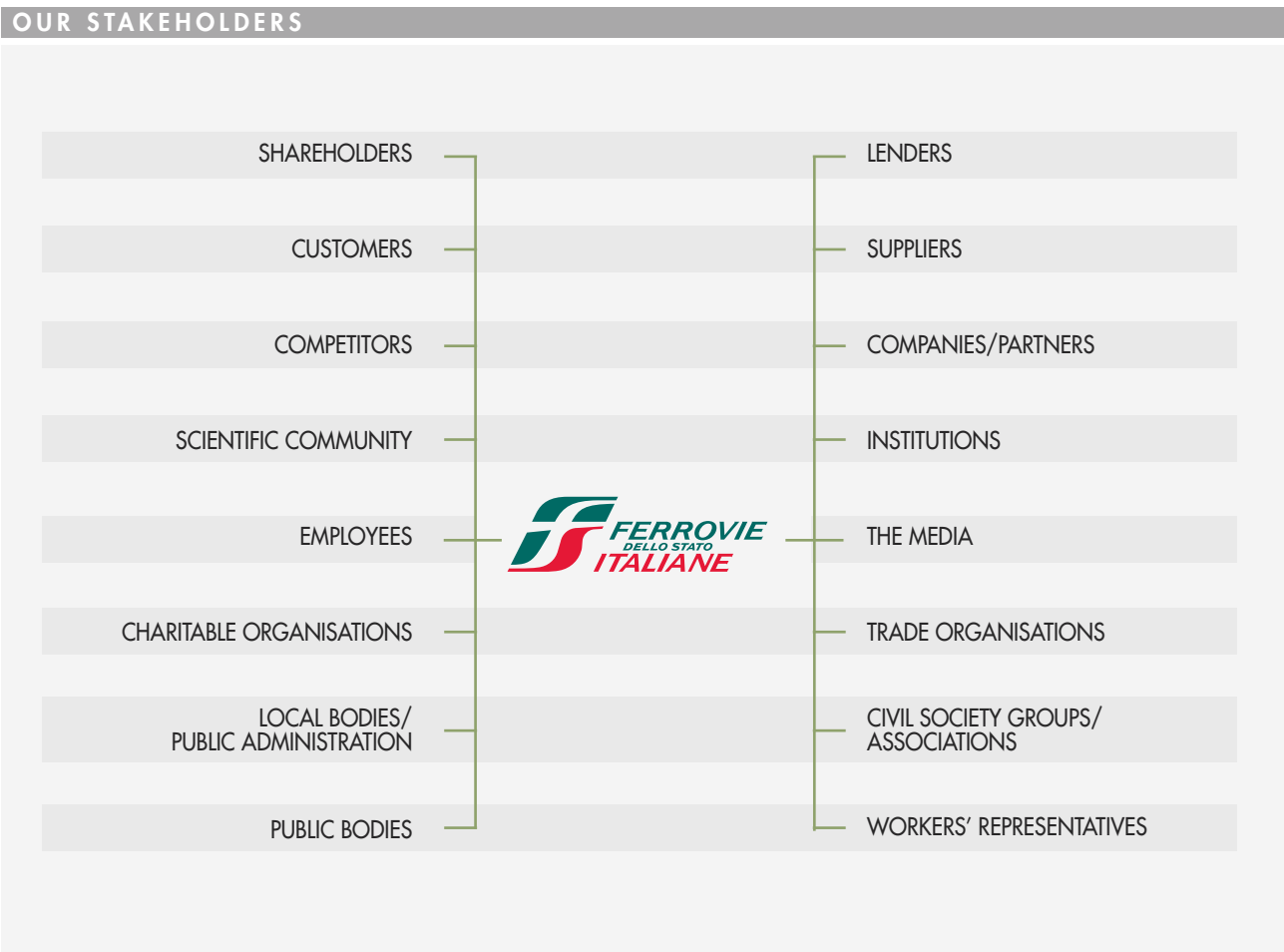
DIALOGUE WITH STAKEHOLDERS

102-21 102-40 102-43 102-44 413-1 417-3

Ferrovie dello Stato Italiane Group carries out a continuously dialogues with its stakeholders, as it firmly believes that understanding their expectations and identifying medium and long-term objectives with them guarantee the effective creation of value.

With this in mind, FS Italiane Group has several ways of interacting with its stakeholders

MAP OF FERROVIE DELLO STATO ITALIANE GROUP'S STAKEHOLDERS





THE STAKEHOLDER PANEL

FS Italiane Group is aware that sustainable, long-lasting growth goes hand-in-hand with the ability to create value for the community and all stakeholders, i.e., its ability to meet the interests and expectations of its stakeholders. That is why the Group holds a stakeholder panel every year to promote dialogue and interaction with stakeholders and stakeholder involvement. They are invited to discuss current issues and propose improvements for the business. In turn, FS Italiane Group promises to give a specific and transparent answer to every request submitted and to follow up tangibly where appropriate. Over 200 stakeholders from the different stakeholder categories participated in the four panels held from 2013 to 2016. A total of 85 proposals were gathered and, of these, 52 were implemented, 23 are being implemented and 10 were judged not feasible.

The progress of the proposals and updates on the panel's activities are available on the specific page of the FS Italiane website.

OTHER FORMS OF DIALOGUE

102-13

There are many other forms of dialogue between the Group and internal and external stakeholders, including institutionalised feedback collection (e.g., customer satisfaction surveys), relationships with the consumer and environmental associations and the trade unions.

Every year, the Group promotes a number of initiatives to inform, advise, discuss and partner with the various stakeholders. In 2017, Ferrovie dello Stato Italiane Group took part in activities with the following associations: Confindustria and its local branches, Agens/Federtrasporto, Federturismo, Assonime and Accredia. In addition, it met with the Conference of Regions and Autonomous Provinces, the Unified Government and Regions Conference with the relevant Ministries.

In Europe, the Group has collaborated with:



Ferrovie dello Stato Italiane's CEO has held the chair of the UIC since 1 December 2016.

As a member of UPA, the Group also automatically endorses the Institute of Advertising Self-Discipline²¹. There were no non-conformities in advertising in 2017.

In 2017, Ferrovie dello Stato Italiane Group managed relationships with national, local and international media (press agencies and national, local and foreign newspapers, the free press, magazines and general and trade publications,

²⁰ EU Institutions (Parliament, the EU Commission and Council).

²¹ An association that represents the interests of the most important industrial, commercial and service companies which are clients of the advertising industry.

radio, television and photography agencies), in addition to online newspapers, websites and blogs, via the Press Office and other communication channels outside the Group, which include:

- the online newspaper fsnews.it;
- the Group's website fsitaliane.it;
- the radio station FSNews Radio;
- the online television station La Freccia.tv;
- *La Freccia* and *FrecciaViaggi* magazines;
- social networks.

MEDIA RELATIONS AND PUBLISHING ACTIVITIES

In 2017, FS Italiane's Press Office prepared over 2,600 documents for the media, including press releases, notes to the press and articles for the Group's website. The Group communicates at local level through its network of local correspondents who, in 2016, produced more than 1,700 documents, such as press releases, notes to the press and clarifications.

FSNEWS RADIO

In 2017, the FSNews Radio editorial department broadcast 2,950 hours of live content, providing over 5,250 updates on train traffic.

LAFRECCIA.TV

In 2017, LaFreccia.TV produced 192 reports for events, conferences, documentation and promotional material. The audio-visual department created 53 corporate and promotional videos and documentaries uploaded to new media platforms and broadcast on screens at stations. A further 50 videos on various topics were published on the Youtube channel "LaFrecciaTV".

LA FRECCIA AND IN REGIONE EDITIONS

La Freccia and *In Regione* published hardcopy and online magazines. All publications are available to read on Issuu and the Media and events section of fsitaliane.it and are printed on FSC® certified paper®).

La Freccia publications include:

- *La Freccia*, FS Italiane Group's general-interest monthly publication (12 issues);
- *La Freccia Arte* (4 issues);
- *La Freccia Bio* (1 issue);
- *La Freccia Beauty* (1 issue);
- *La Freccia Collection* (2 issues);
- *La Freccia Design* (1 issue);
- *Frecciaviaggi* (2 issues);
- *La Freccia Green* (1 issue);
- *La Freccia Fashion* (2 issues);
- *La Freccia Wellness* (1 issue);
- *La Freccia Gourmet* (2 issues).

(Distributed at special events, on Freccie trains, in the FrecciaClubs and in some hotels)

The *In Regione* publications are as follows:

- *#Notes*, the weekly pocket edition about regional transport (32 issues).

(Distributed in 32 stations by special hostesses and at ticket offices)

WEB & NEW MEDIA

In November 2017, fsitaliane.it ranked first among non-listed companies in the 2017-2018 Webranking curated by strategic advisory company, Lundquist.

A website was created for the Fs Italiane initiative, Women In Motion, which promotes the development of women's careers in technical fields. Some of the most important initiatives of 2017 were:

- **Campaigns to promote awareness on social networks** (Condividi anche tu; Campaign against attacks on FS Italiane Group staff; Frecciarossa; Timeout; Doppia difesa; Io non rischio; Il treno dei bambini; Il CAD; MedForum; Campagna 1522);
- **Initiatives to develop talent** (University Program, *Women in Motion*, FS Competition and National Innovation Award);
- **Initiatives for the environment** (Trenoverde and Ecomondo);
- **Collaboration events** (TEDx Tiburtino and the International Festival of Journalism).

The "Opentreno – sui binari della rete" blog is also still being updated to discuss issues like the environment, innovation, travel, history and social responsibility.

The Group can also be found on social media:

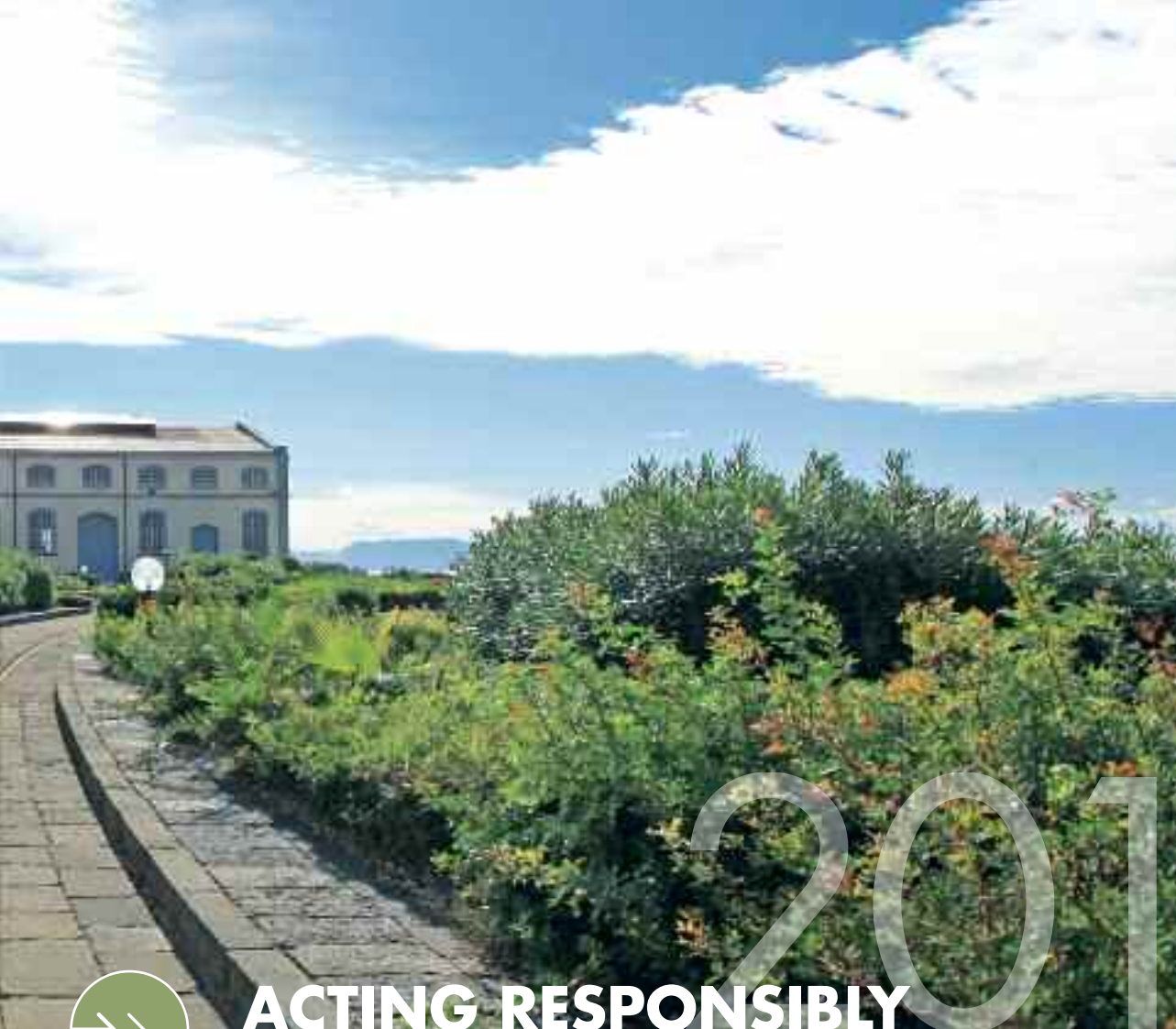


Lastly, for its internal stakeholders, the Group:

- started designing the **new Social Intranet**, with the aim of reaching all Group employees;
- created **Moving forward2**, the new portal to share the Group's industrial strategies with all employees







2017

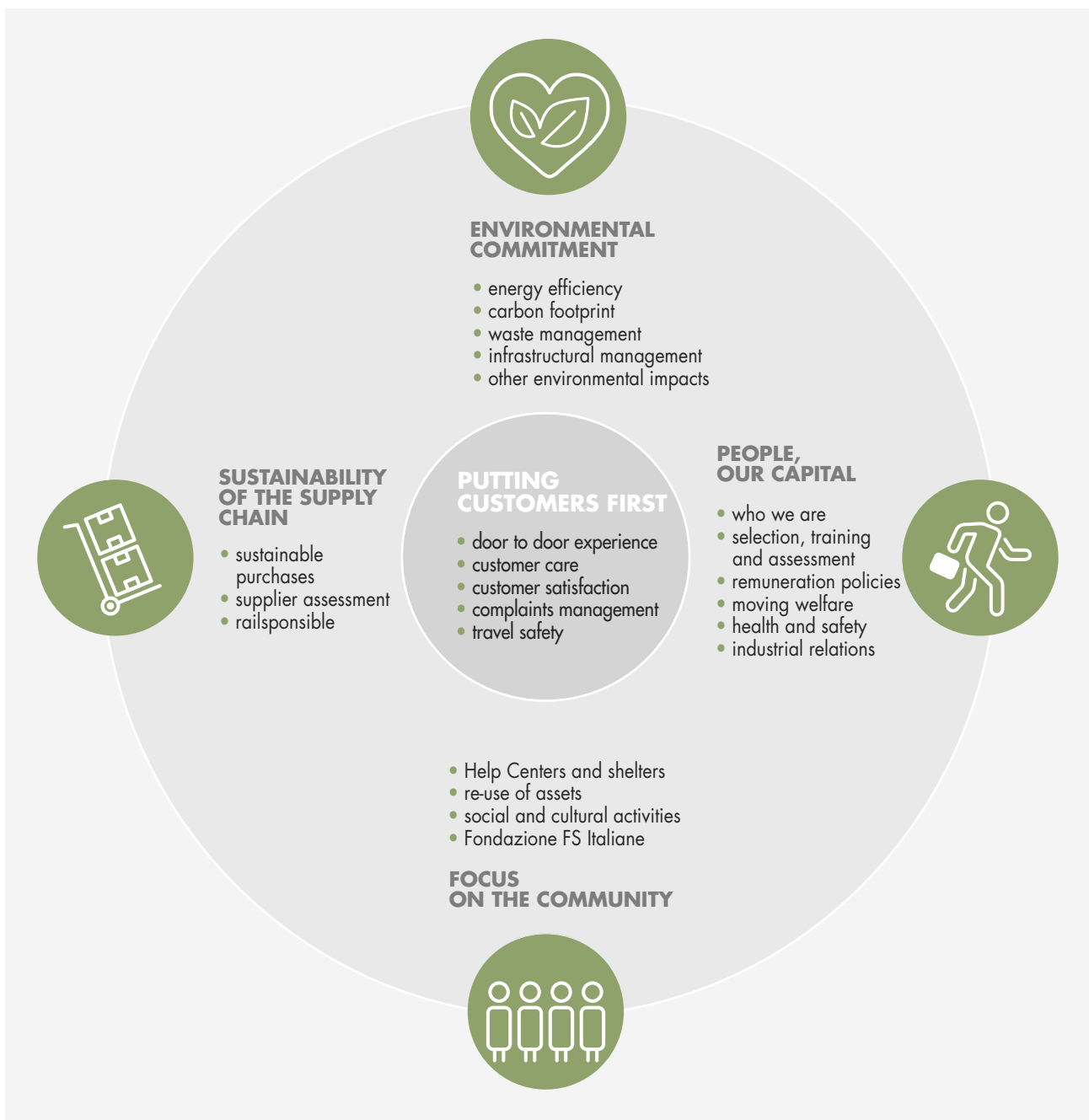


ACTING RESPONSIBLY



ACTING RESPONSIBLY

Our priority is always to act responsibly with everyone. In this regard, we have chosen to increasingly integrate sustainability into our business.



ENVIRONMENTAL COMMITMENT

103-2 | 103-3

HIGHLIGHTS

102-15

WHAT WE HAVE ACCOMPLISHED...

Over €14.2 million

is the cost of personnel dedicated to managing environmental issues

showing the Group's commitment to reducing environmental impacts

ISSUES THE FIRST FS ITALIANE GREEN BOND

which funded the Pop, Rock and Frecciarossa 1000 train purchases

with the Group's lowest coupon for a publicly issued bond

OVER 423.8 KM

of noise dampening barriers built in 2017

works to reduce noise is important for the community

Application of the Envision™ protocol

the first rating system for design and construction of sustainable infrastructure, reducing negative repercussions

Contract assigned for the supply of electrical energy

to 10 FS Italiane Group companies, which will include approximately 30 GWh/year

100% from certified renewable sources in Italy

GSE APPROVED

its requests for white certificates for the new Pop and Rock regional trains

certificates negotiable on the market, which vouch for energy savings achieved through energy efficiency measures

...WHERE WE ARE HEADING

Defining

long-term environmental sustainability goals

to improve Group performance

RESEARCH INTO THE PRODUCTION OF PHOTOVOLTAIC ELECTRICITY

at Rome Termini station, producing a total of 1 MW of power

to minimise the carbon footprint

BIM (Building Information Modelling) certification

in accordance with nationally-recognised parameters

improving design, construction and maintenance efficiency with positive effects throughout the useful life of the work

Because of the way modes of transport are currently structured, the transport sector imposes a series of indirect costs on the community: traffic, car accidents, pollution, climate change and depletion of resources. However, by combining these modes of transport differently, together with technological development and innovation, we could significantly mitigate these external costs.

FS Italiane Group is convinced that environmental quality and integrity are primary assets and intends to minimise the negative repercussions throughout the life cycle of its processes and reduce the carbon footprint of the transport sector. The 2017-2026 business plan is the Group's manifesto for integrated, intermodal and sustainable mobility, starting from the railway, which offers excellent environmental performance: creating synergies between operators, technologies and infrastructures to promote a shift towards more efficient modes of transport for passengers and freight.

The Group is actively committed to protecting the environment: processes and activities are being constantly upgraded, with the aim of limiting and, where possible, eliminating, the impact on natural capital. The nature of the activities makes it necessary to accurately monitor a wide spectrum of environmental aspects in order to find solutions to prevent and reduce negative effects, paying particular attention to greenhouse gas emissions and pollutants, water consumption and soil degradation.

The Group's organisational complexity has led to the creation of a framework in which the parent, FS S.p.A. promotes and coordinates unified environmental management, while each individual company develops its own method to improve environmental performance. This system of responsibilities, rules, processes and controls guarantees that the actions to reduce our carbon footprint are effective, while respecting the individual companies' autonomy and organisational needs.

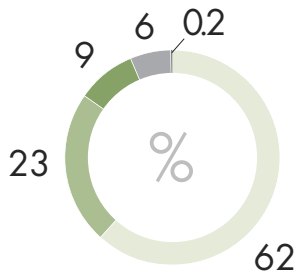




ENERGY EFFICIENCY

302-1 302-3 302-4 302-5

FS GROUP FINAL ENERGY CONSUMPTION 26.8 MILLIONS OF GJ



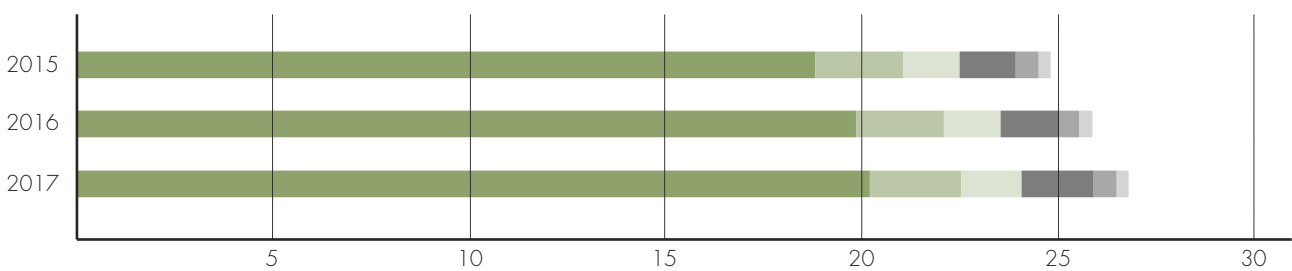
- ELECTRICITY FOR RAILWAY TRACTION
- DIESEL
- ELECTRICITY FOR OTHER USES
- NATURAL GAS
- OTHER*

* Heat, fuel oil, petrol and LPG.

The energy component represents an important element in the environmental report: using over 26 million GJ of energy, the Group is one of Italy's largest energy consumers. Its main activity, rail transport, absorbs approximately 75% of the total energy, while the remaining 25% is used for electricity (9%), heating (7%), road vehicle traction for public transport (6%), waterways and work vehicles (3%). Values in recent years have been growing, partly as a result of the improvement in services, both in terms of quality and product, and partly due to the expanding scope of the companies belonging to FS Italiane Group.

FINAL ENERGY CONSUMPTION BY USE (mln GJ)

- RAILWAY TRACTION
- ELECTRICAL SERVICES
- HEATING
- ROAD VEHICLE TRACTION (PUBLIC TRANSPORT)
- WATER TRANSPORT
- ROAD VEHICLE TRACTION (ROAD AND WORK)



The consumption of energy from these sources rose overall in the 2016-2017 two-year period: electricity consumption for railway traction increased by + 1.8%, electricity for other uses by + 6.7%, diesel consumption +7.8% and natural gas consumption by + 2.9%. Energy consumption increased by 1 million GJ between 2016 and 2017. One third of this increase can be attributed to increased energy consumption for railway traction (+296,994 GJ) and nearly half to increased diesel consumption (+437,222 GJ).

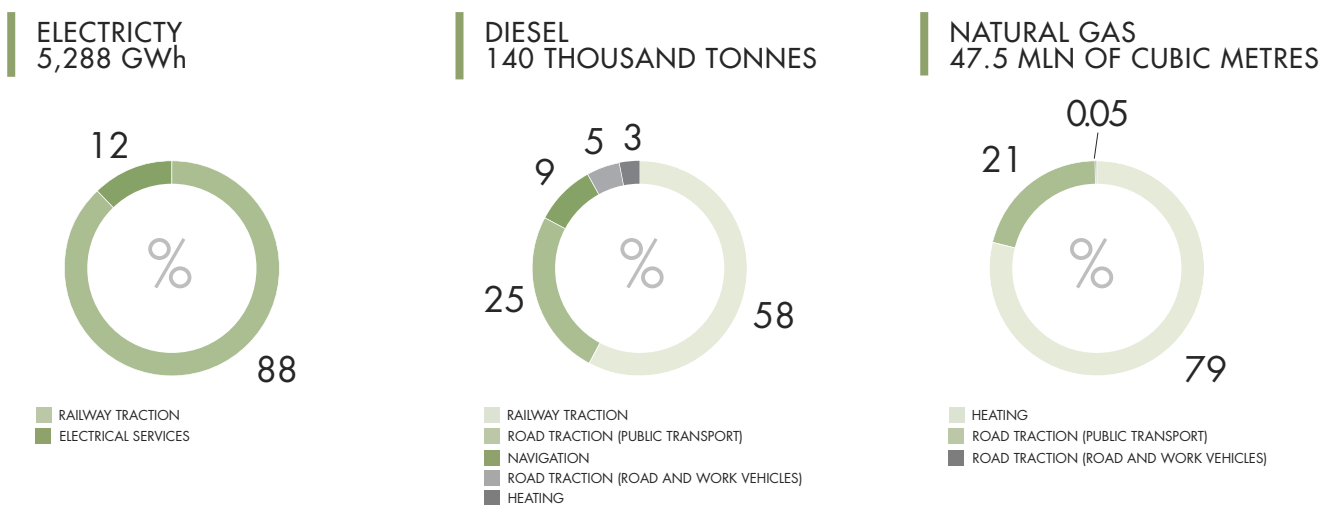
TOTAL FS GROUP ENERGY CONSUMPTION					
	Unit of measure	2017	2016	2015	%Δ 17/16
Electricity consumption for railway traction	GJ	16,665,851	16,368,857	15,330,442	1.8%
Electricity consumption for other uses	GJ	2,370,039	2,222,208	2,164,046	6.7%
Diesel	GJ	6,049,331	5,612,109	5,674,722	7.8%
Natural gas	GJ	1,628,596	1,582,828	1,575,582	2.9%
Other (*)	GJ	59,856	52,676	54,423	13.6%
TOTAL (amounts in GJ)	GJ	26,773,673	25,838,679	24,799,215	3.6%

* Heating, fuel oil, petrol and GPL.

Consumption also increased as a result of the expansion of the Group's road transport from 2017.

By analysing the situation by source, it is clear that railway mobility significantly affects the Group's main sources of energy consumption: electricity and diesel.

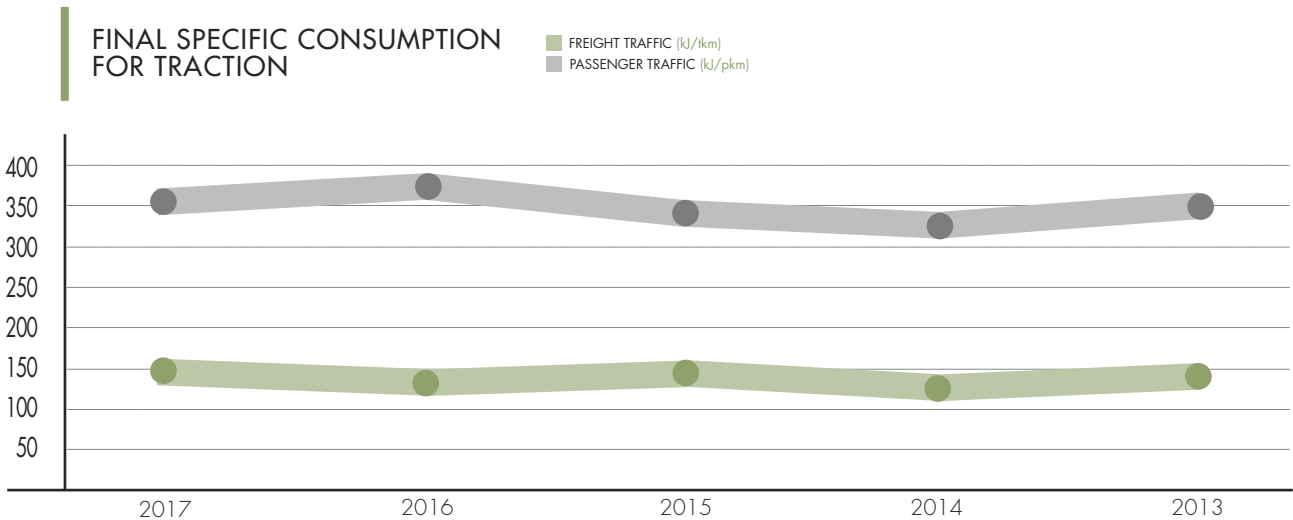
Total electricity consumption amounts to 5,288 GWh, comparable to the electricity consumption of an Italian region such as Umbria²². Nearly 90% of this energy is absorbed by railway transport, while only a residual amount is used for electricity, such as lighting in offices and stations or maintenance of rolling stock in the workshop. Between 2016 and 2017, electrical traction for railway traffic in Italy remained steady from the previous year, while its percentage of total consumption rose as a result of the roll-out of service on the UK market, which has expanded FS Italiane Group's international transport range.



²² Source Terna S.p.A and Terna Group, regional statistics 2016, (<http://download.terna.it/terna/0000/1007/10.PDF>).



Transport makes up approximately 90% of diesel consumption, however it is distributed differently to diesel. Although diesel railway transport accounts for a smaller portion of railway operations, it accounts for 58% of total diesel volumes, while road and water transport make up 25% and 9%, respectively. Natural gas consumption is slightly different: its main use (79%) is attributable to heating, while transport accounts for approximately one fifth of total consumption.



With regard to final specific consumption for railway traction, in recent years performance has remained within a narrow range of values, both for passenger and freight transport. Various factors affect specific consumption, including the characteristics of the transport, routes and use, the variability of which can lead to changes from one year to the next. In general, the commitment is to focus on a higher-quality service with better environmental performance.

Rolling stock for passenger transport has been upgraded in terms of the service offered, which increases demand for energy per passenger-km. As a result, measures to reduce consumption and maximise efficiency have been taken. The Frecciarossa 1000 has an EPD (Environmental Product Declaration), thanks to its aerodynamic design, which enables the train to reach high speeds with over 35% more efficiency than the previous generation of Frecciarossa. Its environmental design can also be seen in the LED lighting, which ensures energy savings of up to 70% compared to the previous lightbulbs, the temperature control inside the train, which is fitted with the latest generation sensors and heat pumps, and the devices which recover energy from braking and return up to 15% of energy withdrawn from the electricity grid back to it. The new Pop and Rock regional trains also meet important environmental requirements and are designed to consume 30% less energy compared to the previous generation. In addition to their low greenhouse gas emissions, these trains are also energy efficient, with a level of environmental performance recognised that is by the market. This has allowed the Group to issue a Green Bond, the first to be issued by a railway operator at an extremely low yield to finance the new trains.

With regard to consumption per tonne-km, the reorganisation of the Group's freight segment, which started in 2016, has led to changes in traffic and the modes of transport used, with repercussions on specific consumption as well.

CARBON FOOTPRINT

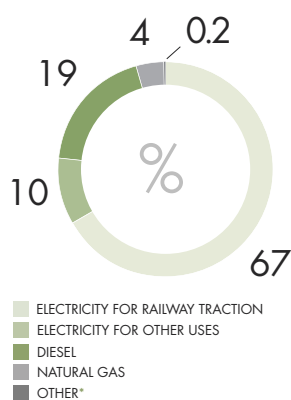
203-2 | 305-1 | 305-2 | 305-4 | 305-5 | 305-7 | 416-1

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS					
	Unit of measure	2017	2016	2015	%Δ 17/16
Electricity consumption for railway traction*	tCO ₂	1,590,162	1,604,244	1,478,101	-0.9%
Electricity consumption for other uses	tCO ₂	233,348	219,464	210,207	6.3%
Diesel	tCO ₂	445,509	414,695	419,326	7.4%
Natural gas	tCO ₂	93,229	90,167	89,791	3.4%
Other**	tCO ₂	3,739	3,341	3,482	11.9%
TOTAL (amounts in tCO₂)	tCO₂	2,365,987	2,331,912	2,200,907	1.5%

* Emissions produced within the EU-28 but outside Italy are calculated using European averages.
 ** Heat, fuel oil, petrol and LPG.

The nearly 8% increase in greenhouse gas emissions during the 2015-2017 three-year period is due, in particular, to the increase in indirect emissions between 2015 and 2016 (+8%), due, in part, to the redefinition both in terms of traffic and in the quality of the rail transport offered. In 2017, the Group produced over 2.3 million tonnes of carbon dioxide emissions, around 0.5% of the national total, substantially in line with the previous year (+1.5%). Compared to the previous year, however, although only a small portion of total emission volumes (18.8% of the total) are due to the use of diesel, they saw the most significant increase (+7.4%). An analysis of these changes in absolute terms shows that diesel consumption followed the expansion of FS Group's road transport, consequently affecting the volume of emissions, which increased by 30 thousand tonnes of CO₂ on the previous year.

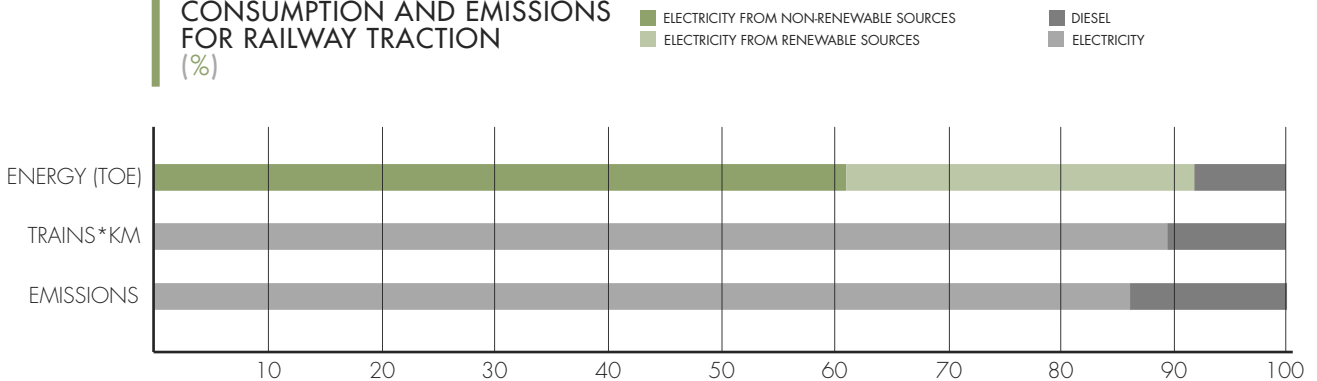
DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS 2,366 THOUSAND TONNES CO₂



As with energy, using an electrified railway network activities significantly affect CO₂ production (approximately 67%). The rest is related to diesel consumption, the supply of electricity and - to a lesser extent - consumption of natural gas.

Transport conducted on the electrical network benefits immediately from the renewable energy component in the mix of national electrical energy sources. This component is growing, thus reducing the railway transport's carbon footprint. A comparison of energy to emissions sheds light on the impact of the individual sources out of total greenhouse gas emissions. Indeed, considering total railway transport in terms of train*km, electrical traction accounts for 92% of total energy consumption from renewable and non-renewable resources, but only 86% of emissions, which is proportionately lower. In the same way, diesel makes up 8% of the energy used, corresponding to emissions of around 14%. This highlights the greater efficiency of electrified transport in terms of emissions.

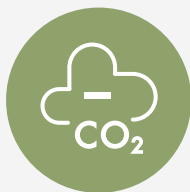
CONSUMPTION AND EMISSIONS FOR RAILWAY TRACTION (%)



THE GROUP'S ROLE IN REDUCING GREENHOUSE GASES

The transport sector plays a vital role in the fight against climate change: at European level, a quarter of total greenhouse gas emissions are due to passenger and freight transport. This is due to the modal distribution which favours private road transport, accounting for 80% of passengers (in terms of passenger-km) and 70% of freight (in terms of tonne-kms), the environmental impact of which is significant. With respect to the journeys by car or lorry, there is a clear environmental advantage to collective or shared transport, specifically rail transport, which produces fewer greenhouse gas emissions per unit of transport (g/CO₂ per passenger-km and g/CO₂ per tonne-km).

The Group's strategy for the coming years is to shift a portion of these journeys over to public transport or shared transport, by offering an integrated mobility service supported by the railway, making a more sustainable transport system possible.



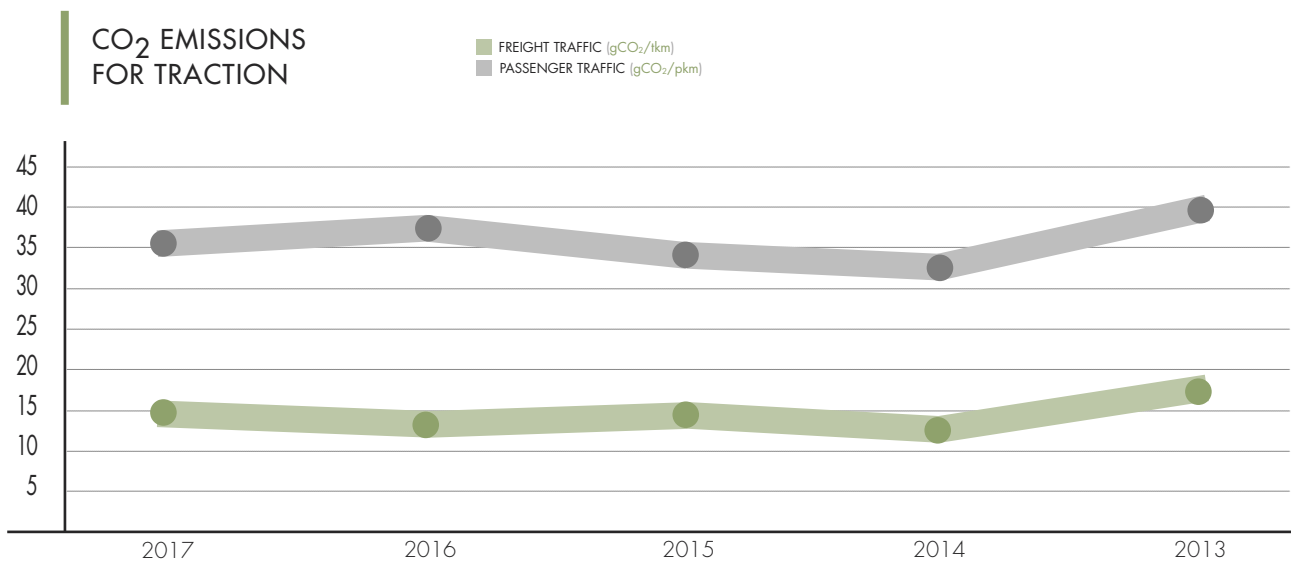
Although the Group produces high levels of CO₂ emissions, its activities can reduce atmospheric emissions by avoiding the use of more harmful modes of transport. Thanks to passengers who opted to travel by train with Trenitalia in Italy in 2017 rather than in their own cars, for example, it has been possible to avoid the release into the atmosphere of carbon dioxide emissions comparable to the total produced by the Group (including road and sea transport, office and station activities and the activities of foreign companies), of approximately 2.3 million tonnes. If all the Trenitalia passengers in Italy had travelled by car instead of train, approximately 2 million tonnes more greenhouse gas emissions would have been produced. While if all freight had travelled by road instead of rail, an extra 660,000 tonnes of CO₂ would have been released into the atmosphere. For example: between 2016 and 2017, the increase of around 600 million passengers-km recorded by Trenitalia in Italy, has cut CO₂ emissions by over 40 thousand tonnes compared to if they had used cars. The Group is launching a reorganisation of the freight segment, which will produce similar benefits for the environment.

Redesigning the mobility system in a sustainable manner, prioritising transport with a reduced environmental impact (public rail and road transport), is crucial to boosting quality of life, improving health in cities and combating environmental crises.



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The performance of specific emissions is similar to that of specific consumption: emissions by traffic units for passengers and freight amount to around 36 gCO₂/passenger-km and 12 gCO₂/tonne-km, respectively. In the first case, after the growth between 2014 and 2016, the amount has since decreased slightly, while in the second case, although it has increased, the value is more or less the same as two years ago.



The Group is actively committed to promoting and spreading renewable sources and reducing the production of pollutants and greenhouse gas emissions released into the atmosphere. Various Group companies are negotiating electricity supply accounts from certified renewable sources, covering up to 100% of the supply. Furthermore, in 2017, the construction of photovoltaic plants began in Rome at the high speed plant and in Naples at the Santa Maria La Bruna depot, while the photovoltaic plant in Florence Osmannoro was rolled out and other plants were designed (Rome Termini, Genoa and Verona offices and some Ferrotels). Lastly, the Group is laying the groundwork for one of the most important for renewable source energy production projects in Italy, in order to install photovoltaic plants to generate up to 200 MW of energy.

In addition to its carbon dioxide emissions, the transport sector is also responsible for other pollutants that affect air quality and are harmful to people’s health, especially in urban areas, and the environment. With regard to rail transport, although these types of emissions can be considered marginal compared to other environmental aspects, it is crucial to carefully and constantly monitor what and how much is emitted into the atmosphere. As far as the other leading emissions are concerned, the direct consumption of energy generates nitrogen oxide and particulates, whereas sulphur oxide emissions are mostly the result of indirect sources. The FS Italiane Group’s road transport companies are committed to renovating the fleet, preferring more modern motors which significantly cut back on emissions that are harmful for the environment and health (CO₂, NO_x, PM): over the next two years, a total of approximately 450 new Euro 6 vehicles will replace the Euro 0 and Euro 4 vehicles.

OTHER EMISSIONS		Amounts in t		
	2017	2016	2015	%Δ 17/16
Total indirect emissions				
SO ₂	1,093.4	1,068.0	1,005.3	2.4%
NO _x	1,380.9	1,348.2	1,209.7	2.4%
PM ₁₀	37.8	36.9	38.1	2.4%
Total direct emissions				
SO ₂	392.2	381.9	399.0	2.7%
NO _x	6,834.9	6,400.0	6,469.6	6.8%
PM ₁₀	195.1	182.2	184.0	7.1%
Total emissions				
SO ₂	1,485.6	1,449.9	1,404.3	2.5%
NO _x	8,215.8	7,748.3	7,679.3	6.0%
PM ₁₀	232.9	219.1	222.1	6.3%

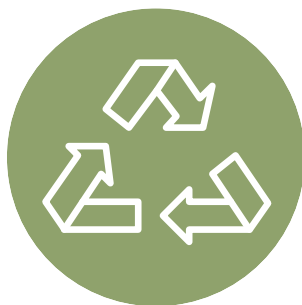


WASTE MANAGEMENT

306-2

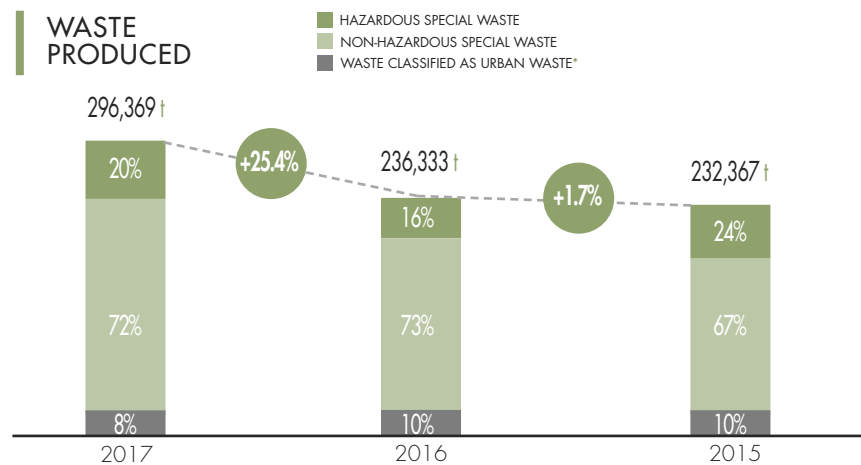


296 THOUSAND
tonnes of waste
produced



95%
Special waste
sent for recycling

In 2017 the amount of waste produced²³ increased by approximately 25% on the previous year, as a result of the updating of tracks, which generated an increase in waste in the form of iron, steel, cement and wood sleepers. In fact, waste from maintenance of the infrastructure network, typically classified as non-hazardous special waste, largely contributes to the total volume of waste produced by the Group, as shown by the following graph:



With respect to the destination of waste sent for treatment, considering the type of waste produced by the Group (e.g. iron), mainly related to maintenance processes typical of the infrastructure and transport sectors, the amount of waste sent for recycling amounted to 95% in 2017.

Furthermore, this result confirms the positive trend driven by the rationalisation and improvement of waste management activities within the Group companies, which aim, above all, to prevent and reduce waste, prioritising recycling and, if no other solutions are possible, disposal, which only applies to 5% of the waste produced by the Group, as noted earlier.

The Group companies are also aware of the importance of monitoring and, where possible, improving - including through training - the quantities of waste created at their sites by third parties, whether they are contractors/suppliers or customers. This has led to increased control over the work of external businesses, as provided for by the environmental criteria introduced in tenders and contracts.

²³ Waste is classified by origin: special waste and waste classified as urban waste. Special waste is due to the production activities of industries and companies and that, considering the concentration of pollutants, is classified as hazardous or non-hazardous. Waste classified as urban waste is special waste with the characteristics or composition of commodities, which allow for it to be recycled or disposed of in plants originally designed for the treatment of urban or domestic waste from residential buildings and managed by public administration.

DESIGN AND CONSTRUCTION OF NEW RAILWAY INFRASTRUCTURES

102-11 | 203-1 | 203-2 | 413-1 | 413-2 | 416-1

The awareness that railway construction work offers an opportunity to develop the areas passed through, by promoting continuity and combining natural and urban landscapes, has led to new design criteria, with the integrated assessment of environmental, economic and social objectives for sustainable development.

The Group companies submit the designs to assessment and authorisation procedures as per current legislation, considering, in the initial study and design stages (performed on their own behalf or by third parties), the potential impacts on the environment and the land, identifying the most suitable technical and design solutions starting with the definition of where the tracks will run, the lowest-impact types of works and any mitigation work required, in relation to the natural, anthropic and historical-archaeological characteristics of the areas being crossed and depending on the type of transport to be used (freight and passenger), and also in relation to the type and duration of the kind of work done on the site. Design solutions focus on sustainability through the adoption of innovative methodologies that ensure an integrated and multidisciplinary approach.

Carrying out construction works with a local focus, stakeholder engagement, the integrated assessment of environmental, economic and social objectives, environmental and social monitoring and communication tools are key elements of sustainable development.



CARBON FOOTPRINT



Within the scope of eco-sustainable design, in accordance with UNI ISO 14064-1, Italferr has developed **a method to measure and report greenhouse gas emissions produced during the construction of the railway infrastructures**. The results of the application can be used to improve project solutions, by showing which services generate fewer emissions.

An inventory is therefore taken to determine the carbon footprint of the infrastructural work, or rather the amount of greenhouse gases produced during the implementation period.

Specific contractual agreements encourage the construction companies to procure concrete and steel from suppliers that are more conscious about protecting the environment and to prioritise eco-friendly modes of transport, through a rewards system for the companies that actively contribute to reducing their CO₂ emissions.

Since 2010, this method has been certified by a third party in accordance with the requirements of the UNI ISO 14064-1 standard.



The skills and experience gained during the design of sustainable works have led to the identification of the Envision™ protocol as a useful tool for certifying the Group's commitment to finding more effective design solutions in terms of sustainability. It also guarantees a multidisciplinary approach in the design stages of the infrastructure through the adoption of methods that allow for the implementation of integrated design, monitoring of the work's full life cycle, reorganisation and automation of the work flows in a collaborative environment.

ENVISION™



Envision™ is the first rating system for the design and creation of sustainable infrastructures. It was created by ISI (Institute for Sustainable Infrastructure), a nonprofit organisation created to develop sustainability rating systems for civil infrastructures, in collaboration with Harvard University. The protocol sets out 60 sustainability criteria for the design and implementation of sustainable infrastructures through an analysis grid that can be adjusted for any infrastructural development project and which specifies the assessment and certification of the project by an independent third party.

The Group's innovation can be seen in its scientific research and is spread through the sharing of new know-how. The Group is a pioneering user of the BIM (Building Information Modeling) design method, a 3D shared design platform which allows for the monitoring of the work's entire life cycle.

BIM



BIM provides a countable depiction of the physical and functional characteristics of a structure and information related to the entire process, organised in a single collection of graphical data, drawings and attributes, technical specifications and charts, facilitating an integrated contract (from the initial concept to the maintenance, transformation, closure and recycling of the work).

BIM represents a digital revolution improving design, construction and maintenance efficiency with positive effects throughout the useful life of the real estate or infrastructural work.

The use of BIM in the various stages of the work aims to:

- reorganise the work into processes and activities;
- define the data and input/output information;
- create a data warehouse;
- select and implement the software necessary for the management of data and information;
- automate activity flows in a collaborative environment.

While building infrastructures, the Group entrusts the works to third-party companies, assigning Group companies the role of technical party in addition to, depending on the requirements and specific type of contract, coordination and/or supervision of the works, with the duty of directly performing any agreed-upon environmental monitoring activities before, during and after the work and identifying any critical issues and suitable corrective measures.

Construction contracts for works require the contractors to adopt specific environmental management systems that meet UNI EN ISO 14001 standards.

Through this procedure, the Group has contributed to establishing a growing awareness of and focus on environmental management issues and land protection in the construction sector.

Environmental control at sites includes inspections and periodic supervisory audits conducted by a team of experts and environmental monitoring activities to check whether the construction work has caused any changes to the environment.

Environmental status monitoring enables Italferr to:

- check whether the expected impact has actually occurred;
- check that the mitigation systems in place are effective;
- ensure proper environmental management at the site;
- monitor and immediately manage any environmental emergencies.

For additional information about the design and construction of new railway infrastructures, reference should be made to the "Sustainability" section of the website www.fsitaliane.it and the RFI and Italferr websites (www.rfi.it and www.italferr.it).



OTHER ENVIRONMENTAL IMPACT

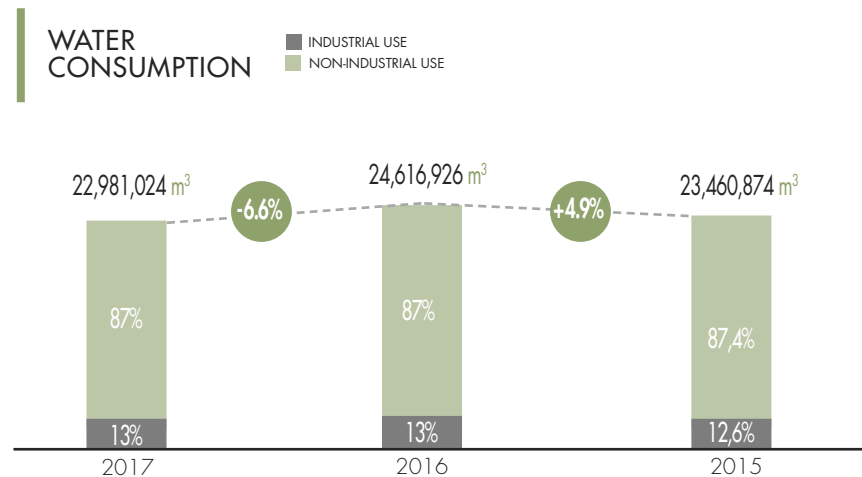
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23 MILLION
cubic metres
of water

WATER CONSUMPTION

The FS Italiane Group companies are increasingly attentive to their use of water and periodically organise campaigns to spread awareness about responsible water use. In 2017, they cut water consumption by approximately 7% on 2016, confirming the attentive and conscious management of water resources.



The Group's typical lines of business require a limited use of water, which is mostly used for civil use (offices, bathrooms, depot showers and drinking fountains at the station). The volumes used for industrial purposes are meant, in particular, to wash the trains and buses. The resource is carefully managed to reduce consumption and ensure the efficient collection and treatment of wastewater²⁴.

²⁴ Water withdrawn for industrial use undergoes a different treatment from that for civil use, considering the specific characteristics of the pollutants.



Over
423.8 KM
of noise
dampening

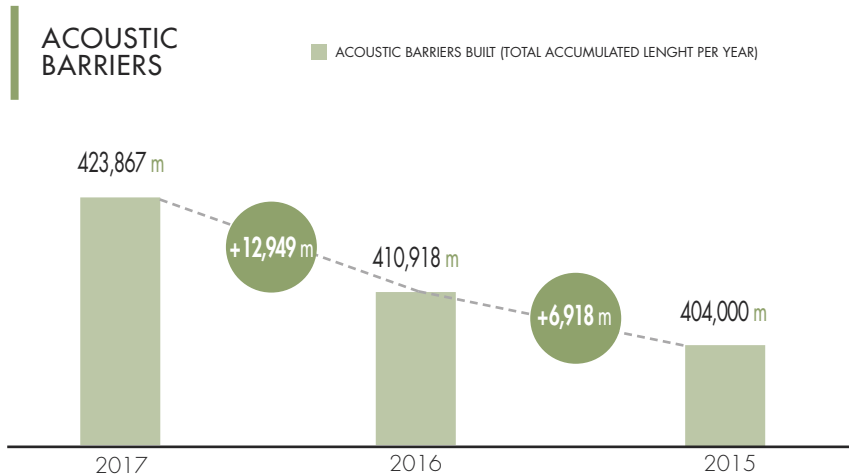
NOISE

In investing substantial resources for projects to maintain and improve the existing network (new technologies for train traffic, electrification, double tracks, upgrading, redevelopment of stations, maintenance, etc.) and for new railway infrastructures (new lines and new systems for passenger and freight traffic, including intermodal solutions), as well as the purchase of new rolling stock in line with the most recent technical specifications, the Group is constantly committed to mitigating noise at source, at sites, railway yards and stations, as well as installing permanent fixtures to reduce the noise of railway operations and in experimenting with devices to be applied to the superstructure to reduce the noise generated by train/track contact.

The following are the most common solutions that can be used to mitigate noise pollution generated by fixed plants and sites:

- enclosing the noisiest machinery;
- acoustic screens (noise dampening barriers or enclosures with noise dampening treatment);
- scaling of shifts when the noisiest machinery operates and its use during the day.

With regard to new lines or those being upgraded and those that are already in use, the Group's commitment to the design and construction of noise dampening barriers has produced the following results:



PUTTING CUSTOMERS FIRST

103-2 | 103-3

HIGHLIGHTS

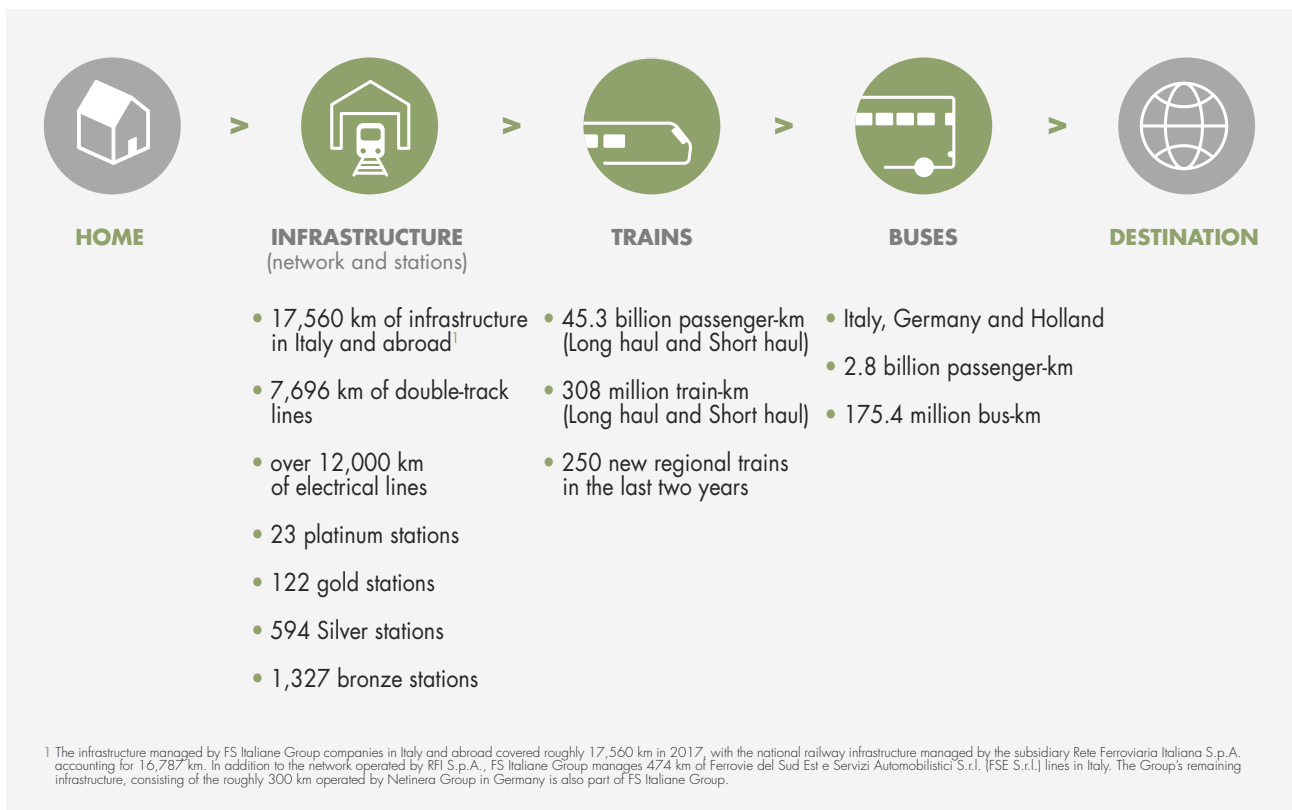
102-15

WHAT WE HAVE ACCOMPLISHED...		...WHERE WE WANT TO GO
<p>Consolidation of the new unified on board website named "FRECCCE" and the "FRECCCE" App</p> <p>introduction of the new direct access point to the internet from the App</p>	<p>Conclusion of the roll-out of the FRECCIAROSSA 1000 FLEET (8 new trains)</p> <p>and launch of the double-train service to better respond to peaks in demand</p>	<p>Launch of the Seamless Experience project</p> <p>Expansion of the Trenitalia Smart Card to promote integrated mobility</p>
<p>Consolidation of the "FRECCIALINK" INTERMODAL SERVICE</p> <p>extension of the new routes: Sorrento-Naples; Piombino-Florence; Gallipoli-Lecce</p>	<p>Consegnati 13 trains (seven "Jazz" and "Flirt" electric trains and six "Swing" diesel trains)</p> <p>and 41 double decker "Vivalto" carriages were delivered</p> <p>for regional transport</p>	<p>The first ETR 700 TRAINS WERE ROLLED OUT</p> <p>new long haul trains</p>
<p>102 new buses</p> <p>the significant upgrade of the Busitalia Group's fleet is underway</p>	<p>Completion of "EASY STATION" projects at 50 stations and "SMART STATION" projects at 35 stations</p> <p>with the implementation of the "Wi-life" platform</p>	<p>The Freccialink service was extended to other cities/lines</p>
<p>Completion of the Infoaccessibilità INFORMATION SERVICE STATIONS</p> <p>on the RFI website in the "Station accessibility" section</p>	<p>42 security systems (video surveillance, controlled access/access prevention systems and passive safety measures) installed at 42 railway sites</p> <p>Installation of fixed and mobile obstacles</p> <p>to prevent cars from illegally accessing the Roma Tiburtina and Napoli Centrale stations</p>	<p>Purchase of 450 EURO 6 BUSES over the next two years</p>
		<p>Completion of "Easy Station" projects at another 50 stations and of the "Smart Station" project at a further 35 stations, with the implementation of the "Wi-life" platform</p>
		<p>Installation of 27 SECURITY SYSTEMS at different sites</p> <p>Extension of the project to install deterrent systems at large stations in Italy</p>

DOOR TO DOOR EXPERIENCE

102-2 102-4 102-6 102-7

The Group's objective is to offer an integrated service that takes passengers from their front door to their final destination:



In order to offer a door-to-door experience, FS Italiane Group has set out a selection of integrated services between the different modes of transport, responding to the needs and expectations of the customer.





STATIONS

Stations are true hubs for local residents, as they are often situated in the centre of cities, allowing passengers to take advantage of the commercial services, like restaurants and cafés, shopping, passenger waiting areas, infopoints, automatic ticket machines, etc.

To improve train passengers' travel experience and attract new rail customers, the Group has set out a new growth plan for the main stations in the network. The objective is to increase the functionality, value, appeal and interconnected nature of the transport hubs, transforming them into appealing hubs with services for the surrounding area, helping to create smart cities that are simple, intelligent, connected, sustainable and digitalised.

There are three projects underway to transform the look and role of stations: the Easy station and Smart station projects aimed at improving functionality and appeal, focusing on the physical and digital infrastructure of the stations and the intermodal hub project, to be developed in collaboration with other Italian institutions and other transport service operators, which puts the station at the centre of a new sustainable and integrated mobility system.

EASY STATION



The project includes **investments to improve accessibility and usability** (with the creation of lifts/ramps, signage, tactile walkway, improved lighting, high platforms, etc.); **functionality, appearance and safety** (with works to upgrade internal and external station spaces, improving the extra services on offer, restricted access to platform, the creation of park and ride car parks, areas for car and bike sharing, etc.); **public information** (with the large scale implementation of the new leC system and new public information systems in compliance with the most advanced quality standards)

SMART STATION



The project includes the **extension of the "Wi-life station" service**, the virtual station portal for travel and other information, **implementation of the Smart Energy Management platform** for the remote monitoring and management of station utilities (electricity, natural gas, water) for efficient consumption and the development of "Turnstiles 2.0" to automatically control access to platforms, and e-ticket inspections

Protecting the rights of disabled customers or those with reduced mobility.

SALA BLU

The Group offers an **assistance service at 276 stations** for passengers with physical, sensory or motor disabilities that temporarily or permanently affect their mobility, ensuring their right to travel with ease. The Group has created 14 "Sala Blu" at the main stations, to ensure the provision of continuous about services available: meeting passengers at the station, accompanying them on board the departing train, boarding and disembarking the train, etc.

In 2017, approximately **320,000 services were provided** (+6.7% on 2016), confirming the growth trend of previous years.



During the year, the following dedicated services were also improved:


- expansion of the fleet of forklifts, with the purchase of 72 new forklifts, for a total of 498;
- increase in the number of stations included in the Sala Blu network equipped with lifts to board passenger trains from 217 in 2016 to 223 in 2017;
- introduction of a new telephone number at the ordinary rates;
- launch of the new "SaleBlu online" section called "Accessibility in stations", which allows passengers with disabilities and reduced mobility to request assistance online;
- completion of the Infoaccessibilità information service station, providing information on accessibility services and facilities at 2,050 passenger stations in the network;
- architectural renovation of the Sala Blu at the Rome Termini, Naples Centrale and Genoa Piazza Principe stations;
- modal integration with air travel at the Rome Fiumicino railway station.







TRAINS

Railway passenger transport can be split into two main areas:

- medium and long haul transport
- regional


NATIONAL	
<p style="text-align: center;">MEDIUM AND LONG HAUL TRANSPORT</p> <p style="text-align: center;">FRECCIA ROSSA</p> <p>up to 300 km/h. 187 daily connections between Italy's main cities (Turin, Milan, Venice, Bologna, Florence, Rome and Naples)</p> <p style="text-align: center;">FRECCIA ARGENTO</p> <p>up to 250 km/h. 48 daily connections between Rome and some of the main metropolitan areas in the north and south of the country</p> <p style="text-align: center;">FRECCIA BIANCA</p> <p>42 trains per day connect medium and large cities from 5am to 9pm</p> <p style="text-align: center;">INTERCITY</p> <p>Daytime <i>Intercity</i> trains travel on the traditional lines and connect large and medium cities</p> <p style="text-align: center;">INTERNATIONAL</p> <p><i>Eurocity</i> and <i>Euronight</i> trains connect the main Italian cities with major cities in Austria, Germany, Switzerland and France</p>	<p style="text-align: center;">REGIONAL</p> <div style="text-align: center;">  <p>NETWORK</p> <p>metropolitan, regional and inter-regional network of trains throughout the day</p> <p>SERVICES</p> <p>wide-spread, frequent service in cities and fast connections between major regional hubs, ensuring that the two different service levels intersect at the "gateway stations"</p> <p>FLEET</p> <p>new, more modern and comfortable trains purchased and revamping activities (completed and planned), renewing 75% of the fleet by 2019</p> </div>

INTERNATIONAL			
<p>FRANCE</p>	<p>GERMANY</p>	<p>GREECE</p>	<p>UK</p>
			
<p>Day connections between France and Italy and night connections between Paris and Venice</p>	<p>Regional transport in the south and north of Germany (Hamburg, Lower Saxony, Bavaria, Berlin, Brandenburg, Bremen, Mecklenburg-Western Pomerania, North Rhine-Westphalia, Saxony and Thuringia). Approximately 300 Km of network with a fleet of 350 trains</p>	<p>Passenger transport in three segments: intercity (connections between main municipalities – from Patras to Alexandroupolis; Dikaia to Florina; Athens to Thessaloniki), suburban (regions of Athens, Thessaloniki and Patras) and international (Sofia, Belgrade)</p>	<p>Passenger transport from London (Fenchurch Street) to Basildon, Southend and Grays, passing through 26 stations in East London and South Essex</p>

BUS



Road passenger transport completes the Group's integrated offer, operating on a national and international level.

NATIONAL

LONG HAUL	LOCAL
<p>BUSITALIA FAST</p> <p>60 latest-generation buses with improved travel safety and comfort standards. The service covers more than 100 Italian and European cities.</p> <p>FRECCIA LINK</p> <p>Integrated service consisting of dedicated buses that connect medium-sized cities and tourist cities with the HS Freccie trains from Bologna, Bolzano, Florence, Lecce, Milan, Naples, Rome, Salerno, Turin, Venice and Verona</p>	 <p>TRANSPORT</p> <p>Local public transport (urban and suburban) in major Italian cities - Florence, Padua, Perugia and Salerno. In addition to other cities in Campania, Puglia*, Tuscany, Umbria and Veneto.</p>

* Local public road transport is managed by Bustalia group, with the exception of Puglia, where it is managed by the subsidiary, Ferrovie Sud Est.

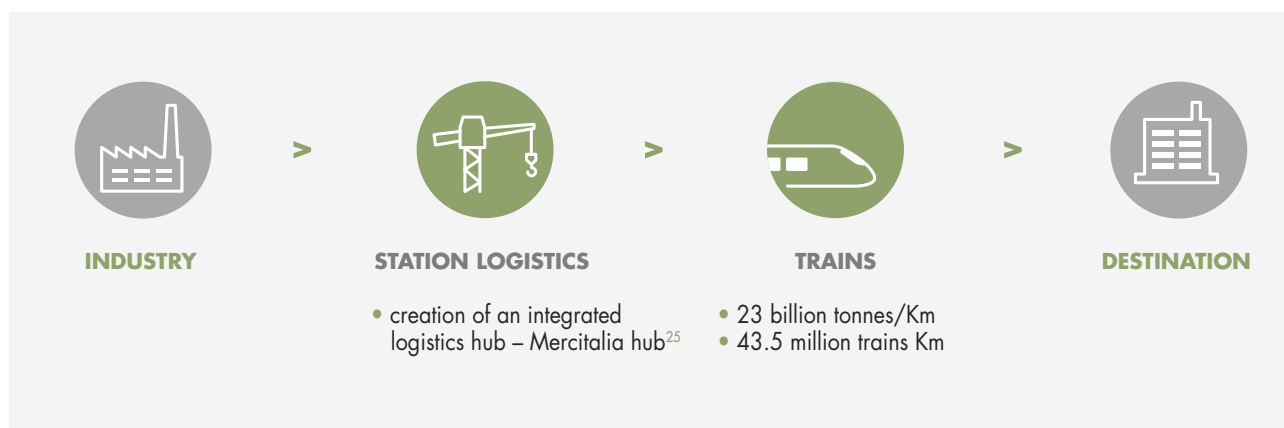
INTERNATIONAL

GERMANY	THE NETHERLANDS
 <p>Public transport in the northern Germany (Hamburg, Verkehrsverbund HVV and the districts of Cuxhaven, Rotenburg, Heidekreis and Lüchow-Dannenberg) in eastern Germany (Spree-Neiße and Oberspreewald-Lausitz districts) and in the Mainz and Rhine-main area</p>	 <p>Local public transport in the metropolitan area of Utrecht and in the Groningen-Drenthe province</p>






Additionally, in line with its business plan, the Group intends to put itself forward as an integrated logistics operator, both in Italy and abroad, contributing to improving the freight transport system and promoting the modal switch: from road transport to rail, with fewer social repercussions (accident rate, traffic congestion) and environmental repercussions (fewer atmospheric emissions, optimised load capacity).



²⁵ Mercitalia hub is the Group of companies within FS Italiane Group operating in freight transport and logistics. Mercitalia hub is led by Mercitalia Logistics and is composed of Mercitalia Rail, which is Italy's largest rail freight company; TX Logistik Group, which is Germany's second-largest rail freight company, and which operates in many European countries; Mercitalia Intermodal, Italy's largest combined transport operator, and the third largest in Europe; Mercitalia Transport & Services, which specialises in road freight transport and value-added logistics; Mercitalia Shunting & Terminal, one of the largest intermodal terminal operators in Italy and TERALP (Terminal Alpitransit), which specialises in building cutting-edge intermodal terminal infrastructures.


The Group's commercial offer²⁵ is based on a wide range of Italian and international connections and satisfies the needs of the different product sectors, and this has also entailed creating a business unit which ensures the lowest time-to-market for customers:

NATIONAL FREIGHT TRANSPORT




INDUSTRY

services dedicated to steel, chemicals and automotive chains



INTERMODAL

complete selection of railway and logistics solutions dedicated to the transport of containers, mobile homes, semi-trailers and lorries



GENERAL FREIGHT

transport for the manufacturing and construction industries, intended for large-scale distribution and military transport

INTERNATIONAL FREIGHT TRANSPORT



at international level, the group offers logistics and rail solutions in Austria, Denmark, France, Germany, Norway, the Netherlands, Poland, Romania, Sweden and Switzerland. The main freight traffic sectors to which the group offers dedicated services are: chemical, wood and paper, raw materials, mining, agriculture and automotive

- AUTOMOBILE
- BUILDINGS MATERIALS
- AGRICULTURAL PRODUCTS
- WOOD + PAPER
- CHEMICALS
- SECONDARY RAW MATERIALS
- COAL MINING & HEAVY INDUSTRY
- INTERMODAL





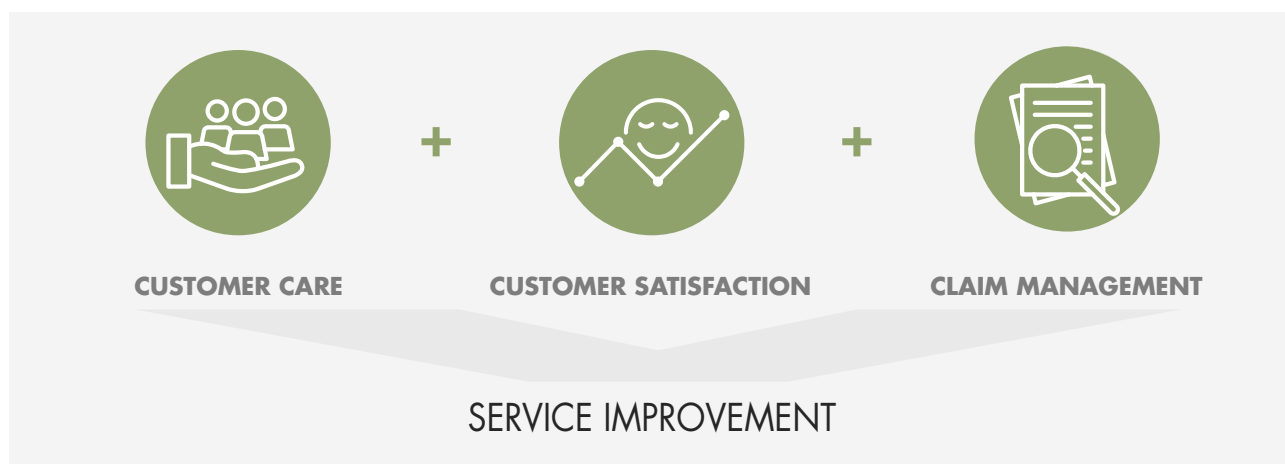
WE TAKE CARE OF OUR CUSTOMERS

102-43 | 102-44 | 419-1

The quality of services (provided and perceived) is of strategic importance to the Group to enhance the travel experience of all train and bus passengers and to satisfy the needs of the customers who trust the Group to transport their freight.

Some time ago, the Group implemented a process to monitor customer care on the basis of the parameters stated in the service charters²⁶ and to monitor customer satisfaction through interviews with a sample of passengers/customers, aimed at analysing their expectations and their respective satisfaction level. Furthermore, in order to guarantee appropriate feedback, a complaints monitoring system was launched which, in addition to satisfying legitimate expectations, also helps to improve the efficiency and effectiveness of services.

The following paragraphs give a summary of the Group's performance indicators.



26 Trenitalia publishes the Service Charter to express its principles and commitments to improve the services it offers.

CUSTOMER CARE

INFRASTRUCTURE

The Group focuses on monitoring the stated objectives with reference to the management of the railway infrastructure and stations. Specifically, in 2017, all the objectives set out in the Service Charter (in compliance with the relevant legislation for public transport services - Presidential decrees of 27 January 1994 and 30 December 1998) were successfully achieved.

Infrastructure safety is addressed in the Travel safety paragraph.

INFRASTRUCTURE		
INDICATOR	2017 TARGET	2017 ACTUAL
Level of railway operation safety ¹	Do not exceed the NRV assigned to Italy for "whole company" railway risk category	✓
Energy efficiency of stations	Replacing (in 40 stations) lighting systems with the exclusive use of LEDs	✓
Safety at the station	Lower than the average number of thefts in stations in the three years considered ³	✓
Accessibility at stations	Carrying out at least 100 projects to improve accessibility (platforms that are 55 cm high, lifts)	✓

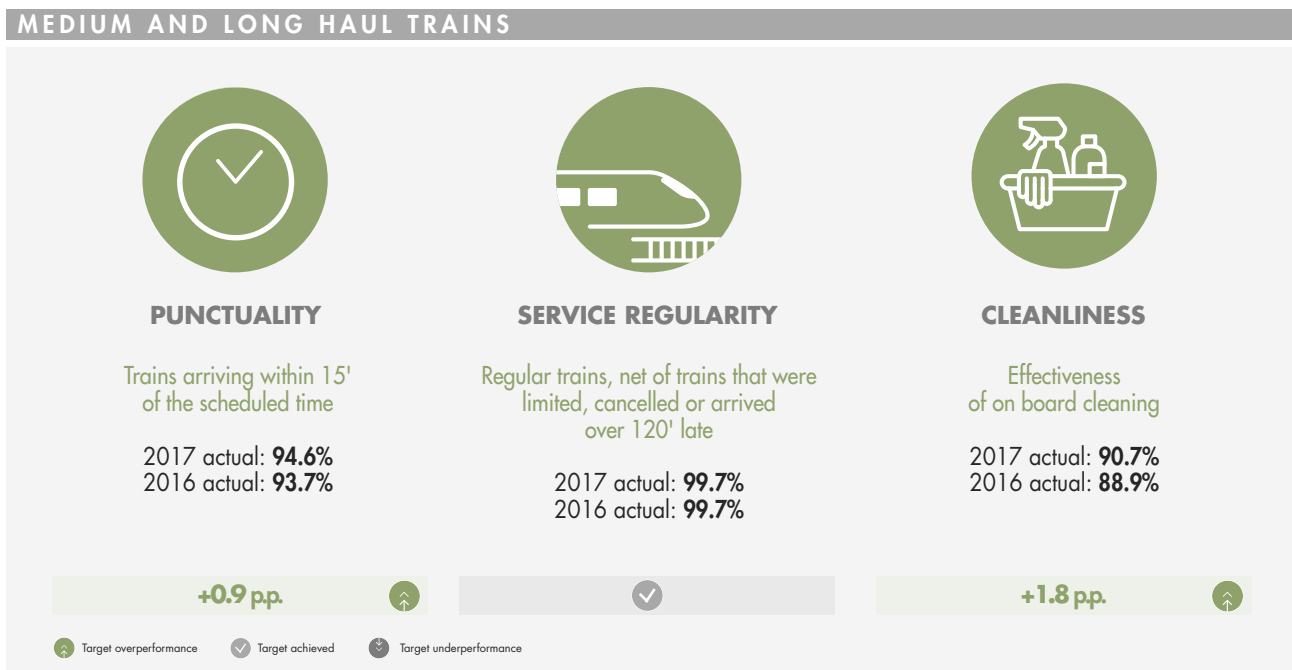
Target achieved

¹ Number of FWSI (Fatalities and VWeighted Serious Injuries) from significant accidents/ trains x km
² European common safety targets (CST), using national maximum acceptable values for the various railway risk categories (NRV - National Reference Value) set for each member country by EC decisions upon proposal of the European Railway Agency (ERA)
³ During the 2008-2010 three-year period, considered the consolidation period for the effects produced by the agreement active from 2007 between the parent, FS Italiane and the Ministry of the Interior for the development of joint actions to improve the safety of the customer and group assets



RAILWAY PASSENGER TRANSPORT - MEDIUM AND LONG HAUL

The passenger transport segment has recorded positive results in all commercial product segments. Specifically, services relating to the medium and long haul passenger transport segment have seen a significant improvement in terms of the quality provided. The most positive results were for cleanliness on board trains, which saw a 1.8% improvement compared to 2016 based on the total average for all medium to long haul trains. The punctuality of trains also improved by 0.9 p.p. compared to 2016.

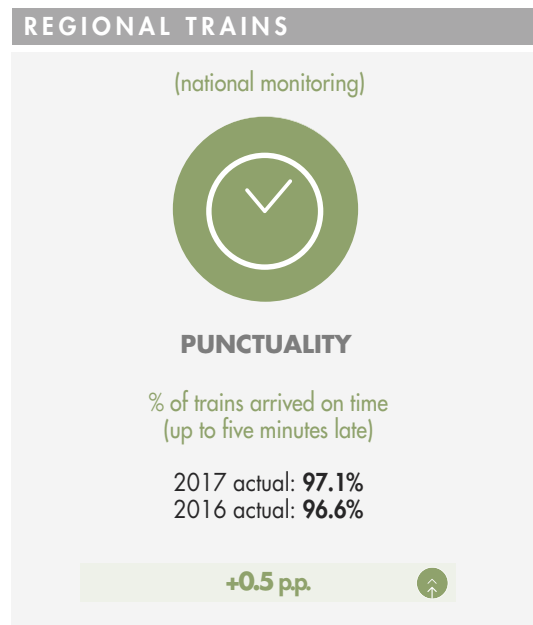


RAILWAY PASSENGER TRANSPORT – REGIONAL

With regard to regional transport, the Group has set out its objectives in the relative service charter (to which reference should be made for more information²⁷).

There has been a nationwide increase in the percentage of regional transport trains that arrived within 0 to 5 minutes of the scheduled time compared to the previous year.

The Group has also performed well in Great Britain in terms of punctuality, where 95.4% of trains arrived within five minutes of the scheduled time (PPM moving annual average - the official government parameters for measuring punctuality) and 72.8% arrived within one minute of the scheduled time.



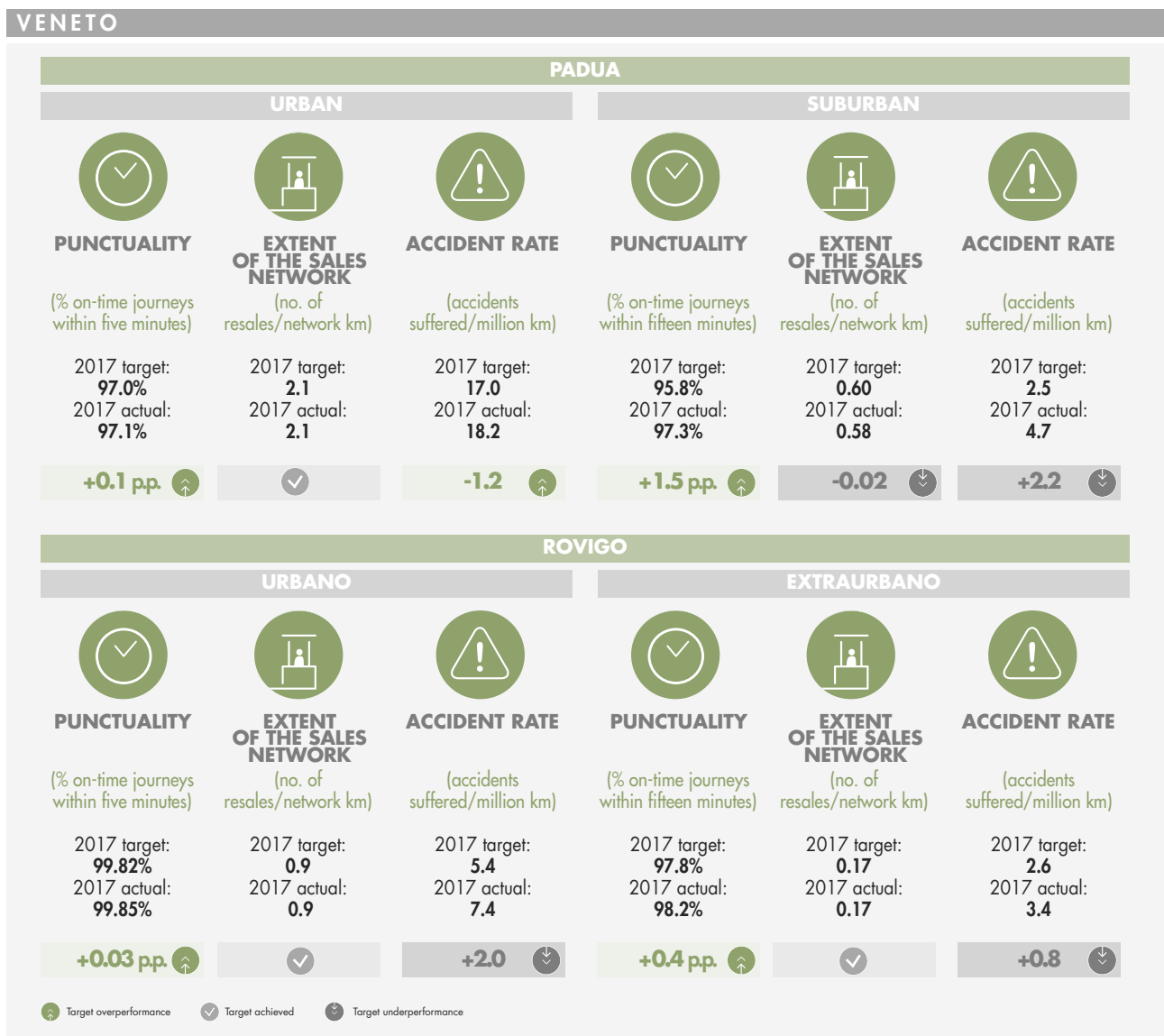
²⁷ The "Regional Service Charter" for the regional train passengers of each region, available in the "la tua Regione" section of the area dedicated to each region (<http://www.trenitalia.com/icom/TreniRegionali>).

ROAD PASSENGER TRANSPORT

The objectives for road passenger transport are reported in various service charters on a regional/provincial/municipal basis. Specifically, the services related to the national segment can be subdivided into "urban" and "suburban".

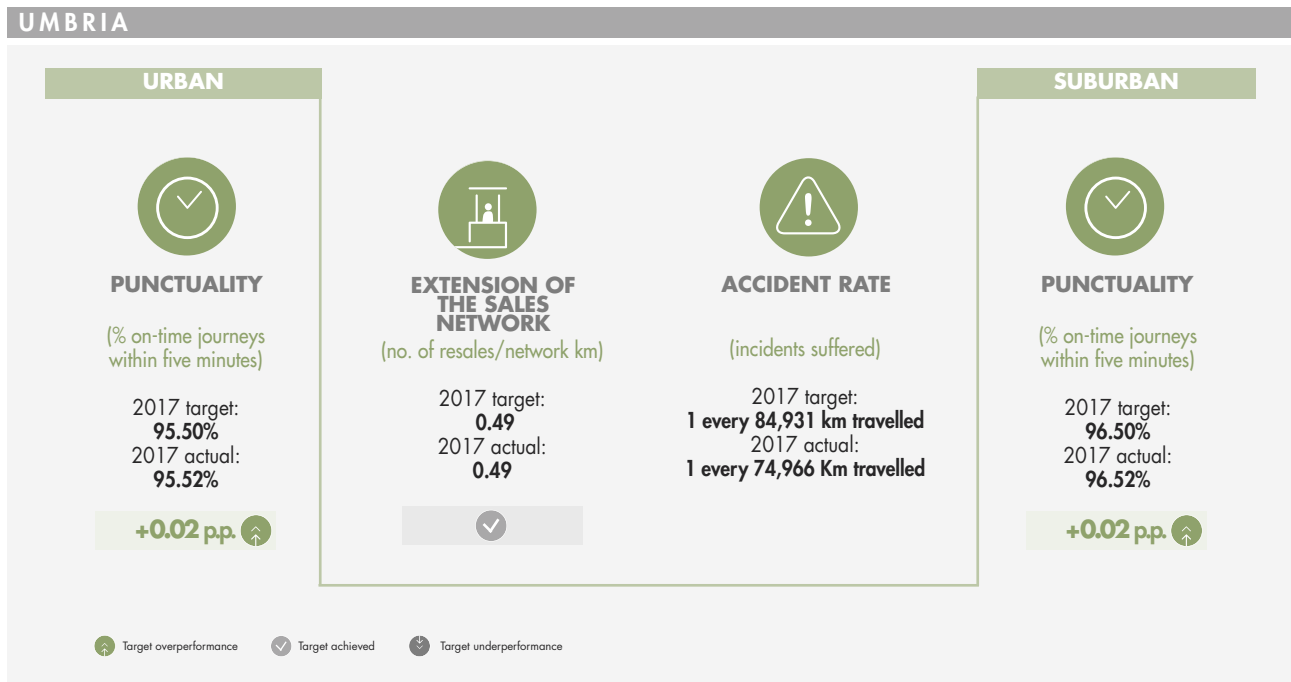
VENETO

In Veneto, punctuality exceeded the set goals. The rate of accidents for which Busitalia Veneto was at fault worsened, except for Padua urban transport, which surpassed the target.



UMBRIA

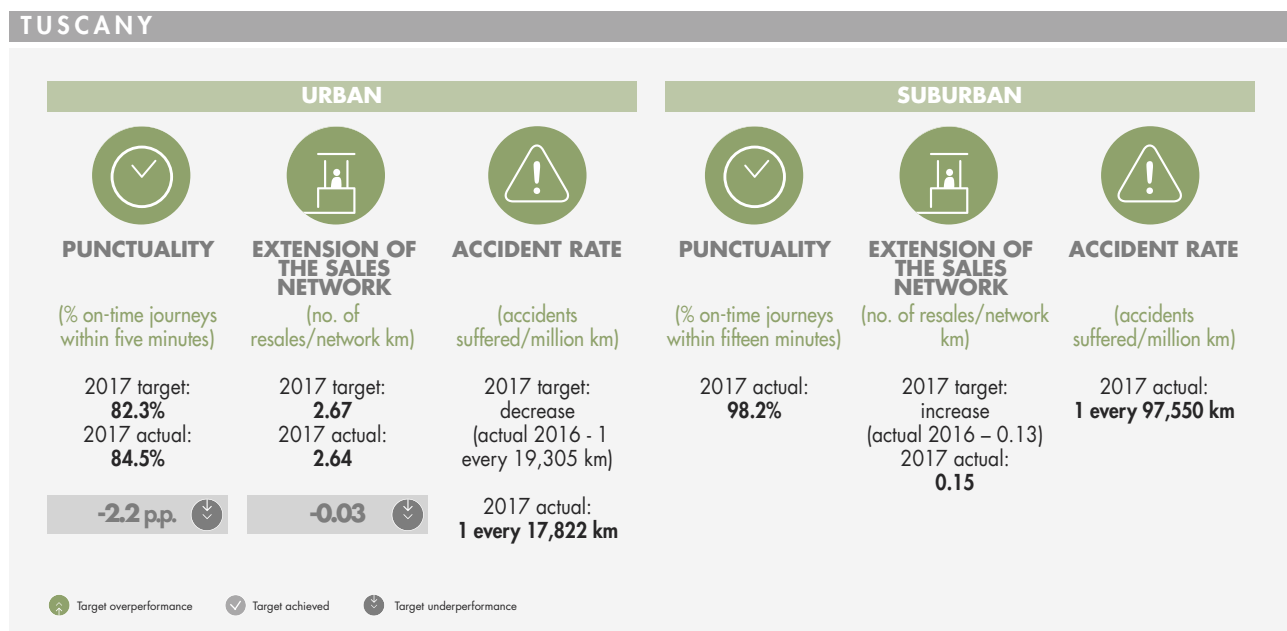
Also in Umbria, many of the objectives set for the urban and suburban services were met. The rate of accidents worsened, however, largely as a result of the different classification of reported accidents, which in 2017 were prudently included in accidents suffered.





TUSCANY²⁸

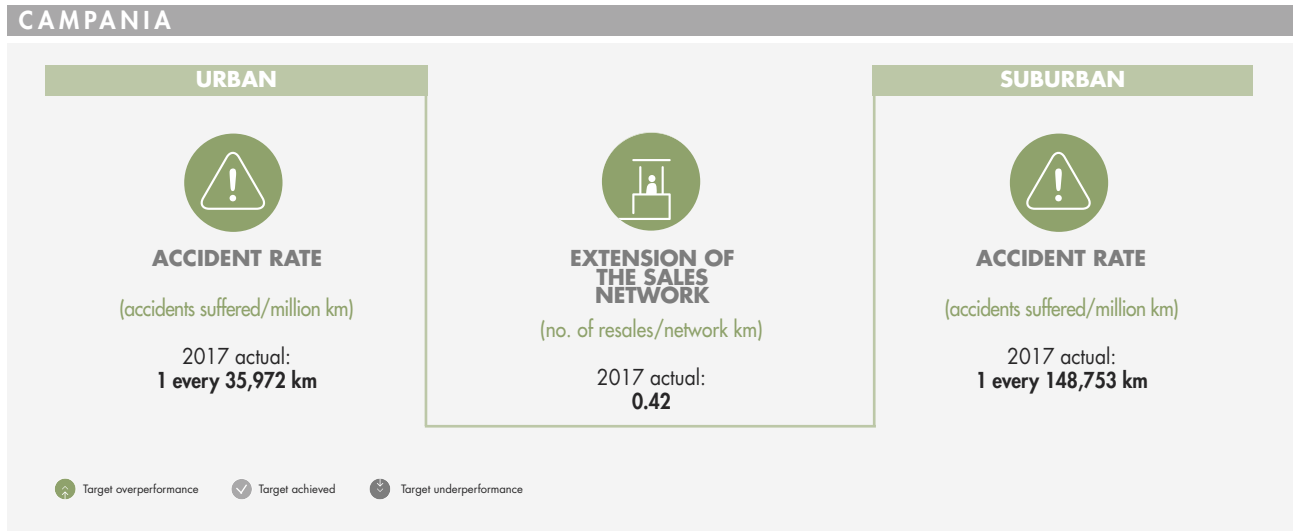
In Tuscany, many of the objectives were met, except for the urban segment which has been affected by the construction sites throughout Florence in connection with the construction of the new tramway lines.



²⁸ Common goals were not defined for the suburban service, as they were established on the basis of the individual service charters of the consortium companies that provide services. 2017 was the first year in which they were calculated using the final indicators which summarise the performance of the suburban service segment. Data for the urban segment make reference to the ATAF & UNEA SCARL company. Data for the suburban segment refer to the Bustitalia services, with the exception of the sales network, which includes the data for Scarl ACV and AM, which Bustitalia heads.

CAMPANIA

In the Campania region, the management of the service started in 2017, therefore, it was not possible to set objectives before the end of the year. From 2018, objectives will be set for all monitored parameters.

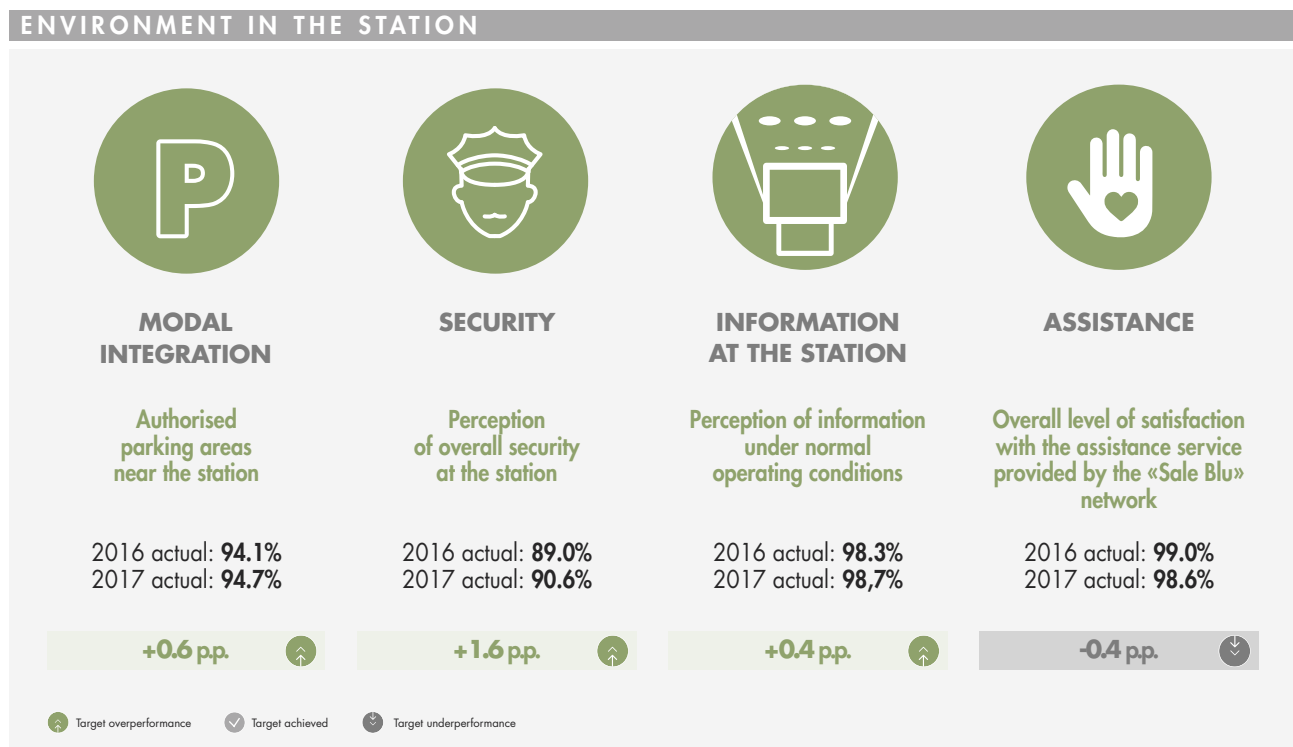




CUSTOMER SATISFACTION²⁹

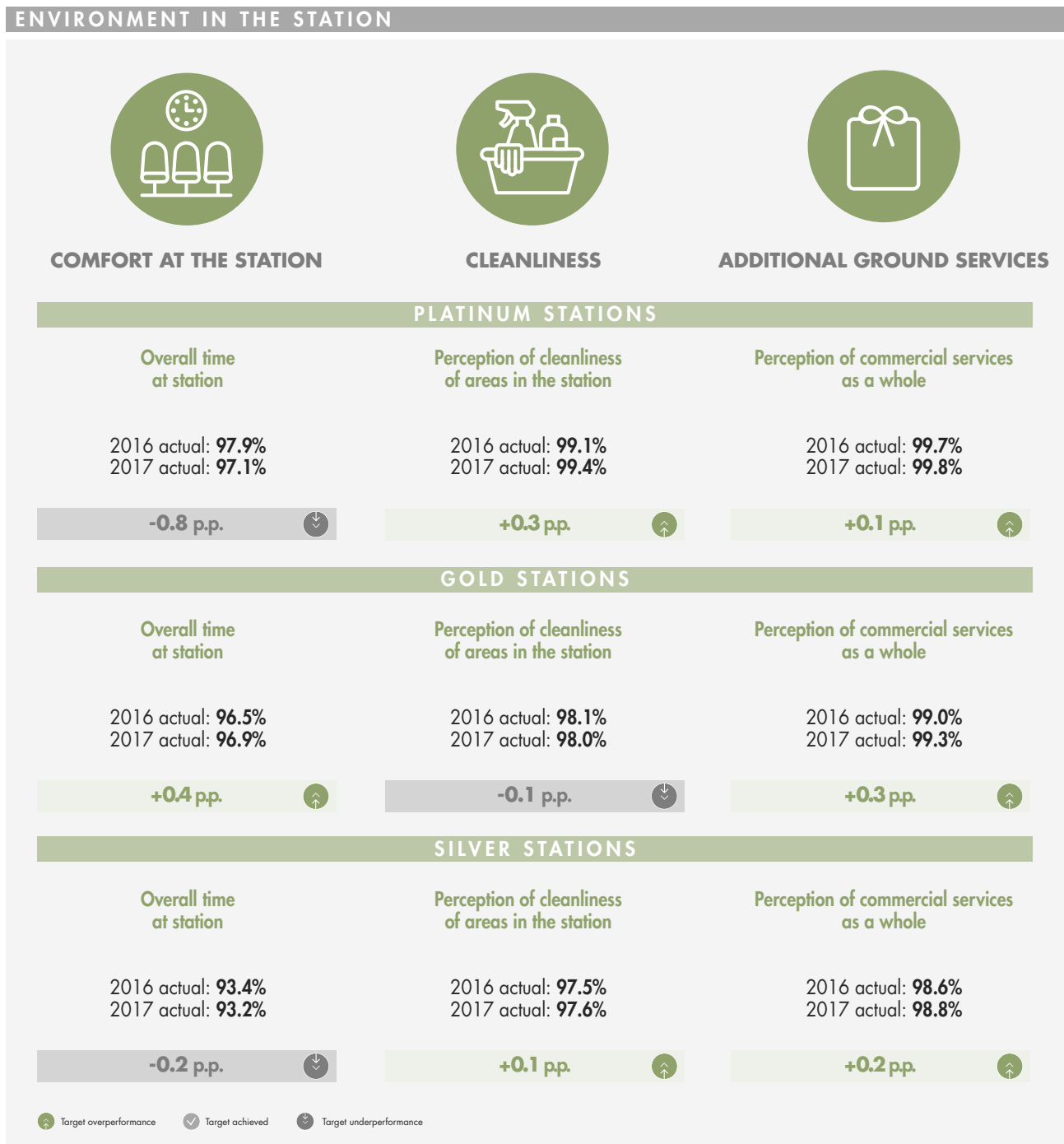
INFRASTRUCTURE

The Group monitors perceived quality for all station services. Surveys are conducted on a monthly basis using two different approaches: face-to-face interviews carried out using a questionnaire and mystery customer techniques. In 2017, surveys were carried out at 755 stations, through which almost 95% of passengers travel, belonging to the platinum, gold and silver categories, for a total of 152,071 interviews³⁰.



²⁹ As a result of the recent reorganisation of the freight transport segment, it was not possible to observe customer satisfaction for 2017.
³⁰ Stations are classified by consistent characteristics and number of users.

The analysis detailed below, with some indices that summarise the perceived quality of the different categories of station:



The people interviewed who had used the assistance services offered by RFI stations included in the Sala Blu network reported a satisfaction rate of 98.6%, substantially in line with 2016.



RAILWAY PASSENGER TRANSPORT

Customers' perceived quality is recorded through periodic surveys which cover passengers over 14 years old. These surveys include questions about their travel experience on trains managed by the Group (medium-long haul³¹ and shorter-local/regional transport³²).

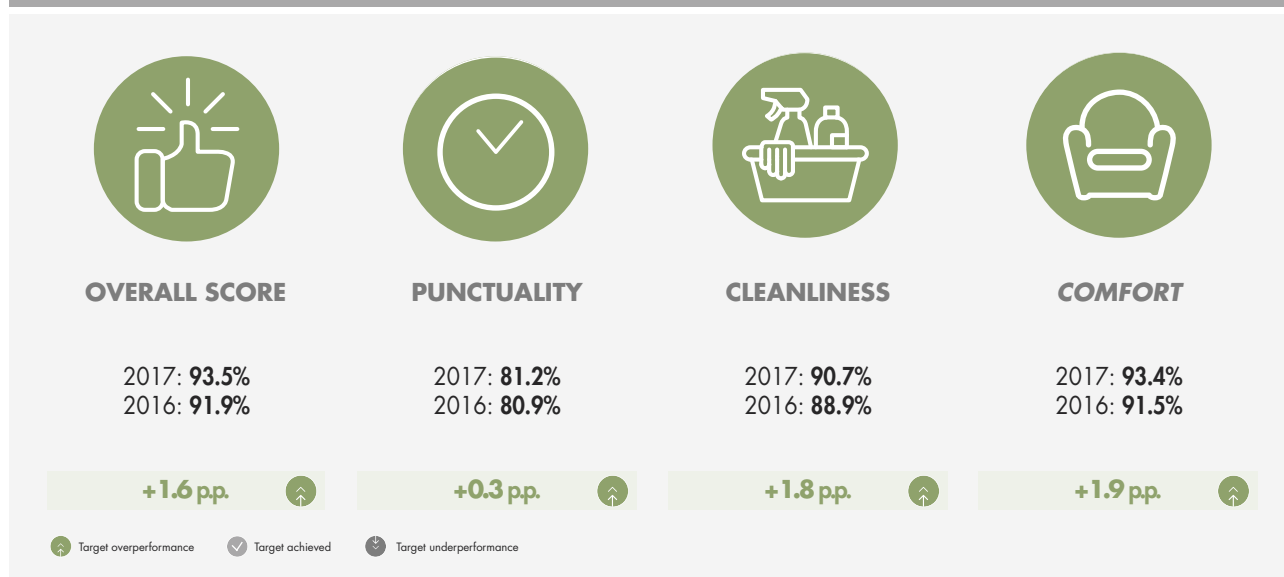
Surveys are conducted using face-to-face and telephone interviews³³.

MEDIUM AND LONG HAUL TRANSPORT

Overall, the results for 2017 show a general increase in customer satisfaction.

Overall satisfaction for "time on board the train" increased by 1.6 p.p.. In detail, the main increases relate to "comfort" (+1.9 p.p.), "cleanliness" (+1.8 p.p.) and "on board information" (+1.7 p.p.); while punctuality remained stable.

MEDIUM AND LONG HAUL TRANSPORT - TIME ON BOARD



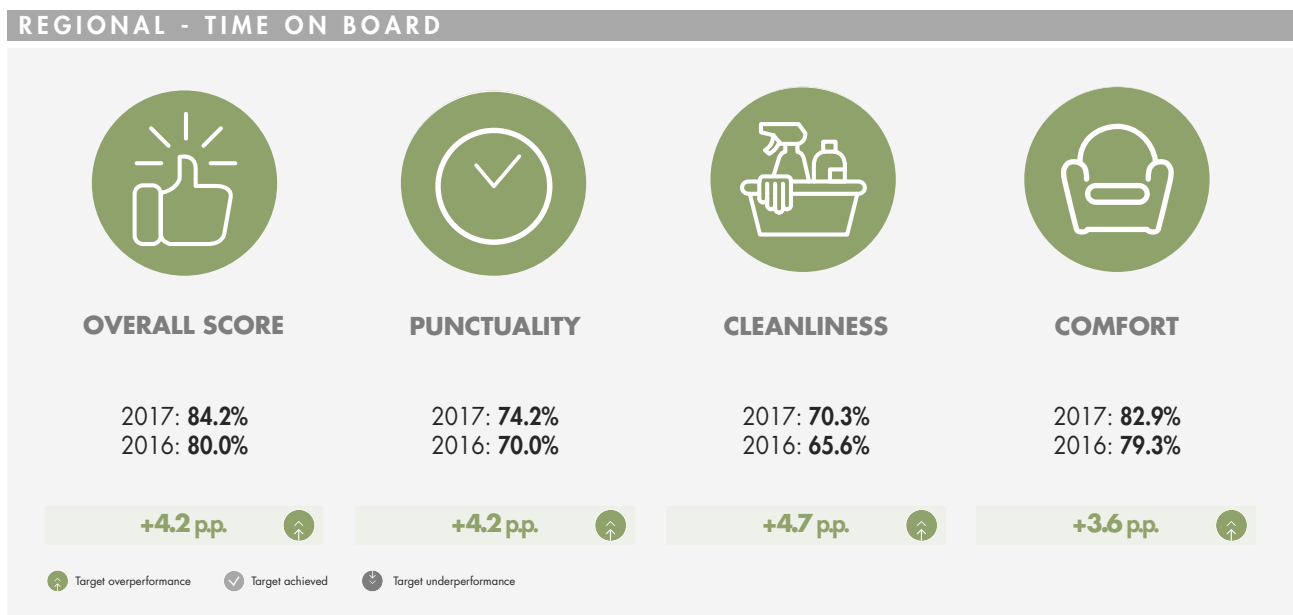
³¹ Surveys are conducted once every two months for a total of six surveys per year and entail 5,000 interviews with a sample of passengers selected using a probability-based procedure in connection with three different aspects: traffic, station and brand.

³² Surveys are conducted every two months for a total of six surveys per year and entail 7,666 interviews. Such a high number of interviews makes it possible to survey passengers travelling on the 35 main regional railway lines throughout all of Italy.

³³ Face-to-face interviews are conducted at the station before the interviewees board their trains. Telephone interviews using operators and CATIs (computer assisted telephone interview), are conducted through call-backs to interviewees two/three days after the journey. The score for each variable considered in the survey is on a scale of one to nine, where nine corresponds with the highest satisfaction and one with the lowest. Passengers who report a satisfaction rate equal to or greater than 6 are considered satisfied.

REGIONAL

In 2017, regional transport saw an across-the-board improvement in customer satisfaction (an average improvement of 4 p.p. for all indicators), confirming customers' appreciation of the Group's investments in this market segment. Specifically, overall satisfaction with "time on board the train" is equal to 84.2%, up 4.2 p.p. on the previous year. In more detail, 70.3% of passengers were satisfied with "cleanliness" (+4.7 p.p.), 74.2% were satisfied with "punctuality" (+4.2 p.p.) and 82.9% were satisfied with the "comfort" (+3.6 p.p.).



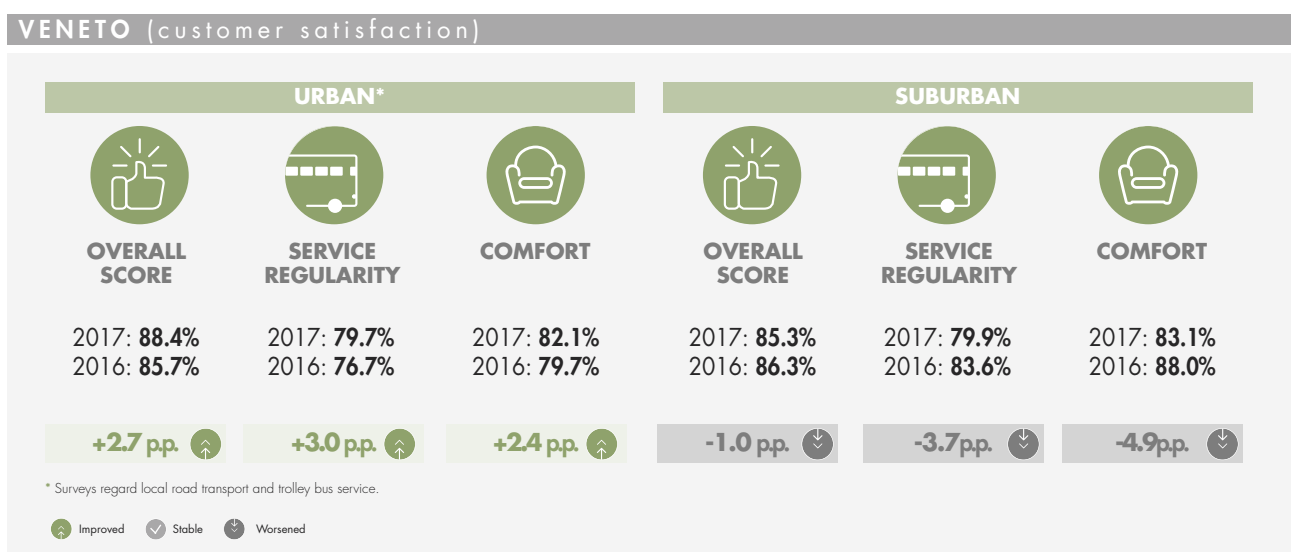


ROAD PASSENGER TRANSPORT

The Group monitors customers' perceived quality of road transport through periodic surveys. These are carried out on local public transport pass holders, using CATI and on all passengers through face-to-face interviews and through questionnaires filled out by the interviewees while using the service. During the analysis, customers that expressed a rating of 6/10 or more were considered "satisfied".

VENETO³⁴

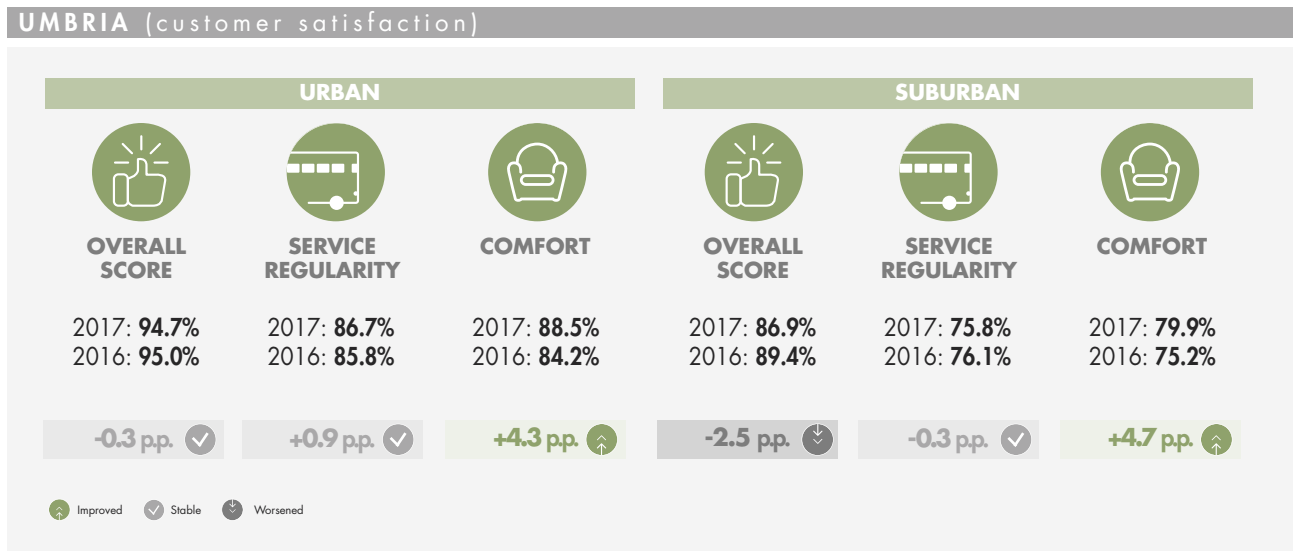
1,218 customers were interviewed with respect to suburban transport in Padua and Rovigo, while 1,508 customers were interviewed about urban transport.



³⁴ In 2016, only on-site interviews were carried out, while in 2017 telephone surveys were also carried out with a sample of local public transport pass holders.

UMBRIA

2,797 customers were interviewed with regard to urban transport in Perugia, Terni, Foligno, Spoleto, Orvieto, Assisi and Todi, while 1,943 customers were surveyed about suburban transport.

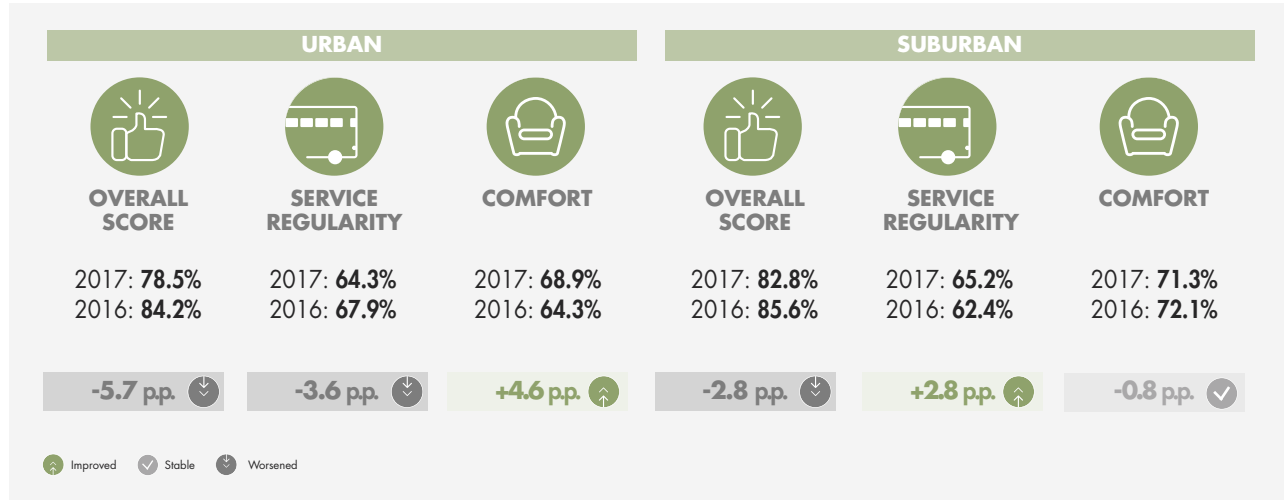




TUSCANY

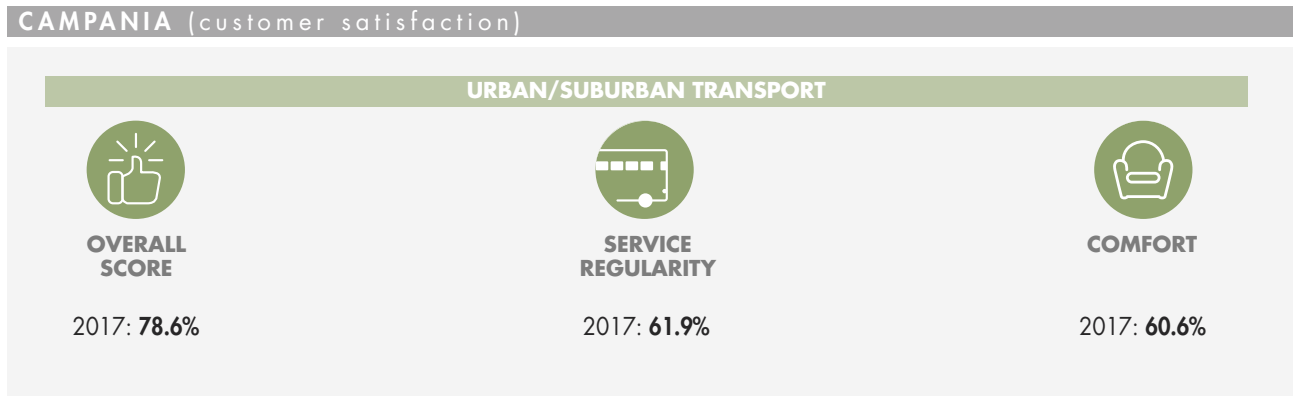
2,632 customers were interviewed about urban transport in the city of Florence, while 1,561 customers were interviewed about the suburban service. The performance was not particularly positive in the urban segment, as a result of the many construction sites throughout Florence to build new trolley bus lines.

TUSCANY (customer satisfaction)



CAMPANIA³⁵

1,213 customers were interviewed about the urban and suburban transport in Salerno.



³⁵ The service in the Campania region only started in 2017, therefore it was not possible to compare customer satisfaction to previous years.



COMPLAINTS MANAGEMENT

The Group firmly believes that transparent communication with customers is fundamental for the ongoing improvement of the services it offers, and it therefore, constantly monitors the complaints and reports it receives.

The Group provides customers with many channels through which reports and complaints can be made: at local offices, online via the integrated Customer Relationship Management (CRM) platform, call centres, by mail, etc. All complaints are analysed and assigned to the relevant offices for the management and definition of the response/corrective action. Furthermore, by signing a memorandum of understanding with consumer associations, the Group offers its customers the opportunity to reach a "fair settlement", which makes the out-of-court settlement of any disputes faster and more efficient.

INFRASTRUCTURE

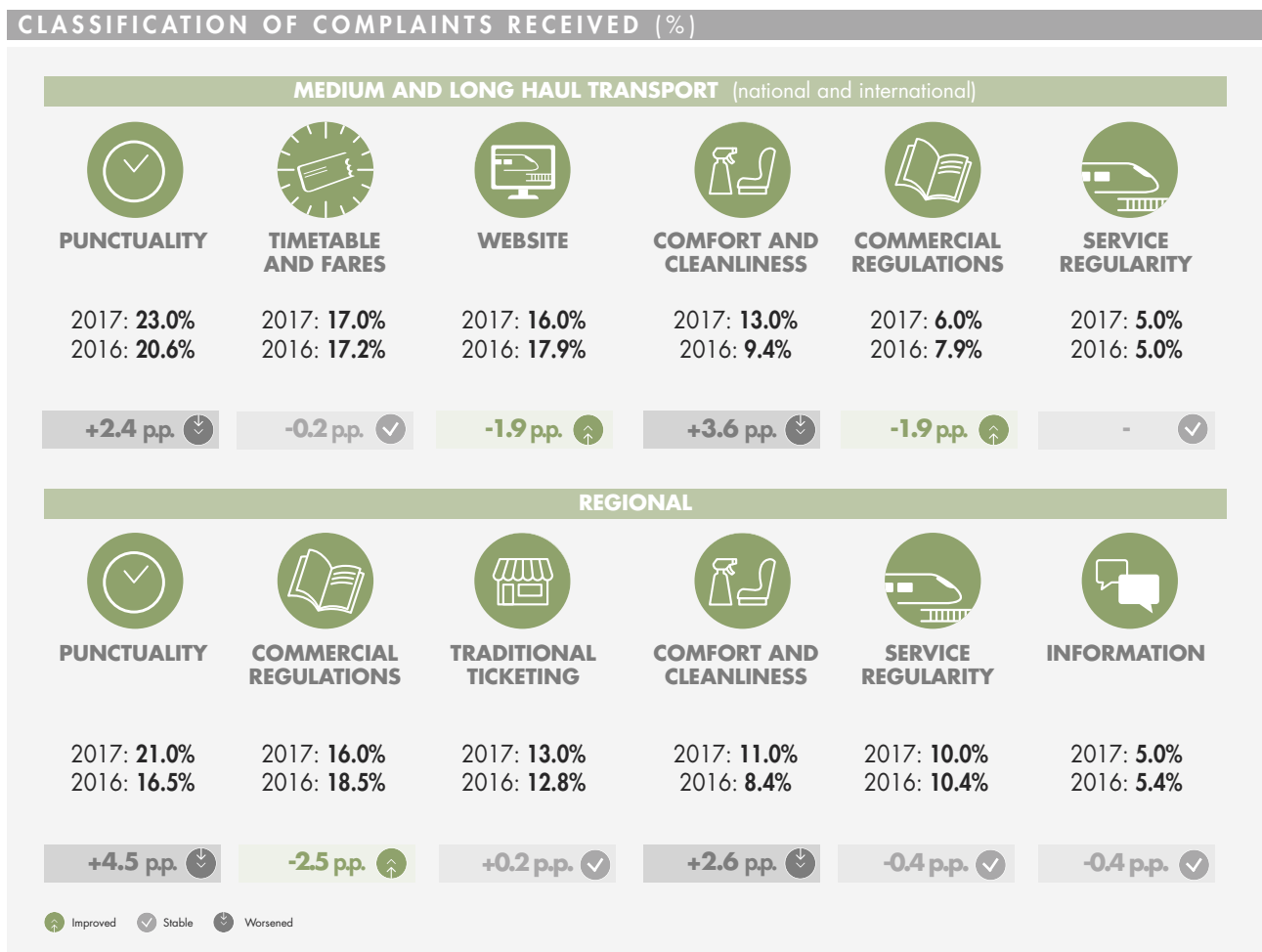
4,872 complaints were received in 2017 (+11% on 2016). Reports about environmental aspects (sound, vegetation infesting railway areas, etc.) increased by 35%. These increases are mainly related to the stakeholders' growing use of the direct online channel made available in 2012³⁶. Although the types of complaints were substantially the same as the previous year, the biggest increases in terms of absolute numbers relate to comfort at stations, architectural barriers and public information systems.

³⁶ www.rfi.it the "RFI RISPONDE" service.

RAILWAY PASSENGER TRANSPORT

In 2017, 38,041 complaints were managed in relation to medium and long haul transport services, showing an increase of 13.7% on the previous year. The main reasons for complaints are punctuality, schedules, fares and the website.

In 2017, there were 25,478 complaints about regional transport, an increase of 12.1% on 2016. The number of complaints regarding punctuality (the main cause of complaints), comfort, cleanliness and the post-sales regulations increased on the previous year. However, the percentage of complaints regarding commercial regulations, the website, schedules and fares decreased.

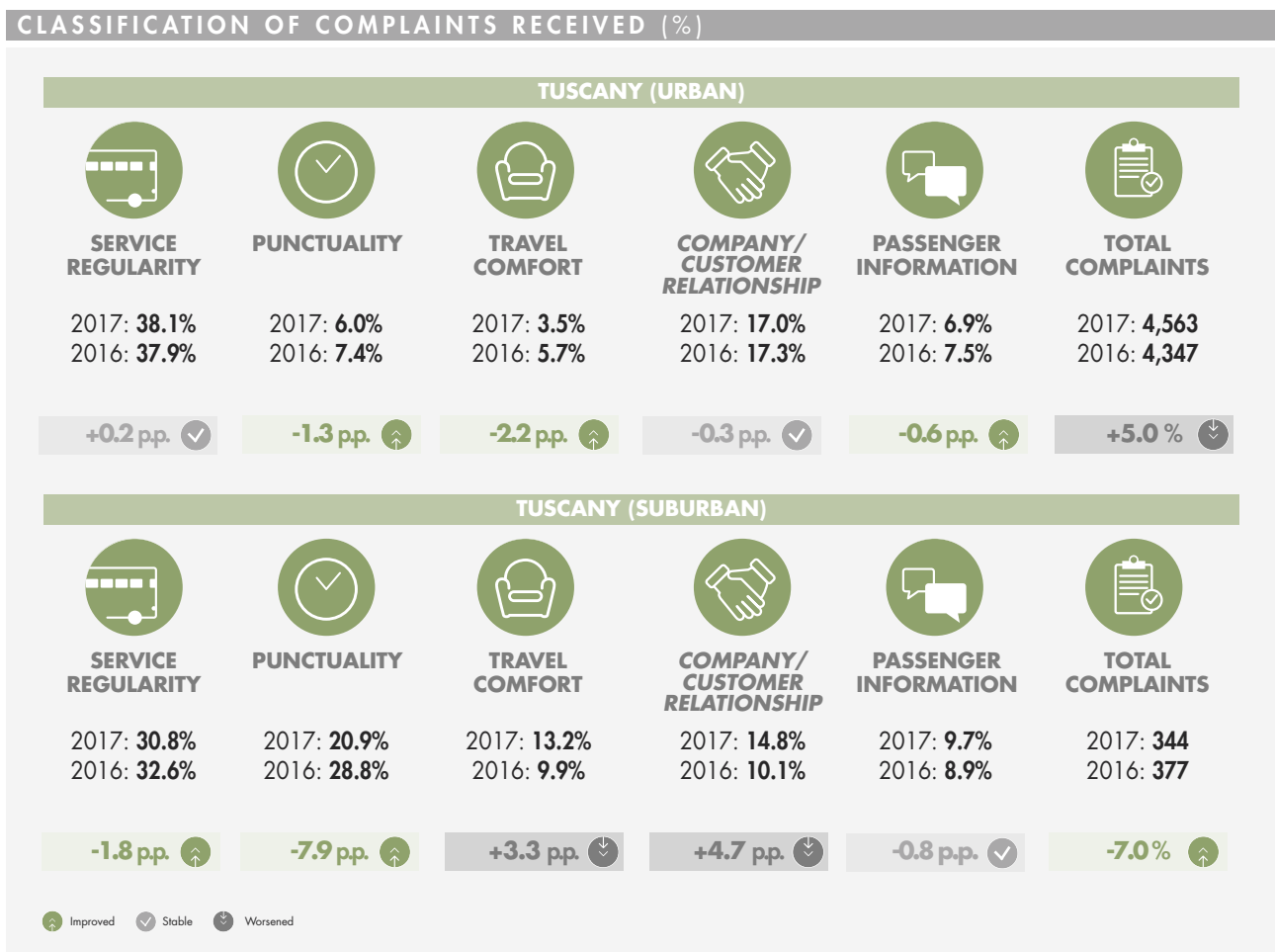




ROAD PASSENGER TRANSPORT

The Group's road passenger transport segment is also committed to the careful management of complaints, in order to promptly respond to customers. Analysis is carried out locally in line with the way in which the service is provided. 6,695 complaints were received in 2017, substantially in line with the previous year (+6%)³⁷. By analysing the complaints received, the Group is able to concentrate its efforts in the areas that passengers perceive as being the weakest, in order to improve the services provided and customer satisfaction, as customers are the Group's main stakeholders.

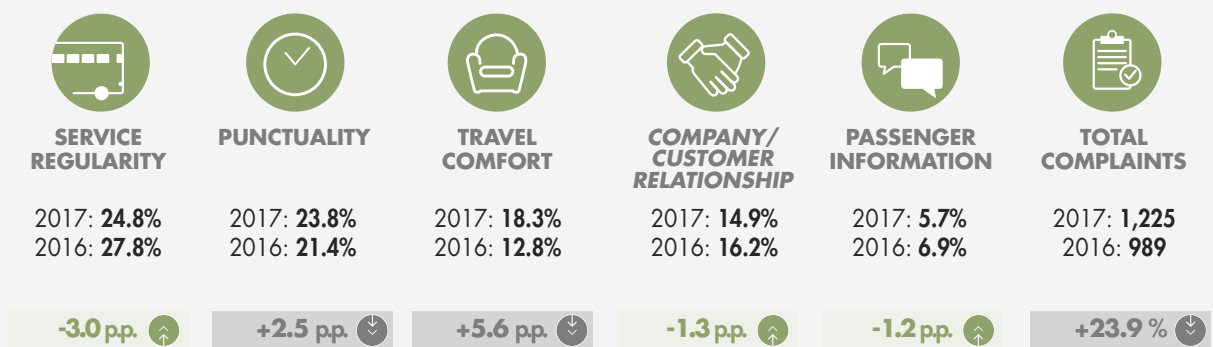
The most frequent type of complaints regard service regularity, punctuality, comfort on board, customer service and the provision of information.



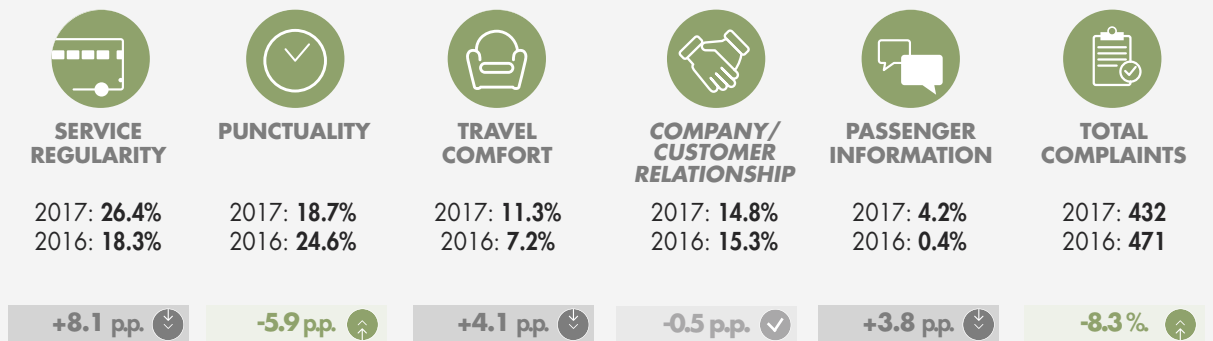
³⁷ The comparison was made on a like-for-like basis, thus eliminating the complaints received in 2017 about the services in Campania.

CLASSIFICATION OF COMPLAINTS RECEIVED (%)

VENETO



UMBRIA*



* Number of complaints mainly concerns the local road transport service, but also includes railway, waterway and alternative mobility services.

CAMPANIA



↑ Improved ✓ Stable ↓ Worsened



TRAVEL SAFETY

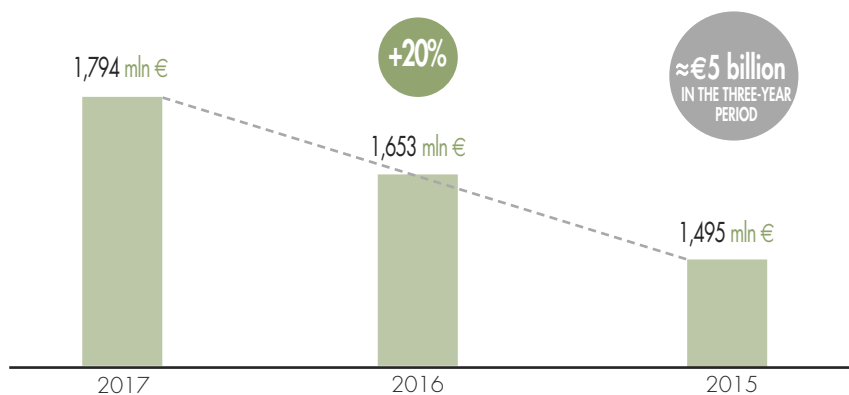
416-1 416-2

Passenger safety is a priority for the Group, as confirmed by both the volume of technological and infrastructural investments and investments in the new fleet (trains and buses) and by the importance the Group attaches to the specific training provided to parties involved in transport.

RAILWAY PASSENGER TRANSPORT - TRAIN TRAFFIC SAFETY

For the fourth year in a row, the Group has increased investments in extraordinary maintenance and works to improve safety of the infrastructure. For the 2015-2017 three-year period, these investments amounted to nearly €5 billion (an increase of +59% compared to the previous three-year period).

INVESTMENTS IN NON-ROUTINE MAINTENANCE AND NETWORK SECURITY



The Group uses some of the most advanced technology in the world to manage and monitor travel safety.

TECHNOLOGIES FOR NETWORK SAFETY*

Km of line

ERTMS/ETCS



The Group is one of the first in Europe to have adopted the level 2 *European Rail Traffic Management System/European Train Control System* (ERTMS/ETCS) on the new HS/HC network lines. The system, in compliance with European standards, ensures the seamless transfer of trains on all European lines that are equipped with the ERTMS/ETCS and is capable of guaranteeing safe travel through the adoption of cutting-edge functions and technologies.

709

(100% HS lines with max speed of 300 km/h)

SCC, SCC – AV, SCC – M and CTC



CCS - Command and control systems, adopted on the main routes and at the main metropolitan rail transport, and developed for the high speed lines (CCS-HS), are innovative integrated remote management systems for train operation. *Centralized Traffic Control* (CTC) allows for the remote management and regulation of lines and stations from central posts ("CP") These systems make it possible for operators to supervise the position of the train along the network within the railway system in real time.

12,786

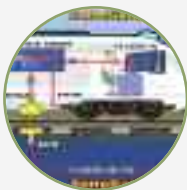
SSC



The driving support system (DSS) provides the control of the maximum speed permitted on a real time basis, in relation to constraints put in place by signalling, infrastructure characteristics and the train's performance both in normal and deteriorated conditions. The system is applicable to non-electrified lines of the secondary network with a maximum speed of 150 km/h, on a single or double track.

3,892

SCMT



The train speed control systems (TSCS) is a safety system that helps the driver by limiting maximum speed on a real time basis, in relation to constraints put in place by signalling, infrastructural characteristics and the train's performance both in normal and deteriorated conditions.

12,210

GSM-R



GSM-R (R stands for railway) permits both traditional voice and data communications and the exchange of information between the most advanced technological systems for signalling and traffic control.

11,445

* For more details reference should be made to <http://www.rfi.it/rfi/SECURITYE-INNOVAZIONE/Tecnologie>.

The Group also takes part in many trials, such as that for the use of satellite tracking combined with ERTMS (the European Rail Traffic Management System). The “ERSAT” project promoted by ESA (European space agency) and based on the former “3inSAT”, has seen the Group experiment with the use of satellite technology on the Cagliari - San Gavino route in Sardinia. ERSAT has evolved with the ERSAT GGC project (ERSAT Galileo Game Changer), funded by GSA (European Global Navigation Satellite System Agency) as part of the Horizon 2020 programme, and its development plan includes the certification and roll-out of an initial pilot line, applying the know-how acquired during the Sardinian pilot run, which will remain a point of reference for further technological developments in Italy.

Also in terms of regional passenger transport, through the “regional ERTMS” project, the Group intends to maintain the same level of safety while reducing the maintenance costs of the low traffic density lines through the introduction of:

- the level 3 ERTMS system, which in addition to removing light signals, allows for the elimination of train detection systems;
- satellite technology that will allow for the *Virtual Balise concept*³⁸ to minimise the number of Eurobalises³⁹.

Furthermore, to safely and reliably guarantee full network availability while constantly monitoring it, the Group regularly carries out routine and non-routine infrastructural maintenance.

Routine maintenance aims to limit the normal infrastructure deterioration and is carried out both cyclically, at prearranged intervals, and to resolve any critical issues⁴⁰.

Non-routine maintenance is planned and carried out for the renewal/replacement of subsystems or their parts, in order to improve reliability, productivity, efficiency and safety. In 2017, investments of approximately €1,794 million were made for non-routine maintenance.

Railway safety on the national railway infrastructure managed by the Group is monitored by inputting and analysing data in the databases (a danger database to monitor accidents and disturbances and INRETE200 for warnings about the superstructure) recorded in accordance with current international criteria (issued by the EUAR - European Union Agency for Railways). For some of these indicators, the EUAR has prepared and assigned common safety targets (“CST⁴¹”) at a European level and national reference values (“NRV⁴²”), based on historical data).

The table below compares the infrastructure operator’s cumulative performance in each risk category and for each indicator defined (measured in FWSI on the standard scale) with the common safety targets (CST) and specific national railway values (NRV) for Italy⁴³.

Risk category	Unit of measure	Graduated scale	Targets		Actual
			Common (x 10 ⁻⁹)	NRV Italy (x 10 ⁻⁹)	Cumulativet FS (x 10 ⁻⁹)
Passengers	Number of passenger FWSI per year calculated based on serious accidents/ passengers train-km per year	passengers train-km per year	170.00	38.10	8.41
Employees or contract companies	Number of employee FWSI per year calculated based on serious accidents/ number of trains-km per year	train-km per year	77.90	18.90	6.46
Users of railroad crossings	Number of users of railroad crossings FWSI per year calculated based on serious accidents/ number of trains-km per year	train-km per year	710.00	42.90	19.69

³⁸ *Virtual Balise* is a signal generated by the VBR (Virtual Balise Reader) on board the train and functions in the same way as the *Eurobalise*, which localises the train in real time using a satellite.

³⁹ *Eurobalise* is an electronic device or transponder placed between the rails of a railway to control the safety of train travel.

⁴⁰ These activities are regulated by contracts as part of the Government Programme Contract-Services, amounting to €890 million per year, including 2017.

⁴¹ Common Safety Target

⁴² National Reference Value

⁴³ Fatalities and Weighted Serious Injuries (“FWSI”)

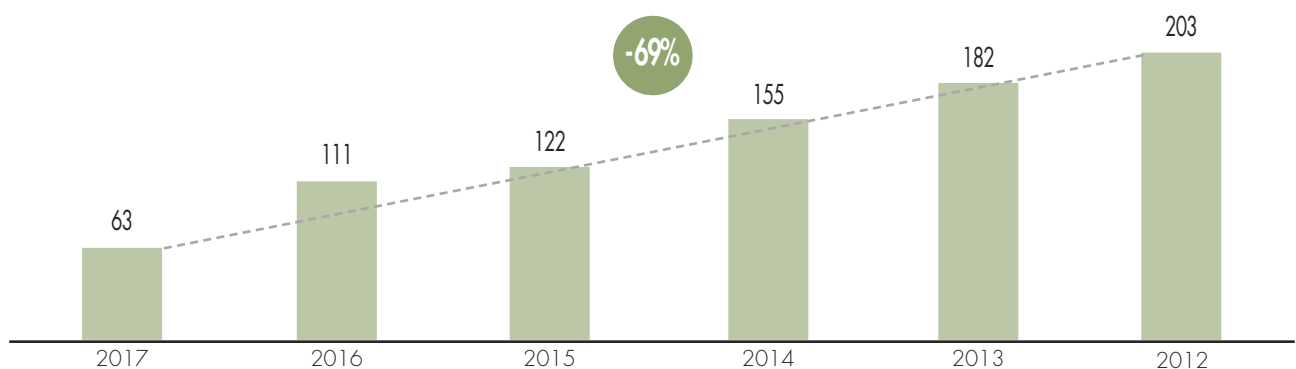
The analysis by type shows an increase of significant accidents⁴⁴ in 2017⁴⁵ which correlates, in particular, with “Injuries to people involving moving rolling stock” largely for reasons outside the scope of the railway system (approximately 93%) therefore, caused by factors outside railway system or the conduct of people interacting with the railway system in violation of current railway laws and regulations.

60 deaths and 35 serious injuries were caused by these significant accidents.

Type	2017		2016		2015	
	Absolute value	Per billion train-km	Absolute value	Per billion train-km	Absolute value	Per billion train-km
Train collision with railway vehicle	1	4	0	0	1	3
Train collision with an obstacle blocking the tracks	0	0	3	11	4	14
Train derailment	1	4	1	3	3	9
Railroad crossing accident, including accidents involving pedestrians at crossings	11	39	11	39	19	57
Injury to people involving rolling stock in motion (excluding suicides and attempted suicides)	82	290	70	200	67	197
Fire on board rolling stock	0	0	1	4	2	6
Other types of accidents	3	11	5	14	2	6

The number of significant and minor accidents directly attributable to the Group in accordance with the EUAR, shows a downward trend since 2012, highlighting the Group’s commitment to improving network safety.

ACCIDENTS FOR WHICH THE GROUP IS RESPONSIBLE



⁴⁴ According to the definition provided by EUAR (European Union Agency for Railways): any accident involving at least one rail vehicle in motion, resulting in at least one killed or seriously injured person, or in significant damage to stock, track, other installations or environment, or extensive disruptions to traffic. Accidents in workshops, warehouses, depots, the environment or damage exceeding €150,000 are excluded. “Extended traffic disruption” is an interruption of traffic on a section of line for more than six hours.

⁴⁵ Data updated in February 2018.



The consequences for people involved in significant accidents is shown in the table below:

SIGNIFICANT ACCIDENTS				
	2017	2016	2015	TREND 2017/16
DEATHS¹	60	59	46	↓
- OF EMPLOYEES ²	2 ⁶	0	0	↓
- OF PASSENGERS ³	2 ⁷	0	2	↓
- OF OTHERS ⁴	56	59	44	↑
SERIOUS INJURIES⁵	35	24	37	↓
- OF EMPLOYEES ²	1	0	1	↓
- OF PASSENGERS ³	3	3	7	✓
- OF OTHERS ⁴	31	21	29	↓

¹ Death: any person who dies immediately following or within 30 days of an accident, excluding suicides, death from natural causes or homicide.
² Employees: the people who work for the railway and are in service at the time of the accident. They include the train crew and personnel managing rolling stock and infrastructures (including contractors' and independent contractors' personnel).
³ Passengers: any person, other than the on-board crew, travelling on the train. Injury statistics include those involving passengers attempting to board/disembark from moving trains.
⁴ Includes users of railroad crossings and people crossing the tracks inappropriately.
⁵ Injuries caused by accidents and hospitalised for more than 24 hours, excluding suicide attempts.
⁶ Accident involving two employees of a contracting firm. Preliminary investigations are underway. The criminal proceedings were initiated by the Public Prosecutor in Bolzano following a collision between two work vehicles which took place at the work site of a third-party company which was carrying out works on the railway site between Fortezza and Bressanone. The aforementioned investigations, in which RFI was named as an injured party, are pending against the external contracting firm.
⁷ Regarding two deaths of passengers caused by their wrongful disembarkment at the station (in Albate/Camerlata on 11 April 2017 and in Parona/Lomellina on 28 April 2017). In both cases, FS group companies were not found to be responsible.

Improved
 Stable
 Worsened

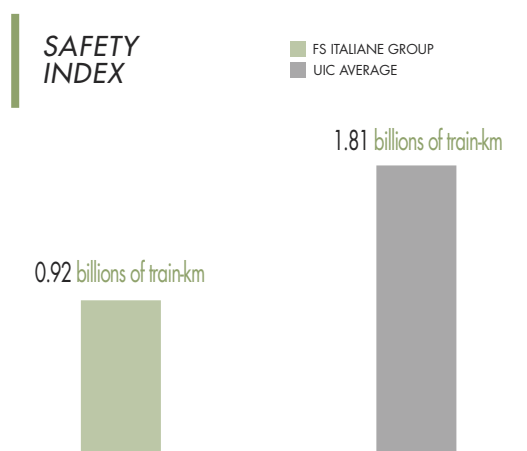
The accident on 25 January 2018 in Seggiano di Pioltello involving Trenord S.r.l.'s regional train no. 10452 travelling the Cremona – Milan Porta Garibaldi route, resulted in the deaths of three passengers and injuries to others. The Public Prosecutor at the Milan Court initiated criminal proceedings against Trenord S.r.l. and RFI S.p.A. representatives and employees⁴⁶.

The Group monitors safety performance, also in accordance with the UIC (Union Internationale des Chemin de Fer).

The UIC has prepared a total accident safety which weighs each accident (individually) considering certain parameters⁴⁷, such as:

- the type of accidents (train on train, train on people, train on vehicles, etc.);
- the extent of the injuries to people (number of deaths or injuries);
- the category of people who suffered injuries (regardless of whether the person was in violation of railway regulations or not);
- responsibility for the accident (internal or external).

As shown in the graph⁴⁸, the Group's *Safety Index* is much lower than the UIC average, confirming the ITS network's position as one of the top performers in terms of safety.



The Group has dedicated structures to oversee operational safety, which cover all activities in accordance with the current European and national legislative context. The Operational Safety Management System is the heart of the Group's safety oversight. Various activities are carried out to keep operational risk under control. These activities range from risk analysis to identification and mitigation. Where necessary, specific indicators and/or projects are defined to reduce risks and are reported as part of the safety plan each year. The indicators and projects may relate to one or more of the three key parts of the systems: machines (technology), people (human factor and organisation) and procedures (how processes are performed).

The maintenance of railway vehicles is one of the key processes in ensuring that operational safety is maintained and improved and to meet established quality standards.

For road transport, safety is fundamental. Investments in this respect include the gradual updating of the fleet with vehicles fitted with video surveillance and active safety systems (tyre pressure control, brake assist, distance sensor, lane assistant, etc.) in addition to passive ones (crash protection, on board fire prevention system, etc.), and automatic vehicle monitoring (AVM).

In 2017, approximately €378 million was invested in non-routine maintenance in the transport sector (rail and road).

⁴⁶ For more details, reference should be made to the 2017 annual report § Litigation pursuant to Legislative decree no. 231/01
⁴⁷ Typical accidents according to the UIC are: collisions, derailling, fires involving rolling stock, accidents involving dangerous goods and involving at least one rail vehicle in motion (train, shunting vehicle, work vehicle) during operations and that caused a significant accident. They exclude accidents in which people are hit, injuries to people as they unduly board/disembark from trains in motion, suicides and attempted suicides.
 This classification is drawn up regardless of injuries to people and its purpose is to measure the intrinsic safety of railway systems, assigning less weight to accidents caused by conduct in violation of railway regulations.
⁴⁸ Source: UIC Safety Report 2017 - Significant Accidents 2016.



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SECURITY

The security and protection of personnel, passengers/users, assets and know-how are essential for the Group. The Group constantly invests to guarantee and monitor travel safety and the security of networks and stations. To monitor operational security indicators, the Group operates a partnership in collaboration with the railway police (the branch officially responsible for preventing and repressing crimes in the scope of railway transport).

SECURITY INDICATORS

	2017	2016	2015	Δ 2017/16	TREND 2017/16
ASSAULTS ON RAILWAY PERSONNEL	463	436	361	6.2%	↓
THEFTS AT THE STATION	1,746	1,724	2,566	1.3%	↓
THEFTS ON BOARD TRAINS	3,206	2,794	4,188	14.7%	↓
COPPER THEFTS DURING OPERATION	456	557	1,643	-18.1%	↑
COPPER THEFTS AT DEPOTS	5	11	63	-54.5%	↑
TOTAL	4,952	4,518	8,821	9.6%	↓

↑ Improved
✓ Stable
↓ Worsened

Copper theft is responsible for a total of 65,337 minutes worth of delays (equal to 45 days) and affected 2,720 trains, while 81 attempted thefts caused 16,160 minutes of delays (equal to 11 days) and affected 600 trains. In 2017, there were 456 thefts along the line and five at the depot, for a total of 191,547 kg in stolen material (187,727 along the line and 3,820 at the depot) amounting to total financial damages of €1,893,606 (direct damage: €1,269,957; indirect damage: €623,649).

The increase in the number of “thefts on board trains” is in correlation with the general increase in the number of passengers, equal to approximately 20 million, compared to 2016. The Ministry of the Interior carried out an analysis of this phenomenon and found that this increase is to be expected.

In any case, in 2016, following the introduction of some preventative measures (gates, security guards on trains, etc.), there were fewer thefts than ever before, with 2,794 episodes (-33% on 2015).

These theft-prevention measures were repeated and expanded again in 2017 with:

- the new agreement with the Ministry of the Interior (signed in 2017) for the railway police to carry out security services in stations and on trains.
- investment in video surveillance devices for regional trains, such as CCTV on board trains. Today, more than 600 of the fleet’s rolling stock are equipped with video surveillance on board the train, with an average of approximately 4/5 cameras per carriage, distributed between the passenger lounge and the vestibules.
- The “Be vigilant! Make a difference” awareness campaign for passengers about the risk of thefts and pick-pocketing on board trains.

Furthermore, from a statistical point of view, the percentage of “Thefts on board trains” compared to the number of passengers was equal to 0.00049% in 2017 (0.00043% in 2016).

In 2017, one passenger out of every 202,744 who use the Group’s trains has been a victim of theft in railway areas. The Group continued to work with the Civil Protection Service, signing an agreement with Sicily and renewing those with Puglia, Lazio, Calabria, Abruzzo, Liguria and Trento. In agreement with the regions that have signed the agreements, training covered “Specific railway risks” at the various local centres, with sessions for approximately 700 volunteers in Basilicata, Puglia, Marche, Tuscany and the autonomous province of Bolzano. In 2017, FS Italiane Group also helped following the heavy snow in Puglia and the flooding in Livorno.

CYBER SECURITY



Cyber defence is constantly evolving within FS Italiane Group. In line with the challenging targets established in the business plan, considerable investments are being made in the most modern and effective cyber security technology to protect the data and information in company systems from known and new threats.

In 2017, the most critical security services were insourced, with the hiring of specialised personnel, the design of specific environments (which will be completed in 2018) and the acquisition of the technological components needed. The FS Italiane Group’s **new Security Operation Centre (SOC)** is being outfitted and will house the cyber security technologies and information retrieved from the Group’s IT systems. This will enable it to collect, analyse and coordinate security events.

These initiatives are part of a development process the aim of which is to bring the Group’s IT threat prevention capabilities to the next level of predictive maturity, making it possible to identify potential threats before they occur, through the development of big data security technologies with cognitive ability.

In 2017, the cyber security department managed and neutralised 3,674 attempted attacks on Group systems.

SUSTAINABILITY OF THE SUPPLY CHAIN

103-2 | 103-3

HIGHLIGHTS

102-15

WHAT WE HAVE ACCOMPLISHED...

**OVER
€8.7
MILLION**

the economic value of criteria that reward environmental sustainability

environmental criteria accounted for approximately 22% of selection criteria in the Group's "non-core" tenders

to promote a green supply chain

Environmental policy

included in contracts since 2013

to extend the Group's environmental commitment to its suppliers

**Approximately
€3
billion**

of core purchases

over 78% of which attributable to suppliers with their registered office in Italy

ASSESSMENT

included in RFI tenders

to evaluate sustainability and assign a score rewarding sustainability

...WHERE WE WANT TO GO

INTRODUCING

a new scoring criterion

to tenders that rewards suppliers

for their sustainability

To develop a platform

to monitor and improve

the sustainability performance of suppliers

FS Italiane Group makes its purchases in accordance with EU Directives, as implemented by the Contracting Code, and its own "Regulation for Negotiations with Group companies".

Suppliers are vetted on the basis of assessments relating to quality, price and other corporate pre-requisites (the supplier's location and nationality are not part of the vetting criteria).

The *standard* contractual clauses include requirements that the contractor must comply with:

- labour and social security laws, with the application of national labour agreements;
- occupational safety and hygiene obligations;
- the standards in the "Group code of conduct".

Since 2013, the Group companies have been asked to include a clause on compliance with the Group's environmental policy in new contracts, in accordance with the guidelines for the implementation of the environmental management systems.

Ferservizi handles non-core purchases, i.e., those not directly related to the Group companies' core business. On the other hand, the individual companies directly manage core purchases, except in rare cases in which Ferservizi is asked to make the purchase.

SUSTAINABLE PROCUREMENT

102-16

The integration of environmental and social principles in the procurement of goods, services and construction work is a constant commitment for the Group to help improve working conditions and reduce the environmental impacts along the supply chain.

The criteria it most often uses in the vetting of suppliers are:

- being ISO 14001, ISO 9001 and OHSAS 18001 certified for the main service and work contracts (e.g., work construction, railway superstructure, rolling stock cleaning, etc.);
- using eco-friendly materials and product certifications (e.g., FSC® and Ecolabel);
- reducing energy consumption (e.g., reducing energy consumption in electric equipment compared to the threshold amount -Energy Star 5.0 certification);
- *methods to report* on the protection of health and safety in the workplace.



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SUPPLIER ASSESSMENT

102-9 | 102-12 | 204-1 | 308-1 | 308-2 | 414-1 | 414-2

In 2017, the Group companies managed core purchases of approximately €3 billion, over 78% of which were from direct suppliers⁴⁹ with registered offices in Italy. This directly or indirectly generated income and jobs for the communities in which the Group operates. In addition to these purchases, Ferservizi signed new contracts worth €225 million for the Group's non-core procurement.

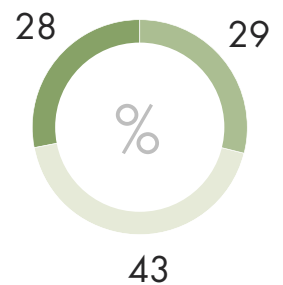


Approximately half⁵⁰ of the Group's procurement turnover was managed by RFI through 45 core suppliers with registered offices in Italy.

The Group's core purchases are broken down below by type:

THE GROUP'S CORE PURCHASES

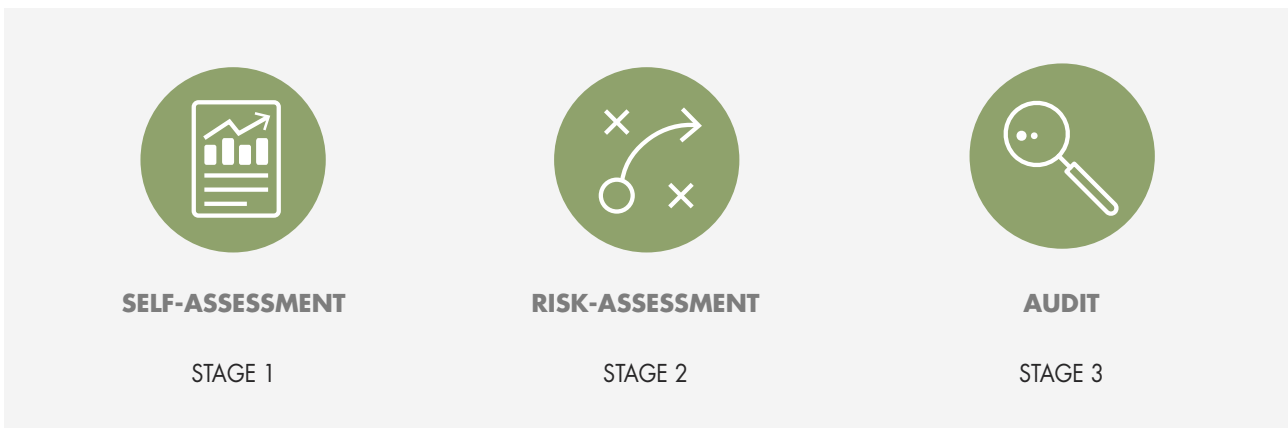
- GOODS
- SERVICES
- CONSTRUCTION WORK



⁴⁹ Non-Group companies with which the Group companies have direct relationships.
⁵⁰ This amount refers to invoices issued during the year for the purchase of goods, services and work contracts.

Since 2015, the Group has pursued a project to understand and improve the sustainability performance of its supply chain, which has included self-assessment questionnaires consisting of over 40 questions in four sections (human rights, the environment, society and health and safety in the workplace), distributed to the companies' strategic suppliers as well as audits.

The process entails three phases, as shown here:



The real or potential impacts associated with the Group's supply chain mainly refer to the environmental issues related to electricity, fuel and the recycling of raw materials and water. In 2017, there were no significant adverse events in this respect.

To improve supply chain management, in the second half of 2017, RFI included a new scoring criterion in tenders that rewards suppliers for their sustainability, using the monitoring platform developed by EcoVadis.

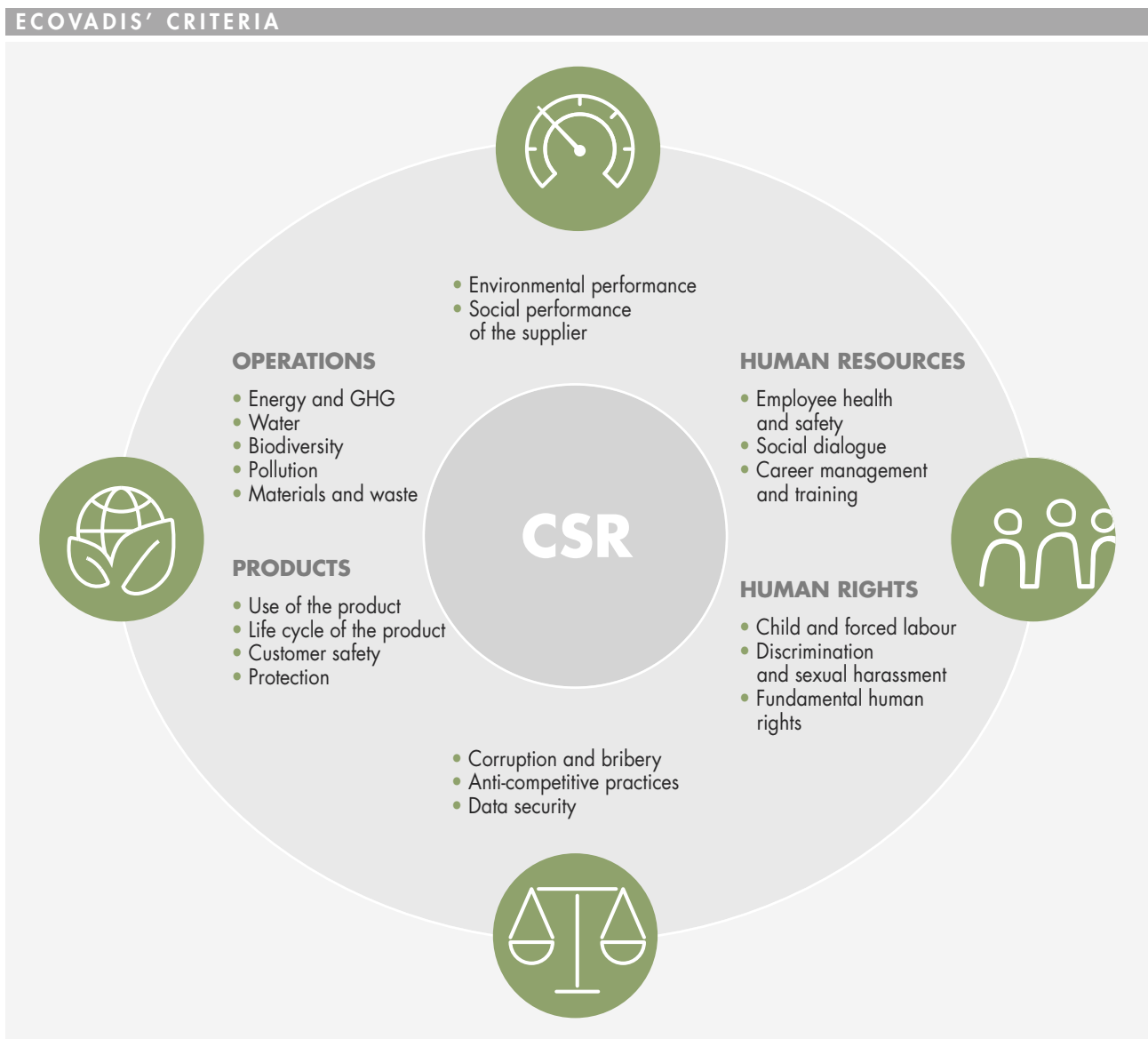
OVER 200 SUPPLIERS
carried out a self assessment
with an overall average score of
50%
 (10% more than the overall average score for all suppliers on the EcoVadis platform)

51 Strategic suppliers were identified considering their percentage out of total purchases for 2017.



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EcoVadis' assessment is based on 21 criteria, divided into four areas: Environment (ENV), Labour Practices and Human Rights (LAB), Fair Business Practices (FBP) and Sustainable procurement (SUP).



FOCUS ON SCORING



01

The score is based on evidence provided by suppliers, representatives stakeholders and third party organisations (e.g. audit reports).



02

Each management indicator is assigned a score between 0 and 100, based on specific guidelines considering different factors, such as the percentage of relevant CSR problems, the materiality of each, etc.



03

The score is based on the seven management indicators' scores and their relative weights: policies (POLI), Specialisations (ENDO), Measures (MESU), Certifications (CERT), Coverage space - actions taken (COVE), Reporting (REPO) and 360.



04

The overall score is the average of: Environment (ENV), labour practices and human rights (LAB), Fair Business Practices (FBP) and Sustainable procurement (SUP).

RFI S.p.A. also joined Railsponsible, an initiative that brings together major railway companies to promote sustainable procurement by sharing best practices and virtuous processes. Work to extend this to the whole Group will begin in 2018.



PEOPLE, OUR CAPITAL

103-2 103-3

HIGHLIGHTS

102-15

WHAT WE HAVE ACCOMPLISHED...

FS Italiane Group
placed first
in the "Best Employer of Choice 2015" ranking

Man/days of training
OVER 431,000
Over 21% more than in 2016

50% MORE
female candidates
with a technical diploma

Welfare Portal
opened 15 November
13,000 accesses in only 45 days

NEW MBO (MANAGEMENT BY OBJECTIVE)
system and expansion of the
performance management model
involving 40% more employees than 2016
and used for the first time during the year

4,379 resources
new employees hired
23% women

Drop in accidents
and the frequency rate
2017 results surpassed targets

SMART WORKING
pilot project was launched
approximately 180 people involved

Job Posting
new Group policy
to develop internal resources and promote intraGroup mobility
Job Posting for managerial positions
and on an international scale



...WHERE WE WANT GO

INCREASE IN THE NUMBER OF PEOPLE
involved in the
performance management process
and development of the MBO programme

Continue
REDUCING ACCIDENTS
and the frequency rate

WORKSHOPS
about health and safety
with the operating companies' CEOs

AGREEMENT WITH ENI
regarding health and safety in the
management of contract work

**CHANGE MANAGEMENT
PROCESS:**
seminars about unconscious bias

Professional
**community
experimentation**

Extension of
smart work arrangement

**EMPLOYEE RECRUITMENT
ON THE MARKET:**
policy review for all targets

Talent Management Process:
Review of the skills and leadership model in alignment with the new business plan

DEVELOPMENT OF THE LEARNING PORTAL:
innovative and digital formats extending access to training to more employees



The Group considers people to be its greatest asset and for this reason it is committed to guaranteeing their well being and growth, by promoting information and training activities to all levels. The recruitment of new talent, development and advancement should be based on merit.

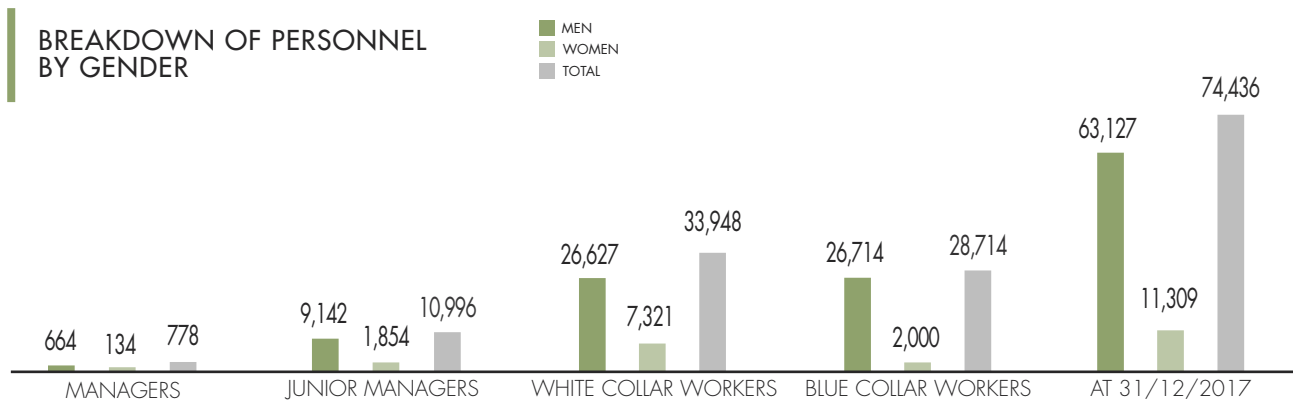
The Group considers diversity as a source of value and is committed to guaranteeing equal and non-discriminatory treatment regardless of gender, ethnicity, religion, political opinions and personal orientation, and it ensures freedom of association and freedom of speech within its workplace. Attention to diversity is a fundamental principal that permeates all Group activities, as shown by the recent signing of the European “Platform for change” agreement sponsored by the EU Commission⁵² to contribute to the increase in the number of women working in the transport sector.

Furthermore, the Group is committed to improving health and safety at work, through ongoing investments in technology, training, maintenance and the development of management and monitoring systems. This commitment in the Group’s specific long-term objectives is aimed at reducing both the number and frequency of accidents and eliminating fatalities.

WHO WE ARE

102-8 **401-1** **405-1**

NUMBER OF EMPLOYEES OF FERROVIE DELLO STATO ITALIANE GROUP			
	2017	2016	2015
Managers	778	727	714
Junior managers	10,996	11,005	10,945
White collar workers	33,948	32,117	31,296
Blue collar workers	28,714	26,331	26,047
Total at 31 December 2017	74,436	70,180	69,002
% of women	15.2%	14.6%	14.5%
% of men	84.8%	85.4%	85.5%
ANNUAL AVERAGE	72,441	69,056	69,276

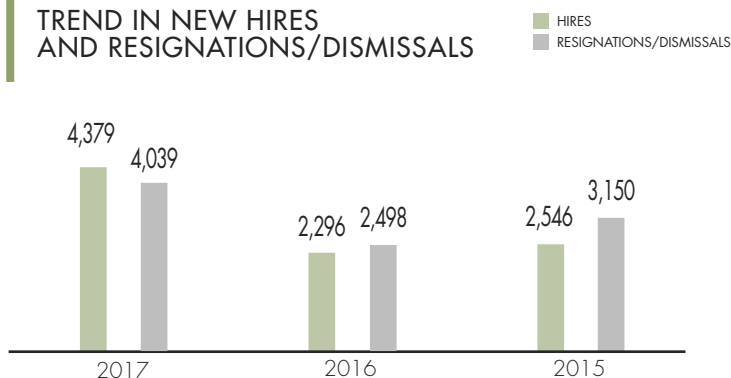


⁵² An innovative platform signed in Brussels by FS Italiane Group, for institutions and leading European railway operators to promote the employment of women in the transport sector and ensure equal opportunities and no discrimination.

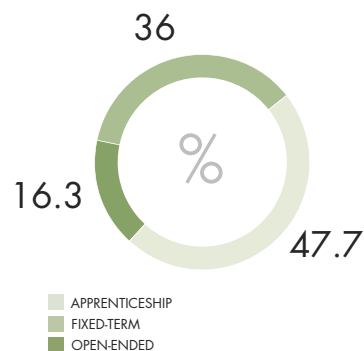


The number of Group employees increased by approximately 6%, or 4,256 employees, in 2016, 89% of whom arrived via corporate acquisitions. Although the net increase consists of 4.5% men and 1.5% women, in absolute terms, there has been an 11% increase in the number of women employed by the Group.

TREND IN NEW HIRES AND RESIGNATIONS/DISMISSALS

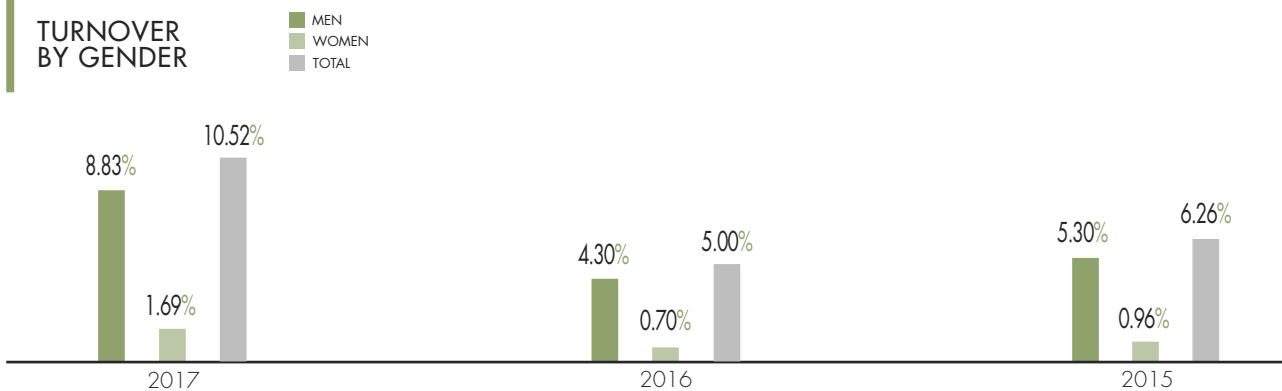


HIRES BY TYPE OF CONTRACT - 2017



The following graphs show a detailed breakdown of the year's figures⁵³.

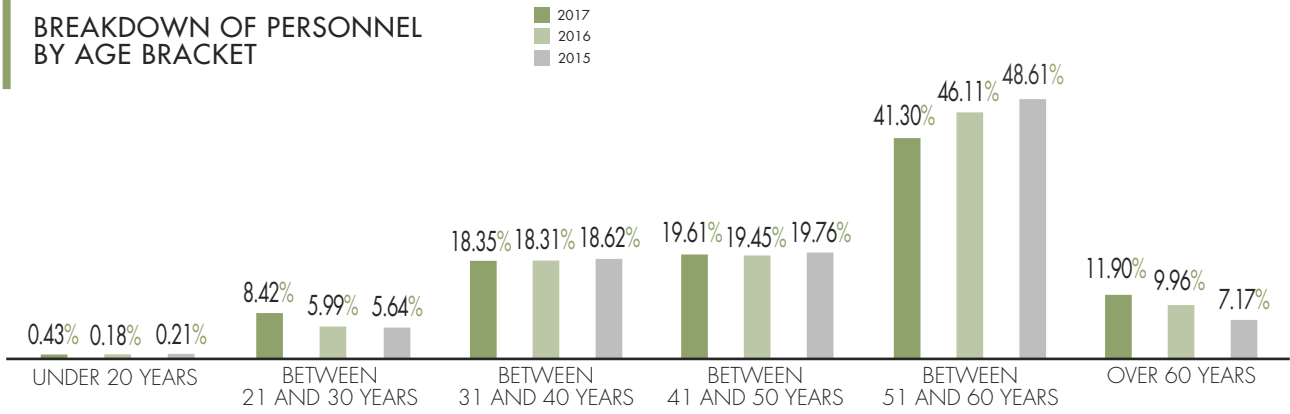
TURNOVER BY GENDER



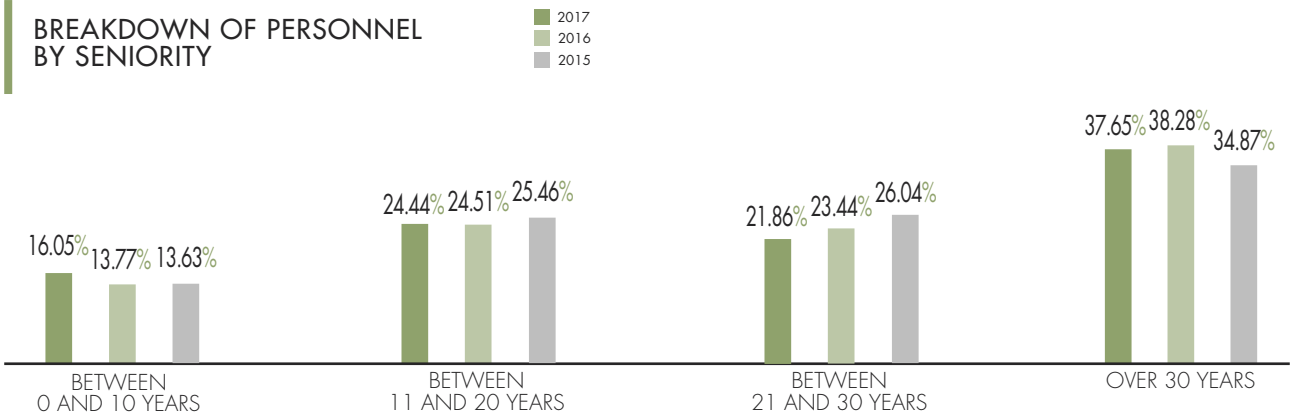
⁵³ The data refer to the following companies: FS S.p.A., RFI, Trenitalia, Ferservizi, Italferr, FS Sistemi Urbani, Mercitalia Logistics, Mercitalia Rail, Mercitalia Transport & Services, Cemot, Busitalia Veneto, Busitalia Rai Service, Busitalia Campania, Grandi Stazioni Rai, Grandi Stazioni Immobiliare, Terminali Italia. The total number of employees in this scope of analysis is 61,913, approximately 83% of the Group's total workforce.

The turnover rate is 10.5%, compared to 5% in 2016.

BREAKDOWN OF PERSONNEL BY AGE BRACKET



BREAKDOWN OF PERSONNEL BY SENIORITY



The average number of years with the company in 2017 is 22.9 years, while the average age is 48.4 years old.



SELECTION AND ASSESSMENT

103-2 404-3

RECRUITMENT

The Group significantly ramped up its use of job postings, efforts that included new policies to develop the Group's resources and know-how. For the purposes of transparency, equal opportunities and professional diversification, employees were given the chance to express their interest in diversification in various fields, with the involvement of over 1,300 people, including managers. This resulted in an updated database for the creation of professional groups within the Group to consult for continuous job postings. Out of 92 intragroup job openings, 76 jobs openings were posted, and out of the 47 completed postings, 22 were filled.

Recruitment on the market outside the Group, which encompasses international candidates to meet the Group's development needs in foreign markets has focused on recent graduates, not only in engineering, but in economics and law, and specialist experts, to generate value for the Group relating to the goals of the current business plan. In order to increasingly attract top candidates with digital skills and global mindsets, new digital tools were introduced for pre-screening and assessments, such as pre-recorded video interviews, abstract, numerical and verbal digital and cognitive tests, which have brought excellent candidates to the classroom again this year, considerably increasing the number of candidates found to be suited to their role at the end of the recruitment process. Over 440,000 curriculum vitae in the Group's database were evaluated, of which over 105,000 were in response to published advertisements, creating a pool of recent graduates as attractive candidates. Of these, 240 were selected for positions in the Group. 78 new employees were recruited through intense, ongoing collaboration with universities (involving over 8,000 young people during the year) and various employer branding activities (e.g., the FS competition⁵⁴). Similarly, "professional breeding grounds" that are useful to the business were developed for professional targets, with up to 180 people for expert positions and 22 managerial positions.

In the external selection of operational personnel, while upholding the Group's principles and guidelines, each company followed its own specific procedures, considering the candidate's residence in the region where the job was based as an important requirement.

In relation to this type of target, there was a lot of focus on high school students who can train and develop expertise that will benefit the Italian economy and cultivate potential pools of attractive candidates through orientation initiatives, training and school/work projects with testimonials from women, expanding the existing network to cover 55 active partnerships. Overall, 2,000 students were involved and 218 school/work programmes were launched.

Communication and promotional channels for job opportunities within the various companies were expanded, which included international benchmarks and analysing global trends. In particular, the career website "FSitaliane.it/Lavoraconnoi" – which receives an average of about 197,000 visits per month – was completely revamped with new content and an updated layout. The Group also: i) published the English language version of the career website and online app; ii) reinforced the Group's presence on LinkedIn with a corporate page (in English); iii) periodically updated the sections on People, Recruitment, Company and Events/News. These efforts resulted in over 120,000 followers for the Group.

Still in 2017, the Group promoted significant employer branding initiatives to develop above-par training that better meets the needs of the business and labour market, with a view to creating a pool of candidates through partnerships with universities and other institutions:

- approximately 20 Master programmes and an advanced training school in collaboration with universities, entailing support in the recruitment and organisational process, teachers and presentations in the classroom by FS managers, project work and work experience at Group companies and scholarships (approximately 50 with the main Italian universities);

54 Over 2,000 young participants competed online and on site with serious games, digital case studies and share experiences (escape room), 70 of whom were selected for the on-site event. Of these, 28 received "job vouchers" for exponential Group recruitment.

- university courses to encourage internationalisation and the development/exportation of Group know-how abroad (e.g. the “Mobility: Infrastructure and Services” course, run by FS Italiane’s CEO, at the mechanical engineering department of the Politecnico University in Milan⁵⁵; the Master’s Degree in Transport System Engineering”- in collaboration with La Sapienza University in Rome, which is taught in English and has a large number of foreign students);
- a degree in IT engineering run by the Politecnico University in Milan, taught at Elis in Rome, including the launch of a digital hub, which gives four students study placements for the development of project work of strategic interest to the Group as part of Industry 4.0;
- work experience and support in the preparation of university theses to foster an exchange of company and university know-how through the stipulation and renewal of conventions with target universities and the development of training projects and innovative aspects for university theses (over 83 in the year);
- specialist seminars and workshops within university degree programmes to guide young people and encourage them to develop technical skills in the railway sector and personnel processes (e.g. FIGI - Big Company Engineering Faculty) at La Sapienza University - the “Saper essere, saper fare” (*Knowing how to be, knowing how to do*) seminar to prepare young people for interviews or recruitment assessments and electrical engineering courses with co-advisors from different universities; Milan Politecnico University, electrical engineering and telecommunications faculty - “Allenati al colloquio” (*train for your interview*) orientation event; Advanced training school at Alma Mater Studiorum in Bologna and LUISS Business School in Rome - presentations on soft skills (eight seminars in all));
- projects to support research and innovation by promoting research stipends and PhDs with apprenticeships in partnership with universities, concerning issues of interest to Group companies;
- organisation of 22 targeted events throughout Italy, including recruiting days, career days and job meetings, as well as open days, counselling and orientation days and the selection of thousands of young people. During these events, the Group and the job opportunities in the various companies are presented by company ambassadors);
- “Donne in Ingegneria”, a “women in engineering” event in collaboration with FIGI, aimed at increasing the number of women who choose to study engineering (one scholarship);
- a round table, also within the scope of FIGI, on research, training and innovation for the sustainable development of the country to discuss issues regarding land, energy and transport in the Lazio area.

FS Italiane Group won first place for the fourth year in a row as “Best Employer of Choice 2017”, a statistics-based survey carried out by Cesop Communication⁵⁶ on a sample of 2,500 recent university graduates in Italy, covering 100 Italian and international companies.



⁵⁵ Within the scope of the memorandum of understanding for the development of scientific research and cooperation signed by Politecnico and FS, also benefiting Group companies.
⁵⁶ Employer branding consultancy firm.



DEVELOPMENT

In 2017, the current performance management process and model were reviewed, with two key objectives:

- ensuring consistency with the business plan in terms of the assigned objectives and skills;
- encouraging productivity and motivating the growth and development of resources according to the Group's business.

The performance management process highlighted the need for personal training and a reinforcement plan through specific on-the-job initiatives to consolidate skills so resources can better perform their jobs. The results of the performance management process will also be used to promote development projects and job rotation processes, to develop training plans and to steer new remuneration policies.

With regard to the personnel assessment process, the main activities involved:

- assessing participants of Group interest (managers, key junior managers and university graduates: 323 people) and company interest (junior managers and white collar workers: 426 people) for a total of 749 participants, along with the management of feedback and development plans following the assessments;
- the Group's annual performance assessment, conducted by resource managers using the integrated evaluation system and involving key resource Groups (managers, junior managers and university graduates), covered 9,169 men and 2,475 women, representing about 19% of the Group's average workforce, an increase of approximately 40% compared to 2016. The supervisors monitored the annual performance of resources not included in the integrated evaluation system assessment process informally (e.g., by providing feedback on strengths and areas requiring improvement).

REMUNERATION AND PENSIONS⁵⁷

102-8 **102-35** **102-36** **102-41** **201-3** **404-2** **405-2**

The most common type of contract is open-ended, which is used for 99.9% of the Group's personnel⁵⁸. As in previous years, all employees are covered by national labour agreements. The national labour agreement applied to almost all the Group's non-management employees⁵⁹ is that for the Mobility/Railway sector, integrated by the Group's company agreement of 16 December 2016. The base salary for apprenticeship contracts during the first 24 months is the highest salary paid for the professional level one step lower than the apprentice's actual level and, for the subsequent 12 months, at the starting base salary of the relevant level. All employees, including newly hired employees, receive the contractual minimums plus the fixed remuneration items provided for by the national labour agreement (including seniority rises) and additional amounts relating to the various types of employment.

There are no differences in remuneration based on gender. Any average differences in remuneration between men and women, as reported in the table below, are due exclusively to the fact that they hold different positions in the companies, the ways in which they provide service and their responsibilities. For example, there are fewer women in transport operation jobs and, accordingly, average remuneration is affected by this factor (less compensation for shifts, working on holidays, working at night, etc.).

⁵⁷ The data refer to the following companies: Ferrovie dello Stato, RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Rail, Mercitalia Logistics, Mercitalia Transport & Service, FS Sistemi Urbani, Terminali Italia, CEMAT, Busitalia Rail Service, Busitalia Campania, Busitalia Veneto, GS Rail and GS Immobiliare.

⁵⁸ 1.6% of open-ended contracts are part-time.

⁵⁹ The other national labour agreements applied are: Cemaf's freight transport and logistic contracts; GS Rail and GS Immobiliare service sector contract and the railway and tram workers' contract for Busitalia Campania, Busitalia Rail and Busitalia Veneto.

REMUNERATION: RATIO OF WOMEN'S ANNUAL REMUNERATION TO MEN'S ANNUAL REMUNERATION

		2017	2016	2015
Managers	Gross annual remuneration	-5.1%	-4.5%	-5.3%
	Total annual remuneration	-4.7%	-3.4%	-4.1%
Junior managers	Gross annual remuneration	+1.8%	+2.3%	+1.9%
	Total annual remuneration	-3.1%	-3.7%	-3.8%
White collar workers ⁶⁰	Gross annual remuneration	-2.4%	-2.0%	-2.2%
	Total annual remuneration	-15.7%	-16.3%	-17.2%
Blue collar workers	Gross annual remuneration	+1.6%	+0.9%	+0.7%
	Total annual remuneration	-4.0%	-5.6%	-5.8%

* Gross annual remuneration

** Total annual remuneration

In 2017, the Group's gender pay gap, based on the total annual remuneration, was equal to approximately 5.9%. In EU countries, the pay gap between men and women is 16.5%, whereas in Italy, this gap is just 5.5% across the whole economy. The same index measured by distinguishing between public and private employers shows large discrepancies: in the public sector it is equal to 3.7%, compared to 19.6% in the private sector⁶¹.

Employees' pensions are financed through specific mandatory contributions shared by employees and employers. Employees pay contributions equal to 9.19% of their base remuneration. This percentage is increased by 1% if the monthly base for the calculation of contributions exceeds €3,844⁶². Employers pay contributions equal to 23.81% of each employees' remuneration base for the calculation of contributions. Employers cover, for all Group employees, additional costs for maternity leave, illness, social employment insurance⁶³ and ordinary contributions to the fund for income and employment assistance. This fund is used for Group company employees to promote training programmes for professional retraining and/or reassignment, to set up active income and employment assistance policies, and to provide extraordinary allowances to support income for employees participating in voluntary redundancy. With regard to the supplementary pension fund, Group employees can pay into the negotiation fund provided for by the national labour agreement for railway workers (Eurofer) or other funds open to all workers established by the law.

The employer and the employee share contributions to the Eurofer fund equally⁶⁴. Employees may increase their contributions on a voluntary basis, without any obligation for the employer to increase its share of the contributions. Furthermore, the Mobility Contract and FS Italiane Group's contract of 16 December 2016 introduced additional increases in contributions to the Eurofer fund, including an annual contribution of €100 each for all employees, another €100 per employee for those who did not receive work/life balance benefits and a voluntary contribution of up to 40% of the 2016 performance bonus.

⁶⁰ White collar workers include office workers, but mainly consist of people filling positions typical of railway operations (station heads, maintenance managers, drivers and train supervisors).

⁶¹ The source of the data is the Eurostat 2016 table which can be found at the following link: http://ec.europa.eu/eurostat/statistics-explained/index.php/File:GPG_table3.PNG.

⁶² INPS (national social security institute) maximum for 2017 according to circular no. 17 of 31 January 2017.

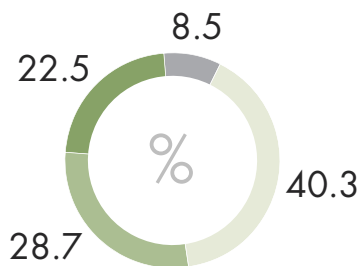
⁶³ As per article 1 of legislative decree no. 22 of 4 March 2015, a monthly unemployment benefit called NASpl, aimed at providing income assistance to workers with employment contracts who have involuntarily lost their jobs, has been in place since 1 May 2015.

⁶⁴ Contributions to the Eurofer fund amount to 1% of monthly remuneration, as per article 22 of the Group contract.

The employer is not required to match contributions to the open-end funds, to which the full amount of post-employment benefits required by Italian law is transferred.

The following chart illustrates employees' selection of where to allocate their post-employment benefits.

ALLOCATION OF POST-EMPLOYMENT BENEFITS - 2017



- ALLOCATED TO INPS
- ALLOCATED TO EUROFER
- ALLOCATED TO INPS AND EUROFER
- ALLOCATED TO OTHER PENSION FUNDS

On the other hand, the national labour agreement for managers of companies that produce goods and services are used for the Group company managers. The remuneration system for Ferrovie dello Stato Italiane Group managers implements the one laid down by the relevant national labour agreement with respect to the definition of the minimum guaranteed salary. The rest of remuneration - both fixed and variable - is defined considering the professional and managerial duties of each position and management and performance assessment scores. Each position is evaluated using a specific weighting method to obtain objective elements for planning and managing remuneration policies, organisational decisions and career paths.

The method adopted to evaluate positions and compare their remuneration with similar positions within the Group and on the market was developed by a leading international Group in the compensation sector which, in addition to having created the method, boasts one of the most extensive databases on remuneration in the world.

The guidelines used to define the remuneration policies for managers are: market benchmarking to check that the remuneration offered is consistent, focus that remuneration is also consistent internally considering the complexity of the position held and updates of evaluation of managerial positions to benchmark remuneration against the development of the Group's organisational structure over time. Remuneration policies provide for two types of bonuses: merit-based to support internal management and development policies and annual bonuses to recognise the contribution of individuals.

For almost all managers, the overall remuneration offered also includes a system of short-term incentives as part of the MBO (*Management By Objective*) plan, in which the variable component of remuneration is linked to the achievement of specific performance targets that are indicated in advance and set on the basis of business targets⁶⁵.

As in the past, FS Italiane Group again had an incentive system in 2017 in which individual objectives are defined in direct relation to each manager's responsibilities and the collective results of the company and/or Group for business optimisation and development.

In the 2017 MBO process, occupational safety and environmental sustainability were confirmed as crucial principles and values to be used as the basis for growing the culture and awareness of all Group employees.

Total remuneration to managers is also integrated with a series of benefits, mainly consisting of: mobile phones, insurance coverage for both occupational and other accidents and permanent disability due to illness and death, the supplementary health care plan (FASI), the supplementary pension fund (PREVINDAI) and additional supplementary healthcare insurance (ASSIDAI).

⁶⁵ The objectives must reflect the priorities of business strategies and must be identified transparently so they can be measured and certified objectively through the Group's accounting and reporting systems.



WE INVEST IN THE SKILLS OF OUR PEOPLE

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In line with the business plan, in 2017, training contributed to translating strategies into measurable objectives and actions, through strategic pilot projects, and by providing all employees with the skills and abilities they need to achieve the business targets, supporting their performance and specialised role.

More than 431,000 man/days of training were provided in 2017 at Group level⁶⁶, approximately 21.5% more than in 2016, to maintain and update technical/specialised skills and develop a stronger culture of safety and operating efficiency. The increase from 2016 was essentially due to: the increased hiring of recent graduates with expertise in the different Group companies, which resulted in a larger target pool for the onboarding and induction training; more awareness spreading about strategic issues and market development deriving from the industrial plan; the launch of the Group's "smart work" pilot project, which saw the involvement of top management, resources involved in testing and their line managers in training activities.

The focus on customers, the market and competition was significant, while considerable investments were directed at training to support technological innovation and processes, which the companies operating in the relevant businesses have efficiently pursued.

Furthermore, around 16 thousand days of training were provided to non-Group personnel belonging to supplier companies in order to ensure compliance with consistent standards of expertise and safety.

The total cost of training days for employees alone came to €7 million⁶⁷, and financing for training generated revenue of approximately €6 million.

⁶⁶ The data refer to the following companies: FS S.p.A., RFI, Trenitalia, Busitalia Sita Nord, Ferservizi, Italferr, FS Sistemi Urbani, Mercitalia Logistics and Mercitalia Rail.
⁶⁷ Costs only include external costs for training activities (teaching, design and logistics).

The Group’s training activities are broken down into the following areas:

- **Corporate:** training/information initiatives presenting the Group and its strategies;
- **Behavioural/managerial:** courses and seminars aimed at teaching and/or developing typically managerial, behavioural and interpersonal skills;
- **Technical/professional:** training to teach and refresh both practical and theoretical technical/professional skills;
- **Shared/cross training:** training initiatives to teach and refresh skills shared by people of the same level (languages, IT, etc.).

The parent and operating companies are generally involved in all of the above training types. Specifically, the parent is, above all, directly responsible for corporate and managerial training for target groups, while the operating companies mainly look after technical/professional training for specific business roles.

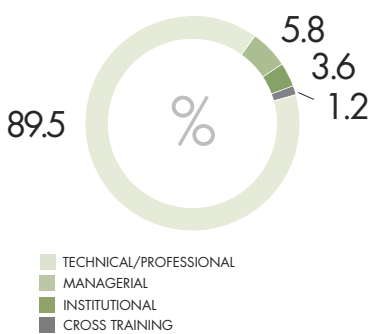
The following main training targets were achieved:

- following through with the innovation and change processes underway;
- consolidating managerial expertise by supporting the performance of people who reach the highest positions and most important responsibilities;
- accompanying recent graduates through *induction programmes*;
- sustaining a culture of diversity management, including by focusing sharply on life/work balance issues;
- encouraging the spread of a business culture focused on internationalisation.

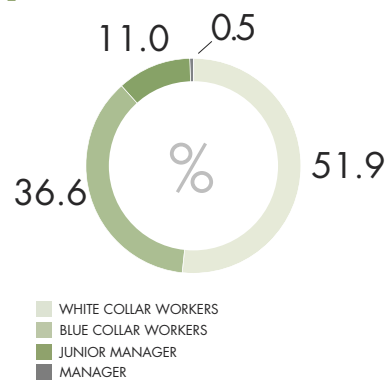
Training provided directly by the companies focused on:

- maintaining and developing operational railway safety skills;
- environmental protection legislation;
- roles and key skills in the main production processes;
- legal regulations on health and safety in the workplace and the development of a culture of safety and safe behaviour.

TRAINING MAN-DAYS BY TRAINING AREA - 2017



TRAINING MAN-DAYS BY PROFESSIONAL LEVEL - 2017



MOVING WELFARE

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FS Italiane Group manages and organises human resources in full compliance with the rights guaranteed by legislation and its Code of Ethics. In its Code of Ethics, the Group “guarantees fair treatment and equal opportunities based on merit and abilities without any type of discrimination. Furthermore it is committed to a culture based on the principles of integrity and transparency, also collaborating actively in preventing any act or behaviour opposed to said principles [...] Our Group protects its people from acts of psychological violence, and it fights against any attitude or behaviour which may be discriminatory or damaging for People, their firm beliefs and preferences”. Furthermore, through the steps taken by the relevant HR departments and the Equal Opportunities Committee⁶⁸, the Group is also committed to promoting inclusive environments in order to make the most of diversity and encourage programmes for women workers. The activities and projects for the Group employees are supported by both the National and Local Equal Opportunities Committees and directly by specific internal structures.

GROUP INITIATIVES

DIVERSITY & INCLUSION (D&I):

- **Women in Motion⁶⁹ (WIM):** Internally the campaign aimed at technical areas (change management to improve the workplace situation for women employed in technical areas and break down the cultural barriers), came to an end; but externally, (with the aim being female students at middle and secondary schools with the involvement of FS Italiane Group mentors) in addition to completing mentorship training (involving roughly 80 female Group employees), a campaign for school guidance was created, with the involvement of 62 middle and secondary schools across the whole of Italy, with a total of 3,300 students involved. Furthermore, the WIM event took place at Trenitalia’s routine maintenance workshops in Vicenza, involving approximately 350 people from institutions, the press, top management and mentors and roughly 250 Italian students. The new WIM formula, “in viaggio con l'altra metà del cielo” (*a journey with the other half of the sky*), a work/school programme, has been planned and launched, involving ten Italian technical institutes and female students from related primary schools;
- **Network of Chairwomen⁷⁰:** coordination of activities related to the WIM project and the Girls in Motion journey: 20 female high school students travelled with FS to talk about technical excellence in Italy. From 25 to 29 April these students visited railway sites and the sites of a few network companies;
- **D&I (Diversity and Inclusion) policy:** operational guidelines for all Group processes are currently being drawn up for the recognition, enhancement and active management of all forms of diversity. These guidelines will set out objectives and actions to be implemented for the different processes, in addition to providing direct indicators for the monitoring of D&I in the Group.
- **Maternity training and multi-faceted leadership:** another three sessions were held for 33 women after they returned from maternity leave and for about 28 of their direct or higher supervisors for a total of 176 man/days. As with the previous editions, over the six days of the course, the employees with their respective superiors worked on their awareness of the reciprocal demands related to motherhood; the women reflected on strategies and tools to establish

⁶⁸ A bilateral body with equal standing set up pursuant to article 1.3.C) of the national labour agreement for the Mobility/Railway sector and article 3 of the Ferrovie dello Stato Italiane Group’s contract of 16 December 2016. There are one national committees and 15 local committees. In 2017, both the National and local Equal Opportunities Committees were renewed and new chairpeople were appointed (the renewal of some local committees took place in the first months of 2018).

⁶⁹ The WIM project was kicked off in collaboration with “Valore D”, an association of large companies focused on diversity and female leadership whose mission is to promote women’s careers in technical fields and business sectors that until now have been predominantly male.

⁷⁰ A network of women who chair large companies, leading associations or small and medium size companies was established to support women in the business world.

a balance between their professional life and family life and on their own motivation and professional effectiveness; their line managers investigated issues related to multi-faceted leadership and managing motivation;

- **Associazione Valore D⁷¹**: this association led to participation in 38 events about diversity, two intercompany mentoring programmes, two development programmes for women in management (60 employees participated);
- **Ageing – Inplacement area**: Group guidelines have been drawn up for the standardised process for individual outplacements with relevant motivational support. The process is for people who find themselves at turning points in their professional and private lives.

WELFARE

- **Smart work**: an agreement was signed with the trade unions for the definition of the fundamental principles of an intragroup experiment, a six-month pilot project starting 1 September 2017. The pilot involved a pool of 481 potential participants, selected on the basis of an organisational analysis of the employees of six Group companies (roughly 37% participated in the trial);
- **Supplementary healthcare plan**: in line with provisions of the Mobility contract and the FS Italiane Group's contract, the supplementary healthcare plan has been renewed with the signing of an agreement with the new provider, RBM Assicurazione Salute. This agreement, starting 1 July 2017, replaced the previous plan with SNMS Cesare Pozzo and offers employees the opportunity to extend insurance coverage for themselves and their families at particularly advantageous conditions;
- **Moving Welfare portal**: *on 11 November 2017, a new portal was activated, providing a single, integrated method for finding all the welfare and care offered by the Group. In addition to offering a large selection of services and benefits for leisure activities and wellbeing, children's education and family care, it also allows employees to request the reimbursement of expenses for work/life balance services⁷²*;
- **Unilateral donations**: for the second consecutive year, the Group planned to make a unilateral donation to support the payment of the creche fees for employees' children, based on the indicator of equivalent economic situation; furthermore, it joined the Push to Open programme, a four-month multimedia programme for the children of employees who are in their last years at secondary school;
- **Open Day**: the Group opened up 15 workplaces in 11 regions, including offices, plants, control rooms and historical plants to the children of employees. 2,780 people took part, including roughly 1,300 children aged between four and 12 years. At each workplace, educational and creative workshops were organised to talk about the railway, its role and the future of mobility strongly oriented around diversity and inclusion; furthermore, the local personnel organised and managed guided visits about the main activities performed and the most significant places of interest (on-theme gadgets and a book about the railway were distributed).

⁷¹ The Group is a sponsoring member of Valore D, an association in line with its strategies to promote diversity and, specifically, to support female leadership.

⁷² At 31 December 2017, the portal had been received 12,986 visits and 2,571 requests for reimbursements had been made.

EQUAL OPPORTUNITIES COMMITTEE INITIATIVES

In 2017, following the renewal of the contract, the National and Local Equal Opportunities Committees were renewed and chairpeople were appointed. The National Equal Opportunities Committee prepared its own dashboard to create a framework for its activities, distinguishing between the areas connected with possible gender inequalities and areas of intervention (learning, raising awareness and formulating proposals), with the ultimate goal of supporting gender equality and preventing discrimination. The dashboard is a fundamental part of, and an introduction to the action plan and the main action areas are:

- **Work life balance and flexibility** - analysing research, data, specialist platforms, etc. on the topic and the regulatory framework; recognising company actions and benchmarks; learning about the needs and collecting feedback from workers; organising workshops;
- **Sexual harassment** - integrating new legislation introduced by the 2018 Stability Act in the Code of conduct, which was already approved in 2016, to prevent sexual harassment in the workplace and developing guidelines for its implementation;
- **Prevention and health** - spreading awareness about correct lifestyles in and out of the office; providing screening programmes;
- **Communication** - actions to spread awareness about gender equality, through the use of data, research and analyses, promoting a cultural change and overcoming stereotypes;
- **Study and research activities and documentary analyses** - about the principles of equality and equal opportunities, national and EU laws, material produced during the EU Social Dialogue about the railway sector.
- **Analysing mobility and modal choices of the different genders** - introducing a gendered perspective to assessment of company actions in order to promote a modal shift.

The main actions carried out are reported below:

PREVENTION AND HEALTH

- three awareness-spreading seminars were organised in collaboration with Associazione LILT (Italian association for the fight against tumours) and presented at the Milan Porta Garibaldi station (involving roughly 300 workers): Healthy lifestyles, Pink ribbons to prevent breast cancer and Prostate cancer prevention;
- in Lazio, the Prevention and health at the office project was launched, to improve the quality and variety of food and drinks available in the vending machines.

WORKING CONDITIONS

- in Lombardy and Piedmont, monthly listening sessions were set up to allow employees to speak to the relevant Equal Opportunities Committee about problems at work. Furthermore, in Lombardy, three travelling meetings were organised (train maintenance workshop in Voghera, Ferservizi in Milan and RFI offices) presenting the Equal Opportunities Committee's duties and objectives to employees.

COMMUNICATION

- the number of messages on the Group's intranet for all Group employees increased, with the aim of raising awareness and promoting equality, such as those to mark the International Day for the Elimination of Violence Against Women or regarding the work/life balance (in connection with Christmas greetings);
- posters about work/life balance and female employees were distributed throughout Italy, to celebrate International Women's Day on 8 March (Puglia, Basilicata, Lazio, Marche, Umbria and Abruzzo);
- the twelfth edition of the flyer about 8 March was prepared and distributed (Lazio).

MEETINGS WITH ADVISORS ABOUT EQUALITY AND GOOD PRACTICES

- a training meeting was organised with an Equality Advisor in the Marche region. Some of the objectives were to find out about the advisor’s role and duties, relevant legislation and the principles on which gender policies and Equal Opportunities Committee activities should be based.
- a meeting with Genoa’s Equality Advisor was set up to discuss “Prevention and management of aggression against front-line company security personnel by third parties”, with the aim of spreading the good practices put in place by the Group to local public transport operator, AMT.

HEALTH AND SAFETY

403-2 403-3

Occupational health and safety are at the centre of the Group’s growth and development as a determinant element for its industrial identity, as confirmed by the new 2017-2026 business plan.

Accident prevention in 2017 focused on fully implementing the targets to reduce accidents and improve prevention measures in accordance with Group decision no. 214/2016.

With the awareness that FS Italiane Group’s growth must involve all our stakeholders, including contract companies, the third intragroup seminar was held in July: “Contractual requirements and monitoring accidents at contract companies with respect to health and safety”. All Group company safety managers participated in the seminar. Furthermore, within the scope of the “Intercompany Health and Safety Panel”, in which Italy’s largest companies participated⁷⁴³, a seminar was held to discuss methods to manage relationships with contractors and suppliers. In this regard, the Group and ENI agreed to develop common initiatives to share tools, methodologies and best practices to foster a culture of safety with their respective contractors.

The Group is also participating in the workshop on organisational health, safety and environment models organised by the Sant’Anna school in Pisa⁷⁴ with the aim of analysing and comparing the health and safety in the workplace organisational models. The workshop will cover four topics: leadership styles and extra-role conduct, risk management, the permeability of HSE organisational models and the system of proxies and responsibilities. The project will end in late 2018.

The following table provides data on indemnified accidents currently being defined, as provided by the national insurance agency, INAIL. The 2017 scope was broadened compared to the previous year.

ACCIDENTS INDEMNIFIED BY INAIL, WITH ACCIDENTS AT WORK, BY GENDER AND IN TRANSIT SHOWN SEPARATELY

Year ⁷⁵	Accidents in the workplace	Accidents - women	Accidents - men	Frequency ⁷⁶ rate	Frequency - women	Frequency - men	Mortal accidents	Seriousness index ⁷⁷	Accidents in transit
2017 ⁷⁸	1,186	157	1,029	19.2	17.2	19.5	1	n.a.	287
2016 ⁸⁰	1,353	173	1,180	22.6	19.7	23.0	2	1,001	303
2015 ⁸¹	1,458	185	1,273	24.1	20.8	24.7	0	827	269

⁷³ Including ENI, Enel, Telecom, Poste Italiane, Terna, Anas, Autostrade per l’Italia, Vodafone, etc.
⁷⁴ In addition to FS Italiane Group, the industrial Groups in the Intercompany HSE Panel (Eni, Vodafone, Enel, Terna, Autostrade per l’Italia, IPZS and Saras) also took part.
⁷⁵ INAIL 2016 and 2017 data are subject to consolidation.
⁷⁶ Frequency rate: [no. of accidents at work/amount]: 1,000 employees, calculated in accordance with European ESAW standards.
⁷⁷ Seriousness index: [number of missed days]/amount]: 1,000 employees.
⁷⁸ 2017 data refer to the following companies: FS S.p.A., RFI, Trenitalia, Ferservizi, Italferr, FS Sistemi Urbani, Italcertifier, Mercitalia Logistics, Mercitalia Rail and Busitalia Sita Nord.
⁷⁹ INAIL data not yet available.
⁸⁰ 2016 data refer to the following companies: FS S.p.A., RFI, Trenitalia, Ferservizi, Italferr, FS Sistemi Urbani, Italcertifier and Mercitalia Logistics.
⁸¹ 2015 INAIL data refer to the following companies: FS S.p.A., RFI, Trenitalia, Ferservizi, Italferr, Italcertifier and FS Logistica.



On a like-for-like basis, there is a downward trend in the number of accidents, with a reduction of approximately 5.2% in 2017, overperforming the target reduction of 3%, corresponding with a roughly 5% decrease in the frequency rate, compared to the target decrease of 2%. The trend in accidents in transit remains substantially steady. In Italy, occupational diseases, which lead to immediate damage to employees' health, are reported by the employer to INAIL within the scope of accidents at work, as required by relevant legislation, and INAIL counts them among the category of accidents at work. In the Group's case, specifically, there are reports of accidents at work relating to the post-traumatic stress of train drivers (in cases of hitting people along the train tracks, generally suicides). In addition, there are professional diseases originating in the long term due to pathogenic factors found in the workplace. In the Group's case, professional diseases, which usually account for no more than 50% of reports, relate to organisational events dating back many years, in some cases decades. The most common professional diseases in the railway sector are bone and joint or skeletal muscle problems as well as hearing impairment caused by noise. The following table sets out the data of the periodical medical check-ups, related to various risk factors, which are one of the most significant elements of Group companies' efforts to prevent occupational diseases.

	2017	2016	2015
Personnel subject to health monitoring check-ups	51,502	45,074	45,495
Personnel subject to railway safety medical check-ups	17,735	16,266	15,772

About 15% of man-days in the technical/professional learning area were devoted to occupational health and safety and environment training, for a total of 56,500 man-days.

RELATIONSHIPS WITH TRADE UNIONS

102-12 | 102-41 | 401-3 | 402-1 | 403-2

Relationships with trade unions are based on utmost respect for the commitments required by the relevant Italian legislation and applicable contracts.

The trade unions receive the required disclosures and carry out bargaining activities in accordance with the national labour agreement⁸². Changes to the overall corporate organisational structures and those of the individual production units are disclosed to the trade unions.

The national labour agreement requires that before changes can be made to the organisation of labour and the structure of time shifts, they must be specifically negotiated, with the negotiation procedure ending within no more than 20 days after it begins. Negotiations with the trade unions take place centrally through the respective national divisions and locally through the regional divisions, in conjunction with the unit trade union representatives.

The Group has formal agreements in place with the trade unions protecting workers' health and safety, to promote projects that foster a culture of safety and prevention among workers by constantly updating employee training and with the introduction of new equipment and new technologies.

For additional information, reference should be made to the 2017 Annual Report (Directors' report: stakeholders).

The percentage of Group employees who are members of trade unions and Group employee absenteeism remained substantially the same at 62.95% and 8.8%, respectively.

	2017	2016	2015
Absenteeism rate ⁸³	8.8%	8.9%	8.8%
Missed hours due to strikes	57,709	108,776	50,617

Missed hours due to strikes show a substantial decrease on the previous year. Furthermore, company strikes accounted for 21% of total missed hours, in line with 2016.



⁸² There are no risks to the freedom of association and bargaining within Ferrovie dello Stato Italiane Group.
⁸³ The absenteeism rate is calculated considering, specifically, hours missed due to illness, accidents, maternity leave, strikes, Law no. 104, study leave, marital and extraordinary leave.



PARENTAL LEAVE

FS Italiane Group applies the relevant legal and contractual regulations which include increasing the term of parental leave up to 12 years of the child’s life: in addition to the mandatory maternity/paternity leave established by law, employees (father and/or mother) may opt to take a period of voluntary leave for up to a maximum of six months for each parent, but the parental leave may not exceed a total of 11 months for both parents.

The national labour agreement for the mobility sector implements the provisions of legislative decree no. 151/2011⁸⁴ and establishes, in the Group’s supplementary contract, better economic conditions during the voluntary leave for any employee who takes it (for the first six years of the child’s life).

The number of employees who took at least one day of parental leave in 2017 is as follows:

	No.	Days
Women	1,039	21,335
Men	3,998	50,192
TOTAL	5,037	71,527

To complete maternity protection measures, the Group also offers leave for prenatal medical appointments and tests, as well as for check-ups for babies. Also in this case, the Group’s supplementary contract provides for better terms than those under the applicable national labour agreement.



⁸⁴ Consolidated act of legislation protecting and supporting parenthood.

FOCUS ON THE COMMUNITY

103-2 | 103-3

HIGHLIGHTS

102-15

WHAT WE HAVE ACCOMPLISHED...

Opening of the new **HELP CENTER** in Pisa

The Help Centers are information points created to welcome and assist those who are most in need and help begin their rehabilitation

Trips on historic trains

768 journeys
with historic trains
68,421 passengers

Greenways

Promotion of the re-utilisation of abandoned railway lines for social purposes

"Atlas of idle Italian railway lines"
was published

Strengthening of the

ROME HELP CENTERS

Opening of new centres

Christmas fund raising
campaign with

"CONDIVIDI ANCHE TU"

food bank

Opening of

multifunction centre in Naples

to offer assistance to elderly people
and organise training
and re-integration activities
for young former-inmates.

...WHERE WE WANT TO GO

Memorandum of understanding

between FS Italiane Group and Banca
Etica to fund projects for the
re-utilisation of areas around
unmanned stations and to redevelop
abandoned railway lines.

Tenders were launched to select
projects of interest

SOCIAL RE-UTILISATION OF RAILWAY STATIONS

Survey of the performance
of social activities
in 100 stations

OPENING OF NEW **HELP CENTRES**

AT THE VIAREGGIO, LIVORNO,
PRATO AND PISTOIA STATIONS

Dottor Binario

medical assistance
for homeless people
and vaccinations

GROUP SOLIDARITY

103-2

Involvement in solidarity initiatives has always been fundamental for FS Italiane Group, which is tangibly committed to carrying out projects and initiatives to help disadvantaged people.

In collaboration with non-profit associations and local bodies, FS Italiane Group has embraced a policy to support and plan social initiatives in railway areas. Indeed, beginning with the stations, a new welfare system is being created. Rather than the welfare state of the past 70 years it is a collaborative welfare system based on the circular solidarity of the public, private and non-profit sectors. Help Centers, day and night shelters and the countless projects in the areas at stations granted for free use are all part of this new welfare experiment. Moreover, this transformation of the model for social welfare goes hand-in-hand with the new interpretation of corporate social responsibility (CSR), increasingly focused on the creation of shared value (CSV): creating value for the business that is also value for all stakeholders, the community and the local areas.

HELP CENTER AND SHELTERS

As the economic crisis continues and migration surges, all of Italy is experiencing the deterioration of social conditions, which can be especially seen at railway stations. Promoted and managed in collaboration with local bodies and non-profit associations, the Help Center are the Group's answer to the growing phenomenon of social crisis and the considerable rise in migration to Europe and Italy in particular, as it is an access point.

The Help Centers are "low threshold" information points - i.e. without any filtering of users - created to welcome and shelter those who are most in need and to help begin their rehabilitation with the city's social services and institutions. The Group plays a key role in this project, providing space inside or near to the station on free loans to associations and bodies engaged in combating social marginalisation and covering urgent needs so they can create Help Centers. The Help Center network currently extends to 18 railway stations from Northern to Southern Italy. A total surface area of approximately 2,919 m² has been granted, with an estimated value of €4,378,500⁸⁵.

In this context of emergency, since 2016, Ferrovie dello Stato Italiane has granted spaces to the Milan municipal authorities where the Fondazione Progetto Arca has carried out an important project to provide shelter and orientation to migrants.

In December 2017, the 18th Help Center was opened in Pisa San Rossore through the "Scambi e binari" project. The approximately 100 m² space provided by FS Italiane Group has been used to set up a new gathering place in a highly marginalised and disadvantaged neighbourhood. Other Help Centers have been improved and checks are underway to expand the Help Center in Messina.

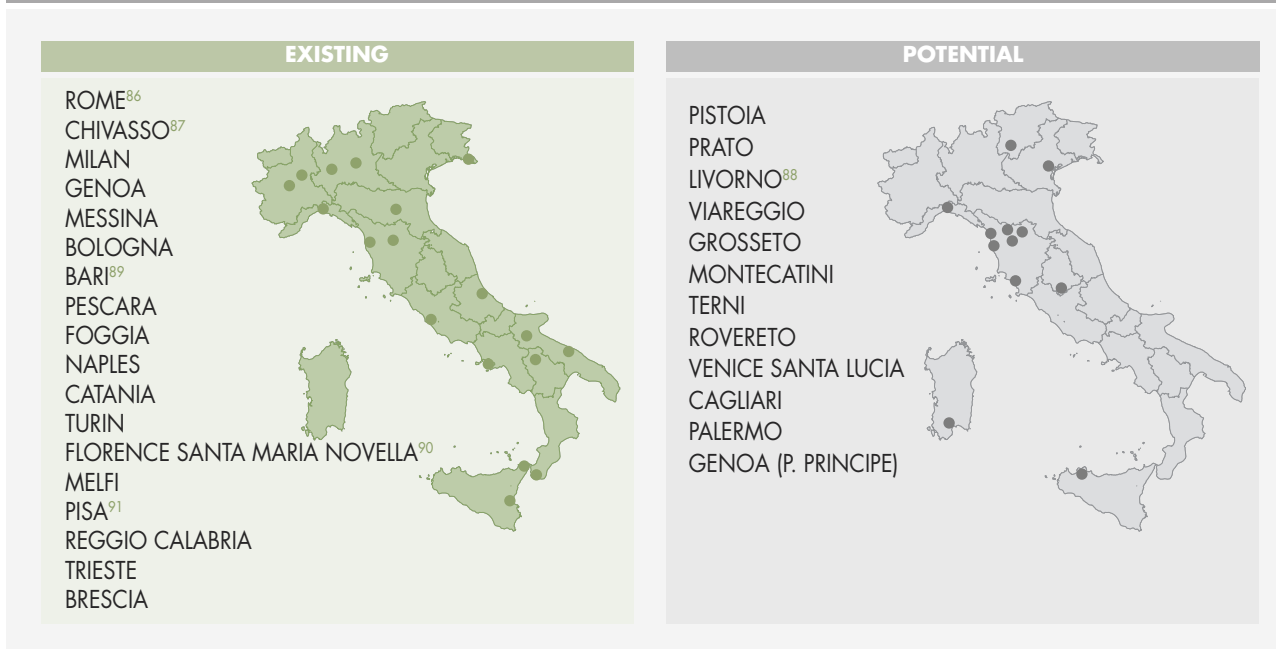
In addition, following an agreement between the Tuscan regional authorities and FS Italiane Group, studies are in progress for the opening of other Help Centers in Viareggio, Livorno, Grosseto and Montecatini.

85 The average sales value based on the market rate is €1,500/m². The latter figure (unchanged with respect to the previous year) refers to average market values for properties in large cities that have partially deteriorated and are in areas with low commercial value.



The opening of new centres at the Terni, Rovereto, Venice Santa Lucia, Cagliari and Palermo stations are also being considered.

THE HELP CENTER NETWORK



The Group collaborates closely with ONDS, the Italian observatory for poverty and solidarity at stations, so the Help Centers can work together to improve the quality of services and safety in railway areas.

ONDS, which is managed by the Europe Consulting Onlus social cooperative, coordinates all the centres, handles training for Help Center workers and performs detailed analyses of social distress. The real-time situation of the online Help Centers is published on the website www.onds.it, along with useful information for social workers.

In 2017, the Group committed roughly €129,300 to activities and projects to help socially disadvantaged people, with repercussions on employment for social workers at the shelters and for the disadvantaged people finding gainful employment and reintegrating into society.

⁸⁶ After access gates to the train platforms were installed at the Roma Termini station, the Help Center moved to Via di Porta San Lorenzo (in the San Lorenzo neighbourhood near the station), where the rooms are larger and have already been renovated by the Group.

⁸⁷ The centre does not operate in spaces provided by FS Italiane Group, but in owned properties; the service is, however, provided in stations, directing disadvantaged people towards the Help Centers.

⁸⁸ The free loan for use has been confirmed; operations will start in 2018.

⁸⁹ See the previous note.

⁹⁰ In March 2018, the centre was transferred to new, larger rooms, renovated by the Group.

⁹¹ Opened in December 2017.

THE HELP CENTER NETWORK'S MAIN SERVICES

In 2017, the network of Help Centers⁹² sheltered 25,890 people, an increase of 14% on the previous year⁹³.

PERFORMANCE INDICATORS FOR ONDS NETWORK'S HELP CENTERS				
	2017	2016	2015	2017 vs 2016
Total days open	4,635	4,565	3,798	2%
Total hours open	25,614	31,721	26,251	-19%
VISITORS	192,958	241,237	116,328	-20%
Social orientation projects	95,181	74,411	84,085	28%
Low threshold projects	361,107	409,005	364,987	-12%
TOTAL PROJECTS	456,288	483,416	449,072	-6%
TOTAL USERS	25,890	22,687	21,292	14%
new users	13,254	10,790	9,135	23%
Social projects/day	21	16	22	26%
Low threshold projects/day	78	90	96	-13%
Users/day	7	6	6	14%
New users/day	3	2	2	21%

Over 50% were “new” users i.e. those who used the ONDS social services in the stations for the first time during the year. There were over 95,000 support and social orientation projects and over 360,000 low threshold projects, providing primary goods such as food, clothes, blankets or basic sanitary services (showers and washing machines) for a total of approximately 456,300 social projects⁹⁴.

The majority of those who used the network were men (84%), compared to just 16% women. Most of the users were foreigners from non-EU countries (66%), followed by Italians (21%) and foreigners from European countries (12%, especially from Eastern Europe)⁹⁵.

In addition to the Help Centers, through major Italian non-profit associations, many shelters have been set up in idle railways areas, particularly in Rome and Milan:

- the “Don Luigi Di Liegro” shelter at Roma Termini
- the “Rifugio Caritas” shelter in Milan
- the “Binario 95” day shelter in Rome
- the Arca onlus project in Milan
- the “Pedro Arrupe”⁹⁶ shelter in Rome for those seeking asylum and political refugees, managed by the “Centro Astalli” association.

The total surface area⁹⁷ granted under free loan agreements for social activities in 2017 measures 14,118m², with a total estimated value of €21,177,000.

⁹² Of the ONDS network's 18 Help Centers, only 16 operated continuously in 2017; the Pisa San Rossore centre only opened in December 2017, while the centre in Melfi operated at reduced capacity. Neither of these was considered in the statistical analysis.

⁹³ In 2017, the data from the three Help Centers added since 2016 (Genoa, Brescia and Foggia) were considered, without which the total number of users would have amounted to 25,033, nevertheless showing an increase of 10% compared to the previous year.

⁹⁴ The Help Centers operated during the year for a total of 4,635 man-days, during which an average of approximately 200 operators per hour worked a total of 25,614 hours.

⁹⁵ The difference is mainly due to the high number of male migrants compared to female migrants and the greater resilience of these women with respect to their male counterparts (ONDS 2016).

⁹⁶ The centre has operated in the former Ferrotel shunting site in Rome since 2002. In 2017, it hosted 64 people from 18 families. Ten families left the centre and moved into their own homes or continued semi-independently or in Group homes.

⁹⁷ Estimating an average of €1,500/m².

The total surface area granted under free loan agreements for social activities in 2017 measures 24,037 m², with a total⁹⁸ estimated value of €36,055,500⁹⁹.

The various international projects pursued in each country are the subject of ongoing discussion continuously within the context of the Gare Européenne et Solidarité, a European charter for the development of social initiatives in stations signed in Rome in 2008 through the joint efforts of railway companies on the basis of their experience with social distress. The network was set up in Rome in 2008 when five railway companies from five countries signed the charter: Italy (FS Italiane), France (SNCF), Luxembourg (CFL), Belgium (SNCB) and Poland (PKP). The charter has since been signed by another seven European railway companies from Romania (CFR), Slovenia (Zeleznice), Norway (NSB), Bulgaria (NRIK), Denmark (DSB), Czech Republic (CD) and Sweden (Jernhusen).

The European charter for solidarity is a document inspired by the Lisbon Treaty, involving the joint efforts of railway and urban transport companies, and signatory associations and institutions. The signatories of the European charter for solidarity are inspired by the European Green Paper on corporate social responsibility¹⁰⁰. Lastly, the principles of the European charter are part of the United Nation's 2030 Agenda for sustainable development.

In 2017, the network, which is the only one of its kind in the scope of European CSR, consisted of 17 partners sharing the same vision for civic and social commitment, in particular with regard to the railway companies' methods to manage social distress.

The European charter attracted interest from organisations that provide social activities abroad and last September, the CINI (*Child in Need Institute*) became a supporting organisation.

Projects funded by the European Union were included: Train in Stations, which aimed to create training models for railway personnel about problems related to marginalised and disadvantaged people in stations.

Other projects include Hope in Stations and Work in stations: the former uses the Italian Help Centers as a point of reference to create a European model; whereas the latter, has made stations a point to try out new projects to reintegrate homeless people into the world of work, thanks to the opportunities offered by the railway and new professional training methods.

FUND RAISING CAMPAIGN

Ferrovie dello Stato Italiane holds a fund raising campaign every Christmas in collaboration with large charitable organisations to help social projects.

At the end of 2017, in support of the Fondazione Banco Alimentare, the "Condividi anche tu" fund raising campaign was organised to collect and distribute food through the Banco Alimentare (food bank) network. Specifically, passengers on board Freccie, Intercity and regional trains were offered a Tablò chocolate bar (donated by Perugina) in exchange for a donation.

The "Condividi anche tu" project helps to cover, in particular, expenses for stock management, the third-party transport of foodstuff, fuel, vehicles sent for recycling and distribution of perishable foodstuffs collected from large-scale supermarket chains and company canteens. The first part of the campaign, which had started in December 2017, finished on 7 January 2018. During the campaign, over €90,000 was raised by volunteers¹⁰¹. During the Solidarity campaign named "#aBracciaAperte", which started in December 2016 and concluded in June 2017¹⁰², a total of approximately €380,000 was raised.

⁹⁸ The total surface area has been calculated considering the network of Help Centers (2,919 m²) and welcome centres (14,118 m²). In addition, the Group leases a space (7,000 m² in the Milano Centrale station) to the Museo della Shoah foundation for social and cultural activities for a nominal fee.

⁹⁹ The average sales value based on the market rate is €1,500/m². The latter figure (unchanged with respect to the previous year) refers to average market values for properties in large cities that have partially deteriorated and are in areas with low commercial value.

¹⁰⁰ The Green Paper confirms that "corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment".

¹⁰¹ Internal fund raising among the Group's employees also contributed to the end result.

¹⁰² Fund raising by volunteers on Frecciarossa trains and in stations at the Save the Children desks ended on 8 January, but continued until June at the ticket offices, Trenitalia self-service ticket machines and in FrecciaClub.

NATIONAL PROJECTS AND SOCIAL AWARENESS CAMPAIGNS

During the year, the Group supported and promoted participation in events for the creation of various awareness-spreading projects and campaigns, including, for example: the “Cold plan” to strengthen activities carried out in the winter months at the Help Centers, the “Bellissima” project, for women at the “Binario 95” multipurpose shelter in Rome: a crowd funding initiative aimed at helping poverty-stricken women by donating beauty kits.



Furthermore, FS Italiane Group’s ONDS network continued its longstanding collaboration with the “Incontradonna” association to create the Frecciarossa project¹⁰³. This year, part of the campaign was dedicated to the health of homeless people, through the creation of “Dottor Binario” and pilot courses and meetings dedicated to specific medical care¹⁰⁴.

The Group participated in the fifth edition of the CSR salon, confirming to the academic world its social commitment through various solidarity initiatives and projects.

The Group’s commitment to the university programme continued, with the aim of encouraging theses and research on the Group’s social initiatives, which can be used as proposals to supplement/improve projects that are already underway or launch new ones. In 2017, the Universities of Bari, Modena, Reggio Emilia, Pavia Udine and Ca’ Foscari in Venice took part.

Lastly, FS Group participated in “Fa’ la cosa giusta” (*do the right thing*), the main Italian trade fair focused on responsible consumption and sustainable lifestyles. The fair offers participants the chance to meet and discuss the economic, social and cultural development of areas that are more remote and have fewer tourists.

ECONOMIC VALUE OF SOCIAL ACTIVITIES		
ACTIVITIES	DETAIL OF ACTIVITIES	AMOUNT
CONTINUED ONDS ACTIVITIES 2017	Activities to support the corporate social activities structure in the coordination, monitoring and IT management of the data from the Help Center network, global activities, fund raising activities; management of new databases on the reuse of unused railway assets for social purposes and on the country’s socio-economic situation.	€ 120,000
EUROPE CONSULTING	“BELLISSIMA” project to organise days dedicated to self-care for homeless women at the centres run by the ONDS network in Rome and throughout Italy.	€ 6,200
COMMUNICATION PROJECTS ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”)	ERREPI’ communication - events at various universities to promote investigations and university theses and on the Group’s social initiative, connecting the Group with universities.	€ 15,000
“TRENO SOLIDALE” (ETHICAL TRAIN) PROJECT	Under the “treno solidale” (ethical train) project, train tickets are issued free of charge for journeys involving social and employment integration of people with serious social hardships highlighted by the National Observatory for the Disadvantaged and Solidarity at Stations.	€ 1,567
FOOD BANK	Motivational event at the Florence food bank (7 November 2017)	€ 1,530
TOTAL		€ 144,297

¹⁰³ Breast cancer prevention awareness campaign.

¹⁰⁴ The Florence, Naples and Rome Help Centers took part in this campaign, and the idea is to extend this activity to the network’s other centres in the coming years.



REUSE OF UNUSED REAL ESTATE ASSETS AND RAILWAY LINES

FS Italiane Group owns not only assets that are functional for its core business, but also extensive real estate holdings, some of which are no longer used, consisting of railway stations, booths and tracks¹⁰⁵. To date, 443 stations have been dedicated to activities that enhance the value of the area or activate services for the public. Areas of roughly 95,318 m²¹⁰⁶ have been set aside for a total amount of €95,318,000¹⁰⁷.

Also, thanks to collaboration with local authorities and large charitable organisations, social activities in unmanned stations is expanding and will be illustrated in 88 examples in a volume, soon to be released, which explains how stations are being re-purposed and about the activities carried out in the buildings still used by train passengers.

There are about 1,500 km of railway lines belonging to the Group which are lying idle, including definitively discontinued lines pursuant to Ministerial decrees, and lines discontinued due to route variations.

Idle railway lines can be reused for social and tourist purposes, to benefit the local areas and municipalities. Like with the conversion of the former Greenways line, unused tracks can be transformed into non-motorised routes (cycle paths, footpaths, horseback trails etc.), to benefit soft and sustainable mobility, in part because of the minimal gradients used on railways. 400km of unused lines have been transformed into greenways/cycle paths and no longer belong to the Group¹⁰⁸.

Another initiative to use the Group's railway assets for social purposes has involved using railway routes that are still operational for historic/tourist train journeys. This reuse preserves the infrastructure's function as a railway and the role of secondary lines, which no longer benefit from significant demand for commercial transport.

¹⁰⁵ The number refers to stations with at least one free loan agreement in place

¹⁰⁶ The number refers to buildings granted on a free loan basis. The Group also granted yards outside the stations and/or land totalling roughly 4,399,250 m².

¹⁰⁷ Value estimated per square metre as €1,000/m², as these are non-prime properties located in areas without significant commercial value in small and medium-size cities.

¹⁰⁸ To promote the conversion of lines, two publications have been produced, which list and illustrate the Group's unused railway lines: "Atlas of disused railway lines" (2016) and "Atlas of a journey on the disused Italian railway lines" (2017).

SOCIAL AND CULTURAL ACTIVITIES

FERROVIE DELLO STATO ITALIANE GROUP SUPPORTING CULTURE

The Group constantly sponsors national events like concerts, exhibitions, performances, conventions and initiatives to safeguard artistic, cultural and scientific heritage.

Again in 2017, the Group renewed a major partnership with Italy's leading foundations and museums to create new travel opportunities by encouraging the use of trains as the ideal way to reach cultural capitals, learn about the country's heritage and see the most important exhibitions.

The main events in which FS Italiane Group participated in 2017 were:

- the Venice Biennale (Art and Film Festival);
- exhibitions at Palazzo Strozzi (Florence), Scuderie del Quirinale, Palazzo delle Esposizioni and Museo delle Culture (Milan)¹⁰⁹.

The Group is also a member of:

- Associazione Civita, a landmark in the national debate for the protection and enhancement of cultural and environmental heritage;
- Accademia Nazionale di Santa Cecilia, one of the oldest musical institutions in the world.

Furthermore, the Group supports the growth of new ideas and promotes talent, brainstorming with the most innovative and creative young people. Through its support of the PNICube (Italian Association of University Incubators) and the "StartCup" business plan competition, FS Italiane Group wanted to tangibly promote the creation of new start-ups and stimulate the growth of new companies, actively participating in the National Innovation Award. Furthermore, FS Italiane Group took part in the national jury and awarded the prize for the best business plan in the "Industrial" sector.



¹⁰⁹ In addition, it partners with Fondazione Musei Civici di Venezia, Fondazione Brescia Musei and Ferrara Arte, Arthemisia Group, Fondazione Coro e Orchestra Giuseppe Verdi in Milan, which offer benefits to visitors who arrive by train.



VITAL SOCIAL ISSUES

FERROVIE DELLO STATO ITALIANE GROUP'S COMMITMENT TO CRUCIAL SOCIAL ISSUES

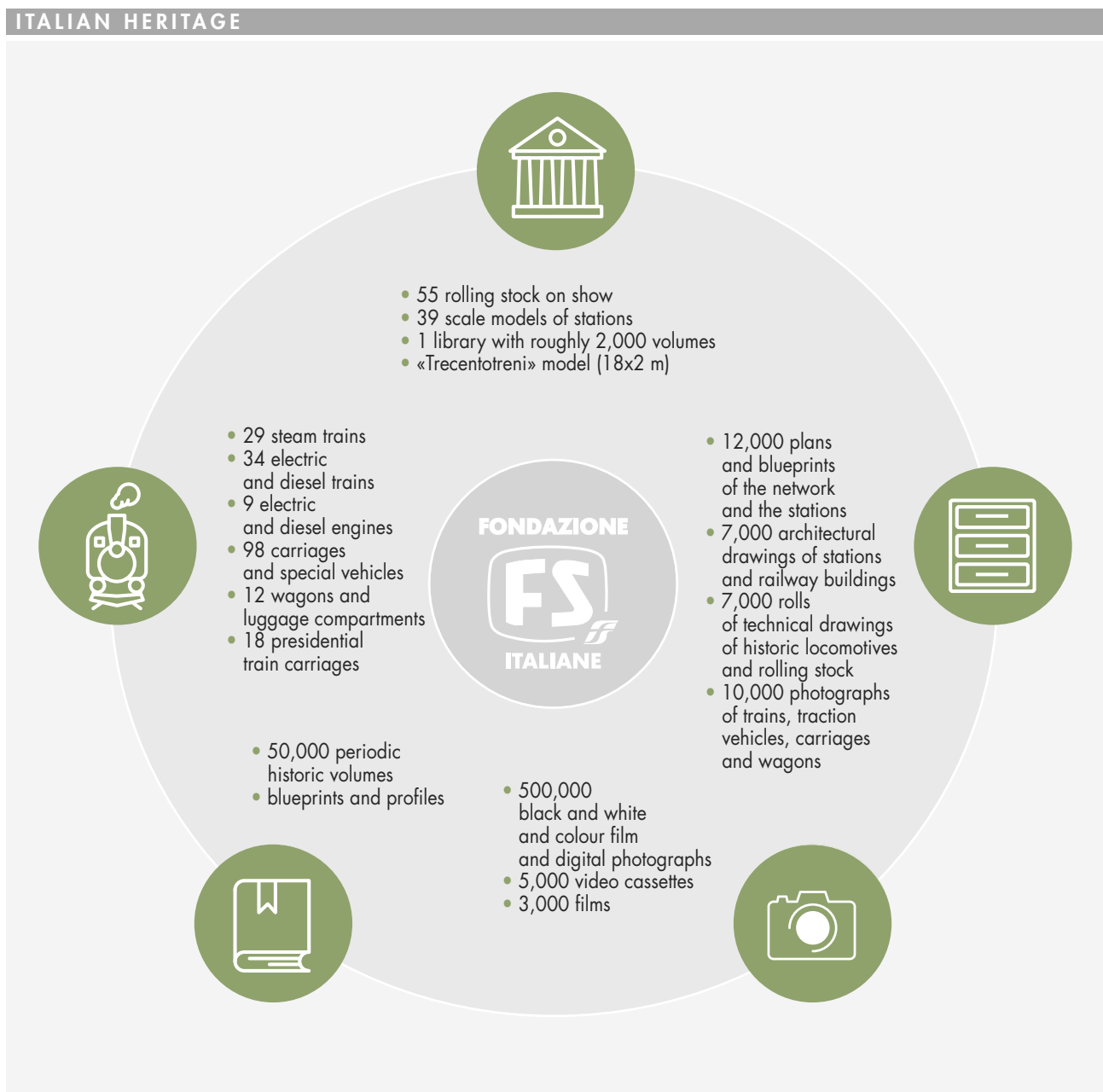
In 2017, Ferrovie dello Stato Italiane Group developed, together with leading institutions and associations in the sector, initiatives to support current social issues like protecting children's health, tackling the risk of school drop-outs and promoting and protecting women's health.

Specifically, it developed the following projects:

- **Frecciarosa - "Prevention Travels at High Speeds"** an initiative to prevent and treat breast diseases and education about healthy lifestyles;
- **Children's train:** an event promoted and organised by the "Pontificio Consiglio della Cultura" and "Cortile dei Gentili" on the topic "Caretakers of the World". The Frecciargento travelling to the Vatican welcomed a number of children on board: 400 children from the earthquake-stricken zones of Amatrice, Accumoli, Arquata del Tronto and Norcia and 50 children from the "Sport senza Frontiere" association;
- **Paralympic Committee Event:** as Ambassadors of Paralympic Sport to raise awareness, through great champions who have taken part in the Paralympics, about the health, well-being and social opportunities that sport can offer people with disabilities, FS held an event at Milan Centrale Station (20 September 2017) with local and national institutions to support the presentation of ambassadors;
- **Treno Verde (Green train):** for the 29th edition, the Ministry of the Environment renewed its patronage of Trenoverde, a collaborative initiative between FS Italiane and Legambiente: over 35,000 students and residents visited an exhibit split between five carriages, a genuine journey within a journey, from MACRO to MICRO, going from macro global issues regarding waste from production processes, to circular citizenship in city neighbourhoods.

FONDAZIONE FS ITALIANE

Fondazione FS Italiane (*FS Italiane Foundation*) was established in 2013 and aims to preserve and make the most of the historical cultural heritage of the historic trains, from documentary material (books, documents and maps, audio-visual materials) which are evidence of the history of the railway sector and Italian society since the beginning of the 20th century.





It is supported by Ferrovie dello Stato Italiane, Rete Ferroviaria Italiana ("RFI") and Trenitalia. Since December 2015, the Ministry of Cultural Heritage and Activities and Tourism ("MiBACT") has been an institutional member of Fondazione FS.

Its main activities include:

- organising trips on historic trains¹¹⁰;
- promoting railway tourism;
- maintaining and rolling out historic vehicles;
- managing the Museum of Pietrarsa;
- promoting and organising events, shows and exhibitions.



TRIPS ON HISTORIC TRAINS

- **768** journeys with historic trains for a total of **68,421** passengers
- **414** journeys with historic "Binari senza tempo" (timeless rails) trains for a total of **37,531** passengers
- **62,560** trains/km
- **2.2** million in revenue



NATIONAL RAILWAY MUSEUM OF PIETRARSA

- **89,353** visitors
- **2,969** historic train visitors
- **18** major events
- **€ 713** thousand in revenue

* Railway lines, between nature and art, dedicated to historic-tourist trains, outside the main rail hubs and lines with intense traffic

In 2017, the Fondazione's website www.fondazionefs.it was renewed, as was that of the National Railway Museum of Pietrarsa, www.museopietrarsa.it. This update includes new virtual tours, specifically designed to highlight the beauty and uniqueness of the museum spaces and a section dedicated to the events and convention centre. Furthermore, in December a new online portal for historical archives was created, www.archiviofondazionefs.it, providing a digital platform open to the public, on which it is possible to view documents, drawings, photographs and digital films which tell the story of Italian railway transport.

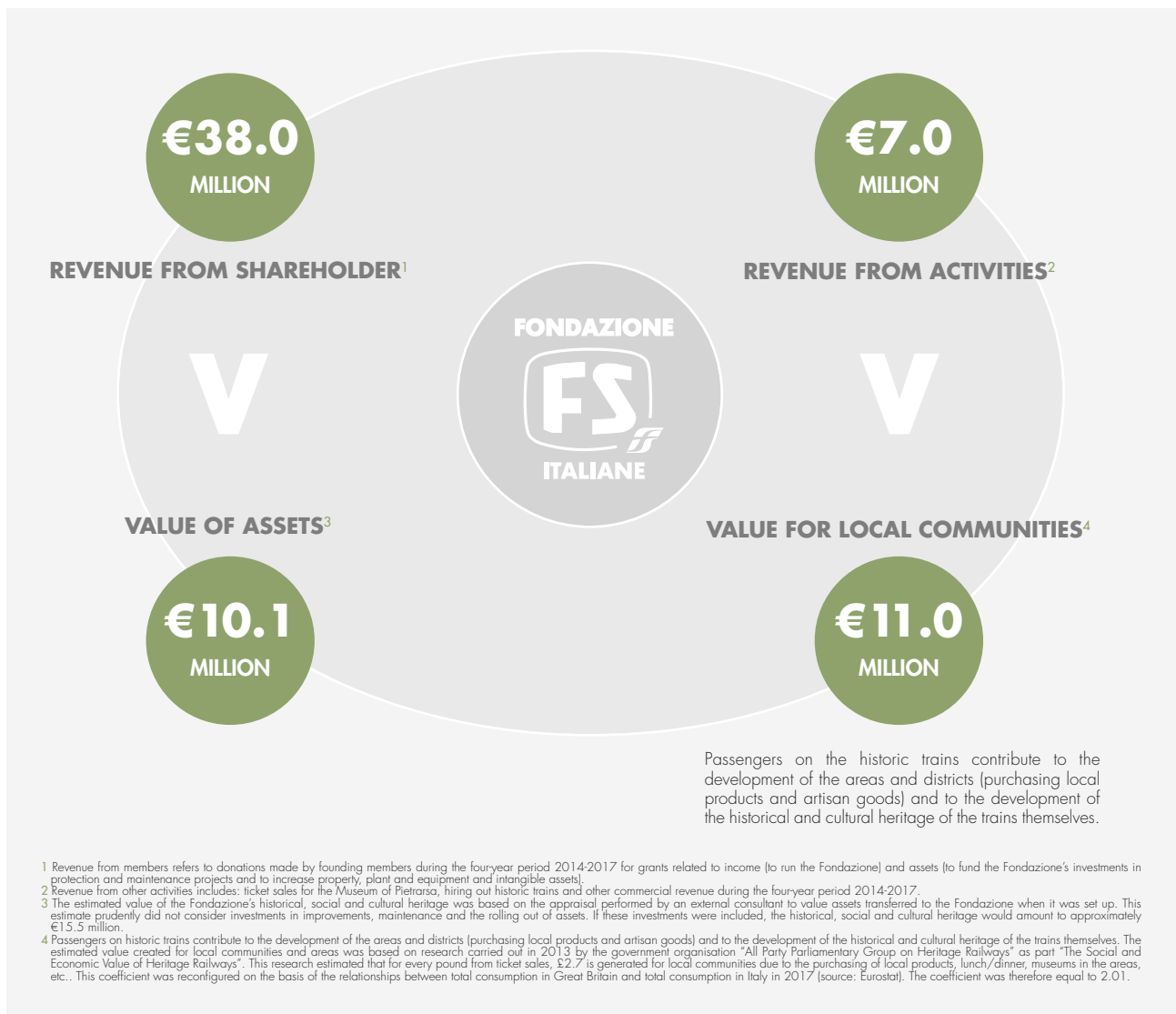
The official Facebook page has received 115,000 likes and more than 3,500 people have signed up for the newsletter, who receive a monthly calendar of events on the historic train and the Museum of Pietrarsa.

¹¹⁰ The following railway lines reopened for tourism as part of the "Binari senza tempo" (timeless rails), have been selected for inclusion in a genuine "moving museum": ("Ferrovie della Valsesia", "Ferrovie del Tanaro", "Ferrovie del Lago", "Ferrovie della Val d'Orcia", "Ferrovie del Parco", "Avellino-Rocchetta", "Ferrovie dei Templi", "Benevento - Pietrelcina - Bosco Redole" e "Maniago - Gemona").



By generating revenue (from members, ticket sales and hiring out the historic trains), the Fondazione invests in the creation of social and cultural value for Italy and for the areas in which it works. Specifically, maintenance activities and the rolling out of historic trains, management activities and transforming assets into museum pieces (rolling stock, audio-visual materials, drawings) contribute to preserving and enhancing the historical, social and cultural heritage of the country and generate value for the areas of the Italian province in which it operates.

An estimate of the social and cultural impacts generated by the Fondazione’s activities is shown below¹¹¹:



¹¹¹ The estimate is based on the framework provided by Associazione Civita “From CSR to Corporate Cultural Responsibility: how to enhance the projects of cultural companies”



08.



2017



INDEPENDENT AUDITORS' REPORT

102-13





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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the sustainability report

To the board of directors of
 Ferrovie dello Stato Italiane S.p.A.

We have performed a limited assurance engagement of the 2017 sustainability report of the Ferrovie dello Stato Italiane Group (the "Group").

Directors' responsibility for the sustainability report

The directors of Ferrovie dello Stato Italiane S.p.A. (the "parent") are responsible for the preparation of the sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 by GRI - Global Reporting Initiative (the "GRI Standards"), that are detailed in the "Methodology" section of the sustainability report, and for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error. They are also responsible for defining the Group's objectives regarding its sustainability performance, the reporting of the achieved results and the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality control

We have complied with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG S.p.A. applies International Standard on Quality Control 1 (ISQC (Italia) 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibilities

Our responsibility is to prepare this report, based on the procedures performed. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("SAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di enti indipendenti affiliati a KPMG International Cooperative ("KPMG International"), entità di diritto svizzero.

Avviso Anonimo San Simeone
 Bologna Bolzano Brescia
 Catania Como Firenze Genova
 Lazio Milano Napoli Novara
 Padova Palermo Parma Perugia
 Pescara Roma Torino Trieste
 Venezia Verona Venezia

Sezioni per azioni
 Capitale sociale
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 Codice Fiscale n. 02706600150
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 20129 Milano MI (ITALIA)



perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement.

The procedures we performed are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations, comparisons and other evidence gathering procedures, as appropriate.

These procedures aimed at checking that its content and quality complied with the "GRI Standards" and may be summarised as follows:

- comparing the financial disclosures presented in the "Generation and distribution of economic value" section of the sustainability report with those included in the Group's consolidated financial statements at 31 December 2017, on which we issued our report pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010 on 31 March 2018;
- holding interviews aimed at analysing the governance system and the process for managing the sustainable development issues relating to the Group's strategy and activities;
- analysing the reporting of significant aspects process, specifically how these aspects are identified and prioritised for each stakeholder category and how the process outcome is validated internally;
- analysing how the processes underlying the generation, recording and management of quantitative data included in the sustainability report operate. In particular, we have performed the following:
 - interviews and discussions with management personnel of Ferrovie dello Stato Italiane S.p.A. and personnel of Ataf Gestioni S.r.l., Busitalia-Sita Nord S.r.l., Centostazioni S.p.A., Grandi Stazioni S.p.A., Mercitalia Rail S.r.l., Rete Ferroviaria Italiana – RFI S.p.A. and Trenitalia S.p.A. to gather information on the IT, accounting and reporting systems used in preparing the sustainability report, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the sustainability report;
 - sample-based analysis of documentation supporting the preparation of the sustainability report to confirm the existence and adequacy of processes and that the internal controls correctly manage data and information in relation to the objectives described in the sustainability report;
- analysing the compliance and overall consistency of the qualitative information included in the sustainability report with the guidelines referred to herein in the "Directors' responsibility for the sustainability report" paragraph hereof;
- analysing the stakeholder involvement process, in terms of methods used, by reading the minutes of the meetings or any other information available about the salient features identified;
- obtaining the representation letter signed by the legal representative of Ferrovie dello Stato Italiane S.p.A. on the compliance of the sustainability report with the guidelines indicated in the "Directors' responsibility for the sustainability report" paragraph and on the reliability and completeness of the information and data contained therein.

As required by the "GRI Standards", the data and information covered by our procedures are set out in the "GRI Content index" table of the sustainability report.



Ferrovie dello Stato Italiane Group
*Independent auditors' report
on the sustainability report
31 December 2017*

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 Revised, and, therefore, it does not offer assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2017 sustainability report of the Ferrovie dello Stato Italiane Group has not been prepared, in all material aspects, in accordance with the "GRI Standards", issued in 2016 by GRI – Global Reporting Initiative, that are detailed in the "Methodology" section of the sustainability report.

Rome, 31 May 2018

KPMG S.p.A.

(signed on the original)

Marco Maffei
Director of Audit



09.



2017



ATTACHMENT

Arrivi Arrivals

78	VENTIMIGLIA	14:05	35'
872	VENEZIA S.L.	15:05	
872	VENEZIA S.L.	15:25	IN CLASSE DI TESTA
884	LECCE	15:25	15' 2da CLASSE DI TESTA
2400	ALPENA ARI	15:35	
200	VERONA P.J.	15:35	
200	VENOVIA BRIL	15:35	
200	TRIESTE	15:40	

47	LIORNO CLE	15:58	
630	ROMA TERRONI	15:55	E E BUSINESS IN CO
2047	A AEROPORTO	16:00	
872	VENEZIA S.L.	16:25	CLASSE DI TESTA
2000	ISA AEROPORTO	16:35	
200	VERONA P.J.	16:35	
200	ALESSANDRIA	16:35	
87	BRUXELLES	16:38	
200	NAPOLI CLE	16:40	IN CLASSE DI COOR
200	MANTOVA	16:40	



17-07-2012



Partenze Departures

86	ZURICH HB	15:10	15'
200	TORINO P.J.	15:15	
200	DONDESSOLA	15:20	
200	SALERNO	15:25	
200	SOLDANO CLE	15:25	
2000	YEMA AEROPORTO	15:25	
200	VERONA P.J.	15:25	
200	VOGHERA	15:25	
200	GENOVA CLE	15:35	
2000	REGGIO CL.	15:45	
643	ROMA TERRONI	16:00	
872	VENEZIA S.L.	16:05	
872	LIORNO CLE	16:05	
200	TORINO P.J.	16:10	
200	BERGAMO	16:10	
2000	BELLUNZO	16:14	
200	TORINO P.J.	16:15	
200	TRIESTE	16:20	
200	NAPOLI CLE	16:25	
200	MANTOVA	16:25	

E' VIETATO SALIRE E SCENDERE DAI TRENI IN MOVIMENTO - E' VIETATO OLTREPASSARE LA LINEA GIALLA DI ATTESA

Treni Trains

← Binari Platforms 1-13

→ Binari Platforms 14-22



← uscita Exit



BRIDGING TABLE
GLOBAL COMPACT AND GRI STANDARDS



BRIDGING TABLE GLOBAL COMPACT AND GRI STANDARDS

The Global Compact asks its members to share, support and implement in their sphere of influence the fundamental principles governing human rights, labour standards, the environment, and the fight against corruption. It involves universally shared principles, deriving from the UN's Universal Declaration of Human Rights, the ILO Declaration, the Rio Declaration and the United Nations Convention against Corruption.

The organisation must prepare an annual Communication of Progress (COP), to provide stakeholders with information on activities implemented and results achieved. This document must be completed within a year of joining the network and must contain:

- a statement by the chief executive expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles;
- description of practical actions that the company has taken (and plans to take) to implement the Global Compact principles in each of the four issue areas;
- a measurement of outcomes


Below is a bridging table between the informational reported according to the GRI standards and those provided by the UNGC (United Nations Global Compact) for the creation of an "active"¹¹² COP. For information about the various GRI indicators, reference should be made to the "GRI content index".

¹¹² Making the Connection: Using the GRI G3.1 Guidelines to Communicate Progress on The UN Global Compact Principles.





BRIDGING TABLE

GLOBAL COMPACT	GRI STANDARDS	
<i>High-level Commitment & Strategy</i>	Letter to the stakeholders and main risks and opportunities	102-14 102-15
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<i>Governance and anticorruption</i> (criterion 20)	Structure and composition of governance bodies Risk management Conflicts of interest	102-18 102-39
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CLASS	PRINCIPLE	GROUP ACTIVITIES	GRI STANDARDS
 <p>HUMAN RIGHTS</p>	<p>1) BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS</p>	<ul style="list-style-type: none"> • Code of Ethics • Supervisory Body • Promoting a code of ethics and its principles within the company and to its suppliers • Standard clauses about respect for human rights included in contracts with suppliers • assigning suppliers participating in Group tenders with extra points for their sustainability practices, also considering the suppliers' initiatives to ensure respect for human rights. 	<p>ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 1)</p> <p>412-2 410-1 412-1 413-1 413-2</p> <p>RESULTS OF THE IMPLEMENTATION OF PRINCIPLE 1)</p> <p>411-1 412-3 414-1</p>
	<p>2) BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES</p>	<ul style="list-style-type: none"> • Code of Ethics • Promoting a code of ethics and its principles within the company and to its suppliers • Supervisory Body • Standard clauses about respect for human rights included in contracts with suppliers • assigning suppliers participating in Group tenders with extra points for their sustainability practices, also considering the suppliers' initiatives to ensure respect for human rights. • Internal audits • Developing ad hoc services for passengers with reduced mobility (e.g. Sale Blu) • activities to limit distress in stations through the network of Help Centers and shelters 	<p>ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 2)</p> <p>414-1 414-2</p> <p>RESULTS OF THE IMPLEMENTATION OF PRINCIPLE 2)</p> <p>412-3</p>

GLOBAL COMPACT

CLASS	PRINCIPLE	GROUP ACTIVITIES	GRI STANDARDS
 LABOUR	3) BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING	<ul style="list-style-type: none"> • Collective bargaining at a national level • Constant communication with trade unions 	ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 3) 407-1 102-41 402-1 RESULTS OF THE IMPLEMENTATION OF PRINCIPLE 3) 412-3
	4) BUSINESSES SHOULD UPHOLD THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR	<ul style="list-style-type: none"> • Collective bargaining at a national level • Code of Ethics • Supervisory Body 	ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 4) 409-1
	5) BUSINESSES SHOULD UPHOLD THE EFFECTIVE ABOLITION OF CHILD LABOUR	<ul style="list-style-type: none"> • Collective bargaining at a national level • Code of Ethics • Supervisory Body 	ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 5) 408-1
	6) BUSINESSES SHOULD UPHOLD THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION	<ul style="list-style-type: none"> • Collective bargaining at a national level • Code of Ethics • Supervisory Body • Equal Opportunities Committee • Employment policies • Remuneration and development policies 	ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 6) 202-2 406-1 RESULTS OF THE IMPLEMENTATION OF PRINCIPLE 6) 202-1 102-8 401-1 404-1 401-3 404-3 405-1 405-2

CLASS	PRINCIPLE	GROUP ACTIVITIES	GRI STANDARDS																																
 <p>ENVIRONMENT</p>	<p>7) BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES</p>	<ul style="list-style-type: none"> • Environmental policy • Governance model for the Group companies' environmental management systems • Group companies' environmental management systems • Environmental controls and monitoring • Environmental impact assessed from the design phase to the management phase of the infrastructure • Life Cycle Assessment of rolling stock and infrastructures • Focus on environmental performance of the fleet (rail and road) and the infrastructures • Creation of a Group Sustainability Committee 	<p>ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 7)</p> <p>201-2</p> <p>RESULTS OF THE IMPLEMENTATION OF PRINCIPLE 7)</p> <table border="1"> <tr> <td>301-1</td> <td>302-1</td> <td>302-2</td> </tr> <tr> <td>303-1</td> <td>305-1</td> <td>305-2</td> </tr> <tr> <td>305-3</td> <td>305-6</td> <td>305-7</td> </tr> </table>	301-1	302-1	302-2	303-1	305-1	305-2	305-3	305-6	305-7																							
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<p>8) BUSINESSES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY</p>	<ul style="list-style-type: none"> • Environmental policy • Waste reuse and recycling • Investments in energy efficient solutions (fleet, infrastructure) • Promotion of environmental responsibility both within the Group and outside it • Creation of a Group Sustainability Committee 	<p>ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 8)</p> <table border="1"> <tr> <td>302-4</td> <td>302-5</td> <td>304-1</td> </tr> <tr> <td>304-2</td> <td>305-5</td> <td></td> </tr> </table> <p>RESULTS OF THE IMPLEMENTATION OF PRINCIPLE 8)</p> <table border="1"> <tr> <td>301-1</td> <td>301-2</td> <td>302-1</td> </tr> <tr> <td>302-2</td> <td>302-4</td> <td>303-1</td> </tr> <tr> <td>303-2</td> <td>303-3</td> <td>304-1</td> </tr> <tr> <td>304-2</td> <td>304-3</td> <td>304-4</td> </tr> <tr> <td>305-1</td> <td>305-2</td> <td>305-3</td> </tr> <tr> <td>305-5</td> <td>305-6</td> <td>305-7</td> </tr> <tr> <td>306-1</td> <td>306-2</td> <td>306-3</td> </tr> <tr> <td>306-4</td> <td>306-5</td> <td>307-1</td> </tr> <tr> <td>308-1</td> <td>308-2</td> <td></td> </tr> </table>	302-4	302-5	304-1	304-2	305-5		301-1	301-2	302-1	302-2	302-4	303-1	303-2	303-3	304-1	304-2	304-3	304-4	305-1	305-2	305-3	305-5	305-6	305-7	306-1	306-2	306-3	306-4	306-5	307-1	308-1	308-2	
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<p>9) BUSINESSES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES</p>	<ul style="list-style-type: none"> • Investments in technologies to improve the energy efficiency of buildings and infrastructures • Investments to purchase rolling stock and buses with technologies to reduce the environmental impact • Energy diagnosis 	<p>ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 9)</p> <table border="1"> <tr> <td>302-4</td> <td>302-5</td> <td>305-5</td> </tr> </table>	302-4	302-5	305-5																														
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GLOBAL COMPACT

CLASS	PRINCIPLE	GROUP ACTIVITIES	GRI STANDARDS
 <p>ANTI-CORRUPTION</p>	<p>10) BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY</p>	<ul style="list-style-type: none"> • Code of Ethics • Supervisory Body • Legislative decree no. 231/01 • The internal control and risk management system (SCIGR) • Anti-corruption policy and anti-bribery and corruption management system guidelines 	<p>ACTIONS TAKEN TO IMPLEMENT PRINCIPLE 10)</p> <p>102-16 102-17 205-3 415-1</p> <p>RESULTS OF THE IMPLEMENTATION OF PRINCIPLE 10)</p> <p>205-1 205-2</p>



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PERFORMANCE INDICATORS

KPI - PRODUCT LIABILITY

GRI 102

STAKEHOLDER ENGAGEMENT - SERVICE QUALITY - (CUSTOMER CARE)

MEDIUM AND LONG HAUL TRAINS ¹					GRI
	Percentage	2017 actual	2016 actual	Δ 2017-2016	102-43 102-44
Punctuality (trains arrived within 15 minutes of the scheduled time) ²	%	94.6	93.7	+0.9 p.p.	
Service regularity (regular trains, net of trains that were limited, cancelled or arrived over 120 minutes late) ³	%	99.7	99.7	0 p.p.	
Cleanliness (effectiveness of on board cleaning) ⁴	%	90.7	88.9	+1.8 p.p.	
Ticketing services (functioning automatic ticketing machines) ⁵	%	97.2	98.0	-0.8 p.p.	
Ticketing services (online purchases/total purchases) ⁶	%	43.4	40.7	+2.7 p.p.	

¹ Data consolidated in March 2018

² The delay is measured at the train's final destination station. Excluding delays caused by exceptional events, strikes or other railway companies (standard B - D.M. 146T/2000)

³ Delays due to external causes, disruption on the line or strikes are not included

⁴ Indicator related to customer opinions highlighted by independent research institute surveys. Customers are considered as satisfied if they report a positive score of ≥ 6 on a scale of one to nine.

⁵ Percentage out of total automatic ticketing machines

⁶ Proportion of purchases made using internet systems out of total turnover from Trenitalia's medium and long haul services

INFRASTRUCTURE				GRI
	Target 2017	2017 Actual	102-43 102-44	
Focus on the environment (including assigning suppliers participating in Group tenders with extra points for their sustainability practices)	Pilot project	Completed		
Focus on the environment (replacing lighting systems in stations with LEDs to improve energy efficiency)	Projects in at least 40 stations	Completed		
Modal integration (authorised parking areas near the station)	85%	94.7%		
Assistance at stations for passengers with reduced mobility (Increase in the number of stations included in the Sale Blu network equipped with lifts)	At least five stations	Completed		
Assistance at stations for passengers with reduced mobility (PRM assistance requested online - "Sala Blu on line")	Pilot project	Completed		
Actions to improve accessibility: Extension of the online information service on accessibility features at the individual stations (InfoAccessibilità)	Surveyed over 2,000 stations with active passenger services	Completed		
Accessibility of spaces in stations (Work to improve accessibility (platforms that are 55cm high, lifts)	At least 100 projects	Completed		
Security at the station (Level of security of people and things at stations) ¹	Do not exceed the average number of thefts in the last three years	Achieved		

¹ Data monitored by Polfer

ROAD PASSENGER TRANSPORT - URBAN TRANSPORT (VENETO)					GRI
	Unit	2017 target	2017 actual	2016 actual	102-43 102-44
Punctuality - urban transport Padua - bus (% on-time journeys)	%	97.0	97.1	97.0	
Punctuality - urban transport Padua - bus (% with delays of >5' to <=15')	%	2.2	2.5	2.2	
Punctuality - urban transport Padua - bus (% with delays > 15')	%	0.8	0.3	0.8	
Punctuality - urban transport Padua - trolley bus (% on-time journeys)	%	90.0	77.6	87.8	
Punctuality - urban transport Padua - trolley bus (% with delays of >4' to <=8')	%	7.5	16.9	9.5	
Punctuality - urban transport Padua - trolley bus (% with delays > 8')	%	1.5	5.4	2.8	
Punctuality - urban transport Rovigo - bus (% on-time journeys)	%	99.8	99.9	99.8	
Punctuality - urban transport Rovigo - bus (% with delays of >5' to <=15')	%	0.1	0.1	0.1	
Punctuality - urban transport Rovigo - bus (% journeys with delays of > 15')	%	0.1	0.1	0.1	
Extent of the sales network - urban transport Padua - (no. of resales)	no.	501.0	505.0	501.0	
Extent of the sales network - urban transport Padua - (no. of resales/network km)	no. of resales/network km	2.1	2.1	2.1	
Extent of the sales network - urban transport Padua - (no. of resales/1,000 residents)	no. of resales/1,000 residents	1.4	1.4	1.4	
Extent of the sales network - urban transport Padua - (% buses with on-board ticket sales with surcharge - excluding trolley bus)	%	100.0	100.0	100.0	
Extent of the sales network - urban transport Rovigo - (no. of resales)	no.	79.0	83.0	79.0	
Extent of the sales network - urban transport Rovigo - (no. of resales/network km)	no. of resales/network km	1.5	1.6	1.5	
Extent of the sales network - urban transport Rovigo - (no. of resales/1,000 residents)	no. of resales/1,000 residents	0.9	0.9	0.9	
Extent of the sales network - urban transport Rovigo - (% buses with on-board ticket sales with surcharge - excluding tram)	%	100.0	100.0	100.0	
Incident rate - urban transport Padua (bus)	accidents suffered/million km	17.0	18.2	19.4	
Accident rate - urban transport Padua (trolley bus)	accidents suffered/million km	13.0	14.0	27.2	
Accident rate - urban transport Rovigo (bus)	accidents suffered/million km	5.4	7.4	7.4	
Focus on the environment - urban transport Padua (Euro2 and higher)	%	96.0	97.0	96.0	
Focus on the environment - urban transport Rovigo (Euro2 and higher)	%	100.0	100.0	97.0	

KPI - PRODUCT LIABILITY

GRI 102

STAKEHOLDER ENGAGEMENT - SERVICE QUALITY - (CUSTOMER CARE)

ROAD PASSENGER TRANSPORT - SUBURBAN TRANSPORT (VENETO)				GRI
	Unit	2017 target	2017 actual	2016 actual
				102-43
				102-44
Punctuality - suburban transport Padua - (% on-time journeys)	%	95.8	97.3	95.7
Punctuality - suburban transport Padua - (% trains with delays of >15' to <=30')	%	3.7	2.4	3.8
Punctuality - suburban transport Padua - (% with delays > 30')	%	0.5	0.4	0.5
Punctuality - suburban transport Rovigo - (% on-time journeys)	%	97.8	98.2	97.7
Punctuality - suburban transport Rovigo - (% trains with delays of >5' to <=15' <= 15')	%	1.6	1.4	1.6
Punctuality - suburban transport Rovigo - (% journeys with delays of > 15')	%	0.6	0.4	0.6
Extent of the sales network - suburban transport Padua - (no. of resales)	no.	643.0	633.0	643.0
Extent of the sales network - suburban transport Padua - (no. of resales/network km)	no. of resales/network km	0.6	0.6	0.6
Extent of the sales network - suburban transport Padua - (no. of resales/cities served)	no. of resales/cities served	4.4	4.3	4.4
Extent of the sales network - suburban transport Padua - (no. of resales/million residents)	no. of resales/millions of residents	343.0	338.0	343.0
Extent of the sales network - suburban transport Padua - (% buses with on-board ticket sales with surcharge)	%	100.0	100.0	100.0
Extent of the sales network - suburban transport Rovigo - (no. of resales)	no.	128.0	130.0	128.0
Extent of the sales network - suburban transport Rovigo - (no. of resales/network km)	no. of resales/network km	0.2	0.2	0.2
Extent of the sales network - suburban transport Rovigo - (no. of resales/cities served)	no. of resales/cities served	2.2	2.2	2.2
Extent of the sales network - suburban transport Rovigo - (no. of resales/millions of residents)	no. of resales/millions of residents	175.0	178.0	175.0
Extent of the sales network - suburban transport Rovigo - (% buses with on-board ticket sales with surcharge)	%	100.0	100.0	100.0
Incident rate - suburban transport Padua	accidents suffered/million km	2.5	4.7	2.5
Incident rate - suburban transport Rovigo	accidents suffered/million km	2.6	3.4	2.6
Focus on the environment - suburban transport Padua (Euro2 and higher)	%	99.0	99.0	99.0
Focus on the environment - suburban transport Rovigo (Euro2 and higher)	%	97.0	97.0	97.0

ROAD PASSENGER TRANSPORT - (UMBRIA)					GRI
	Unit	2017 target	2017 actual	2016 actual	102-43 102-44
Punctuality and regularity - urban transport - (on-time journeys)	%	95.50	95.52	95.50	
Punctuality and regularity - urban transport - (Journeys with delays of >5' to <=10')	%	4.35	4.30	4.35	
- for internal reasons	%	0.01	0.01	0.01	
Punctuality and regularity - urban transport - (Journeys with delays of >10')	%	0.15	0.15	0.15	
- for internal reasons	%	0.01	0.01	0.01	
Punctuality and regularity - suburban transport - (on-time journeys)	%	96.50	96.52	96.50	
Punctuality and regularity - suburban transport - (Journeys with delays of >5' to <=10')	%	3.30	3.28	3.30	
- for internal reasons	%	0.01	0.01	0.01	
Punctuality and regularity - suburban transport - (Journeys with delays of >10')	%	0.20	0.20	0.20	
- for internal reasons	%	0.01	0.01	0.01	
Extent of the sales network - (resales)	no.	1,105	1,099	1,105	
Extent of the sales network - (Resales/km network)	i	0.49	0.49	0.49	
Extent of the sales network - (Resales/towns served)	i	10.94	10.88	10.94	
Extent of the sales network - (Buses with on-board ticket sales with surcharge)	%	100.0	100.0	100.0	
Accident rate - (accidents suffered)		1 per every 84,931 km travelled	1 per every 74,966 km travelled	1 per every 84,931 km travelled	
Focus on the environment - (Vehicle with Euro 2 or higher engines)	%	98.5	98.5	98.4	

KPI - PRODUCT LIABILITY

GRI 102

STAKEHOLDER ENGAGEMENT - SERVICE QUALITY - (CUSTOMER CARE)

RAILWAY PASSENGER TRANSPORT - MEDIUM AND LONG HAUL					GRI
	Unit	2017	2016	2015	102-43 102-44
Comfort	% satisfied customers	93.4	91.5	92.2	
Cleanliness	% satisfied customers	90.7	88.9	88.0	
Punctuality	% satisfied customers	81.2	80.9	82.7	
On board information	% satisfied customers	92.4	90.7	91.7	
Personnel	% satisfied customers	97.2	96.0	96.0	
Overall score	% satisfied customers	93.5	91.9	92.7	

RAILWAY PASSENGER TRANSPORT - REGIONAL					GRI
	Unit	2017	2016	2015	102-43 102-44
Comfort	% satisfied customers	82.9	79.3	75.7	
Cleanliness	% satisfied customers	70.3	65.6	62.6	
Punctuality	% satisfied customers	74.2	70.0	66.7	
On board information	% satisfied customers	80.8	77.2	74.4	
Personnel	% satisfied customers	94.0	91.2	89.4	
Overall score	% satisfied customers	84.2	80.0	76.4	

ROAD PASSENGER TRANSPORT - URBAN TRANSPORT (VENETO)					GRI
	Unit	2017	2016	2015	102-43 102-44
Level of commercial service	% satisfied customers	94.2	92.9	n.a.	
Passenger information	% satisfied customers	90.5	93.4	n.a.	
Professionalism and courtesy of personnel	% satisfied customers	89.5	92.0	n.a.	
Security	% satisfied customers	86.6	85.7	n.a.	
Travel comfort and comfort in stations	% satisfied customers	82.1	79.7	n.a.	
Regularity	% satisfied customers	79.7	76.7	n.a.	
Modal integration	% satisfied customers	77.6	73.0	n.a.	
Focus on the environment	% satisfied customers	87.0	85.1	n.a.	
Cleanliness of vehicles and infrastructures	% satisfied customers	80.8	80.6	n.a.	
Overall score	% satisfied customers	88.4	85.7	n.a.	

ROAD PASSENGER TRANSPORT - SUBURBAN TRANSPORT (VENETO)					GRI
	Unit	2017	2016	2015	102-43 102-44
Level of commercial service	% satisfied customers	91.8	93.3	n.a.	
Passenger information	% satisfied customers	86.9	94.9	n.a.	
Professionalism and courtesy of personnel	% satisfied customers	91.9	94.3	n.a.	
Security	% satisfied customers	93.2	94.5	n.a.	
Travel comfort and comfort in stations	% satisfied customers	83.1	88.0	n.a.	
Regularity	% satisfied customers	79.9	83.6	n.a.	
Modal integration	% satisfied customers	76.1	74.4	n.a.	
Focus on the environment	% satisfied customers	86.8	90.6	n.a.	
Cleanliness of vehicles and infrastructures	% satisfied customers	73.5	77.9	n.a.	
Overall score	% satisfied customers	85.3	86.3	n.a.	

KPI - PRODUCT LIABILITY

GRI 102

STAKEHOLDER ENGAGEMENT - SERVICE QUALITY - (CUSTOMER CARE)

ROAD PASSENGER TRANSPORT - URBAN TRANSPORT (UMBRIA)					GRI
	Unit	2017	2016	2015	102-43 102-44
Level of commercial service	% satisfied customers	94.9	91.9	n.a.	
Passenger information	% satisfied customers	94.1	94.7	n.a.	
Professionalism and courtesy of personnel	% satisfied customers	94.0	93.5	n.a.	
Security	% satisfied customers	94.4	94.5	n.a.	
Travel comfort and comfort in stations	% satisfied customers	88.5	84.2	n.a.	
Regularity	% satisfied customers	86.7	85.8	n.a.	
Modal integration	% satisfied customers	88.0	84.1	n.a.	
Focus on the environment	% satisfied customers	92.5	89.2	n.a.	
Cleanliness of vehicles and infrastructures	% satisfied customers	86.7	80.3	n.a.	
Overall score	% satisfied customers	94.7	95.0	n.a.	

ROAD PASSENGER TRANSPORT - SUBURBAN TRANSPORT (UMBRIA)					GRI
	Unit	2017	2016	2015	102-43 102-44
Level of commercial service	% satisfied customers	87.7	86.9	n.a.	
Passenger information	% satisfied customers	77.7	88.3	n.a.	
Professionalism and courtesy of personnel	% satisfied customers	85.8	87.8	n.a.	
Security	% satisfied customers	90.2	90.5	n.a.	
Travel comfort and comfort in stations	% satisfied customers	79.9	75.2	n.a.	
Regularity	% satisfied customers	75.8	76.1	n.a.	
Modal integration	% satisfied customers	77.4	77.7	n.a.	
Focus on the environment	% satisfied customers	80.6	80.8	n.a.	
Cleanliness of vehicles and infrastructures	% satisfied customers	65.8	65.8	n.a.	
Overall score	% satisfied customers	86.9	89.4	n.a.	

ROAD PASSENGER TRANSPORT - URBAN TRANSPORT (TUSCANY - FLORENCE)					GRI
	Unit	2017	2016	2015	102-43 102-44
Level of commercial service	% satisfied customers	89.6	80.9	71.7	
Passenger information	% satisfied customers	81.3	87.2	71.4	
Professionalism and courtesy of personnel	% satisfied customers	78.7	81.6	71.1	
Security	% satisfied customers	76.6	77.0	72.6	
Travel comfort and comfort in stations	% satisfied customers	68.9	64.3	61.3	
Regularity	% satisfied customers	64.3	67.9	65.3	
Modal integration	% satisfied customers	75.5	72.1	66.4	
Focus on the environment	% satisfied customers	74.5	71.4	66.3	
Cleanliness of vehicles and infrastructures	% satisfied customers	68.2	67.0	61.5	
Overall score	% satisfied customers	78.5	84.2	80.8	

ROAD PASSENGER TRANSPORT - SUBURBAN TRANSPORT (TUSCANY)					GRI
	Unit	2017	2016	2015	102-43 102-44
Level of commercial service	% satisfied customers	81.4	78.5	79.6	
Passenger information	% satisfied customers	66.1	70.4	67.2	
Professionalism and courtesy of personnel	% satisfied customers	87.1	83.9	86.5	
Security	% satisfied customers	86.5	88.6	89.2	
Travel comfort and comfort in stations	% satisfied customers	71.3	72.1	76.1	
Regularity	% satisfied customers	65.2	62.4	58.9	
Modal integration	% satisfied customers	71.9	73.1	62.7	
Focus on the environment	% satisfied customers	75.3	76.2	65.2	
Cleanliness of vehicles and infrastructures	% satisfied customers	59.4	62.9	61.9	
Overall score	% satisfied customers	82.8	85.6	80.8	

KPI - PRODUCT LIABILITY

GRI 102

STAKEHOLDER ENGAGEMENT - SERVICE QUALITY - (CUSTOMER CARE)

ROAD PASSENGER TRANSPORT - URBAN TRANSPORT AND SUBURBAN (CAMPANIA)					GRI
	Unit	2017	2016	2015	102-43 102-44
Level of commercial service	% satisfied customers	90.7	n.a.	n.a.	
Passenger information	% satisfied customers	76.9	n.a.	n.a.	
Professionalism and courtesy of personnel	% satisfied customers	80.6	n.a.	n.a.	
Security	% satisfied customers	85.6	n.a.	n.a.	
Travel comfort and comfort in stations	% satisfied customers	60.6	n.a.	n.a.	
Regularity	% satisfied customers	61.9	n.a.	n.a.	
Modal integration	% satisfied customers	66.5	n.a.	n.a.	
Focus on the environment	% satisfied customers	58.9	n.a.	n.a.	
Cleanliness of vehicles and infrastructures	% satisfied customers	51.2	n.a.	n.a.	
Overall score	% satisfied customers	78.6	n.a.	n.a.	

INFRASTRUCTURES - STATION					GRI
	Unit	2017 target	2017 actual	Parameter	102-43 102-44
Modal integration (perceived quality of the station's connection to public urban/suburban means of transport)	%	85.0	93.2	percentage of satisfied people	
Modal integration (Perception of ease and convenience of arrival at the station)	%	90.0	95.9	percentage of satisfied people	
Modal integration (authorised parking areas near the station)	%	85.0	94.7	percentage of stations with this service	
Security at the station (Perception of overall security at the station)	%	80.0	90.6	percentage of satisfied people	
Information at the station (perception of information under normal operating conditions)	%	90.0	98.7	percentage of satisfied people	
Information at the station (perception of information under critical operating conditions)	%	80.0	93.2	percentage of satisfied people	
Assistance at stations for passengers with reduced mobility (level of satisfaction with the assistance service provided by the Sale Blu network)	%	90.0	98.6	percentage of satisfied people	

INFRASTRUCTURE - "PLATINUM" STATIONS					GRI
	Unit	2017 target	2017 actual	Parameter	102-43 102-44
Comfort at the station (Perception of overall comfort during time at stations)	%	90.0	97.1	percentage of satisfied people	
Comfort at the station (Perception of lighting in underpasses, overpasses and raised walkways)	%	90.0	95.6	percentage of satisfied people	
Cleanliness (Perception of cleanliness of areas in the station)	%	90.0	99.4	percentage of satisfied people	
Additional ground services (Perception of commercial services as a whole)	%	90.0	99.8	percentage of satisfied people	

INFRASTRUCTURE - "GOLD" STATIONS					GRI
	Unit	2017 target	2017 actual	Parameter	102-43 102-44
Comfort at the station (Perception of overall comfort during time at stations)	%	90.0	96.9	percentage of satisfied people	
Comfort at the station (Perception of lighting in underpasses, overpasses and raised walkways)	%	90.0	95.6	percentage of satisfied people	
Cleanliness (Perception of cleanliness of areas in the station)	%	90.0	98.0	percentage of satisfied people	
Additional ground services (Perception of commercial services as a whole)	%	90.0	99.3	percentage of satisfied people	

INFRASTRUCTURE - "SILVER" STATIONS					GRI
	Unit	2017 target	2017 actual	Parameter	102-43 102-44
Comfort at the station (Perception of overall comfort during time at stations)	%	85.0	93.2	percentage of satisfied people	
Comfort at the station (Perception of lighting in underpasses, overpasses and raised walkways)	%	85.0	93.7	percentage of satisfied people	
Cleanliness (Perception of cleanliness of areas in the station)	%	85.0	97.6	percentage of satisfied people	
Additional ground services (Perception of commercial services as a whole)	%	90.0	98.8	percentage of satisfied people	

KPI - PRODUCT LIABILITY

GRI 102

STAKEHOLDER ENGAGEMENT - COMPLAINTS MANAGEMENT

RAILWAY PASSENGER TRANSPORT - MEDIUM AND LONG HAUL (COMPLAINTS BY TYPE %)					GRI
	Unit	2017	2016	2015	102-43 102-44
Punctuality	%	23.0	20.6	18.9	
Timetable and fares	%	17.0	17.2	15.4	
Website	%	16.0	17.9	20.5	
Comfort and cleanliness	%	13.0	9.4	7.8	
Commercial regulations	%	6.0	7.9	9.0	
Service regularity	%	5.0	5.0	3.8	
Post-sales legislation	%	4.0	5.9	9.0	
Information	%	4.0	4.0	4.9	
Traditional ticketing	%	2.0	2.7	3.2	
Call centre	%	2.0	2.1	2.0	
Safety of people and things	%	1.0	1.1	0.7	
Other	%	7.0	6.2	4.8	

RAILWAY PASSENGER TRANSPORT - REGIONAL (COMPLAINTS BY TYPE %)					GRI
	Unit	2017	2016	2015	102-43 102-44
Punctuality	%	21.0	16.5	18.2	
Commercial regulations	%	16.0	18.5	13.7	
Traditional ticketing	%	13.0	12.8	12.6	
Comfort and cleanliness	%	11.0	8.4	10.4	
Service regularity	%	10.0	10.4	12.1	
Post-sales legislation	%	5.0	4.0	4.7	
Information	%	5.0	5.4	4.9	
Timetable and fares	%	4.0	6.9	6.1	
Safety of people and things	%	2.0	1.3	1.4	
Website	%	2.0	3.3	3.5	
Call centre	%	0.0	0.2	0.3	
Other	%	11.0	12.3	12.1	

**ROAD PASSENGER TRANSPORT - VENETO
(COMPLAINTS BY TYPE %)**

GRI

	Unit	2017	2016	2015	102-43 102-44
Service regularity	%	24.8	27.8	39.8	
Punctuality	%	23.8	21.4	19.0	
Travel comfort	%	18.3	12.8	16.6	
Company/customer relationship	%	14.9	16.2	9.4	
Passenger information	%	5.7	6.9	6.3	
Service gaps	%	4.4	3.5	1.2	
Tickets	%	3.9	6.4	3.8	
Security	%	2.0	2.5	0.9	
Access to the service	%	0.6	0.3	0.2	
Cleanliness	%	0.6	0.8	0.9	
Other	%	0.6	1.2	1.7	
Vehicles	%	0.4	0.2	0.2	

**ROAD PASSENGER TRANSPORT - TUSCANY (EXTRA-URBAN)
(COMPLAINTS BY TYPE %)**

GRI

	Unit	2017	2016	2015	102-43 102-44
Service regularity	%	30.8	32.6	29.2	
Punctuality	%	20.9	28.8	18.7	
Company/customer relationship	%	14.8	10.1	14.5	
Travel comfort	%	13.2	9.9	15.6	
Passenger information	%	9.7	8.9	6.8	
Service gaps	%	4.3	4.4	5.5	
Tickets	%	2.8	2.6	4.0	
Other	%	1.5	0.6	2.0	
Security	%	1.0	1.2	3.7	
Cleanliness	%	1.0	1.0	0.0	

KPI - PRODUCT LIABILITY

GRI 102

STAKEHOLDER ENGAGEMENT - COMPLAINTS MANAGEMENT

ROAD PASSENGER TRANSPORT - TUSCANY (URBAN) (COMPLAINTS BY TYPE %)					GRI
	Unit	2017	2016	2015	102-43 102-44
Service regularity	%	38.1	37.9	42.8	
Punctuality	%	6.0	7.4	7.6	
Company/customer relationship	%	17.0	17.3	17.9	
Travel comfort	%	3.5	5.7	5.2	
Passenger information	%	6.9	7.5	7.6	
Service gaps	%	2.1	2.5	3.7	
Tickets	%	19.2	15.4	8.7	
Other	%	4.6	4.1	4.0	
Security	%	2.4	2.0	2.1	
Cleanliness	%	0.2	0.2	0.4	

ROAD PASSENGER TRANSPORT - UMBRIA (COMPLAINTS BY TYPE %)					GRI
	Unit	2017	2016	2015	102-43 102-44
Service regularity	%	26.4	18.3	19.0	
Punctuality	%	18.7	24.6	19.2	
Company/customer relationship	%	14.8	15.3	18.8	
Travel comfort	%	11.3	7.2	5.0	
Passenger information	%	4.2	0.4	0.8	
Service gaps	%	11.6	9.3	16.2	
Tickets	%	4.2	2.6	0.8	
Other	%	4.4	13.8	13.1	
Security	%	2.8	2.8	1.4	
Cleanliness	%	1.6	5.7	5.7	

**ROAD PASSENGER TRANSPORT - CAMPANIA
(COMPLAINTS BY TYPE %)**

GRI

	Unit	2017	2016	2015	102-43 102-44
Service regularity	%	36.6	n.a.	n.a.	
Punctuality	%	5.3	n.a.	n.a.	
Company/customer relationship	%	7.6	n.a.	n.a.	
Travel comfort	%	9.2	n.a.	n.a.	
Passenger information	%	9.2	n.a.	n.a.	
Service gaps	%	16.0	n.a.	n.a.	
Tickets	%	8.4	n.a.	n.a.	
Other	%	3.8	n.a.	n.a.	
Security	%	3.1	n.a.	n.a.	
Vehicles	%	0.8	n.a.	n.a.	

KPI - FINANCIAL

GRI 201

FINANCIAL PERFORMANCE

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED					GRI
	Unit	2017	2016	2015	201-1
Economic value generated directly	€ Mln	9,375	9,004	8,709	
- Revenue from sales and services	€ Mln	8,632	7,908	7,881	
- Other sundry income	€ Mln	743	1,096	828	
Economic value distributed	€ Mln	7,208	6,837	6,879	
Operating costs for materials and services	€ Mln	2,760	2,623	2,614	
Personnel expense	€ Mln	4,178	3,951	3,934	
Payments to financial backers	€ Mln	176	170	231	
Payments to public bodies	€ Mln	94	93	100	
Economic value withheld	€ Mln	2,167	2,167	1,830	
Amortisation, depreciation, provisions and impairment losses	€ Mln	1,595	1,401	1,332	
Other sundry costs and taxes	€ Mln	20	(6)	34	
Profit for the year	€ Mln	552	772	464	

FINANCIAL ASSISTANCE RECEIVED FROM THE PUBLIC ADMINISTRATION					GRI
	Unit	2017	2016	2015	201-4
Grants related to income	€ Mln	1,083	987	997	
Government Programme Contract	€ Mln	976	976	976	
Other loans from the Italian government	€ Mln	96	5	5	
EU funds	€ Mln	0	1	0	
From local public bodies (regions, municipalities, etc.)	€ Mln	8	7	16	
Sundry grants from others	€ Mln	4	0	0	
Grants related to assets	€ Mln	2,691	3,224	2,399	
Italian government grants	€ Mln	2,628	3,199	2,385	
From local public bodies (regions, municipalities, etc.)	€ Mln	17	19	40	
EU funds	€ Mln	46	6	(26)	

GRI 203

INDIRECT ECONOMIC IMPACTS

INVESTMENTS IN INFRASTRUCTURE AND SUPPORT SERVICES

GRI

	Unit	2017	2016	2015	203-1
Total investments	€ Mln	5,625	6,017	5,653	
Infrastructure	€ Mln	4,451	4,256	3,606	
Transport	€ Mln	1,134	1,662	1,943	
Real estate and other services	€ Mln	40	98	104	

GRI 204

PROCUREMENT POLICIES

PERCENTAGE OF EXPENSES FOR DIRECT LOCAL SUPPLIERS¹

GRI

	Unit	2017	2016	2015	204-1
Italy	%	78%	82%	86%	
Abroad	%	21%	18%	14%	

¹ "Direct supplier" means a non-Group company that supplies products/provides services for the Group companies' core business, with which direct relationships are carried out. "Local supplier" means a supplier based in the country in which the purchasing company has its headquarters.

Operativo Open



KPI - ETHICS IN BUSINESS AND LEGISLATION COMPLIANCE

GRI 205

ANTI-CORRUPTION

TRAINING ABOUT ANTICORRUPTION POLICIES AND PROCEDURES (REDUCED SCOPE)¹

GRI

	Unit	2017	2016	2015	205-2
Number of employees trained about anticorruption policies and procedures	no.	1,735	218	390	
- managers	no.	151	24	37	
- junior managers	no.	639	113	243	
- white collar workers	no.	899	72	83	
- blue collar workers	no.	45	8	26	

¹ The reduced scope in 2017 includes: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Logistics, Mercitalia Rail, Mercitalia Transport & Services, Cemaf, FS Sistemi Urbani, Busitalia Veneto, Busitalia Rail Service, Busitalia Campania, Grandi Stazioni Rail, Grandi Stazioni Immobiliare and Terminali Italia. The total number of employees in this reduced scope is approximately 83% of the Group's total workforce (scope as per the consolidated financial statements). For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

GRI

	Unit	2017	2016	2015	205-3
Total number of incidents confirmed	no.	2	0	0	
Number of incidents confirmed that resulted in dismissal or sanctions for employees involved	no.	2	0	0	
Number of incidents confirmed that resulted in termination or non-renewal of contract with supplier/partner involved	no.	0	0	0	
Number of legal actions against Group companies and/or their employees for incidents of corruption	no.	0	0	0	

KPI - ENVIRONMENTAL

GRI 301

MATERIALS (WORK SITES)¹

MATERIALS USED BY WEIGHT OR VOLUME				GRI	
	Unit	2017	2016	2015	301-1
Non-renewable materials	t	2,095,400	2,105,149	4,053,546	
- Earth - procurement	t	152,332	163,424	1,174,214	
- Concrete	t	1,202,469	1,449,796	1,193,505	
- Inert material	t	395,721	366,825	1,354,124	
- Steel for railway superstructure	t	2,849	1,710	18,997	
- Steel for railway technology systems	t	45,089	59,884	3,784	
- CAP sleepers	t	20,450	1,695	35,758	
- Iron	t	276,393	58,946	270,661	
- Aluminium	t	1	2,440	10	
- Copper	t	96	430	2,493	
Renewable materials	t	540,896	1,897,038	4,713,060	
- Earth - reuse	t	540,896	1,897,038	4,713,060	

¹ The data reported below refer to the work sites considered for 2017: the Palermo hub, the Bari-Sant'Andrea Bitetto line, the Fiumetorta-Ogliastrello line, the Castelplanio/Montecarotto line, the laying of double tracks north of Ortona, the Brescia hub, the Arcisate-Stabio line, the Bologna hub-Lot 15, Bologna hub-Lot 13, Bologna hub - Rastignano variation, the central computerised multi-station device in Brescia, the Treviglio-Brescia line, advance works on the Calenanuova-Raddusa Agira line, the Bicocca-Augusta line, the HS Terzo Valico line, General zoning plan at the Bari station, the Bicocca-Catenanuova section Int. 1, the Bicocca-Catenanuova section Int. 2 and the Florence hub. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

RAW MATERIALS (SITES)				GRI	
	Unit	2017	2016	2015	301-2
Percentage of materials used that are recycled input materials	%	20.5%	47.4%	53.8%	

GRI 302

ENERGY^{1 2 3}

ENERGY CONSUMED BY THE GROUP

GRI

	Unit	2017	2016	2015	302-1
Total energy consumed by the Group	GJ	26,773,673	25,838,679	24,799,215	
Fuel from renewable sources	GJ	7,697,058	7,216,017	7,275,381	
- Diesel for railway traction	GJ	3,522,214	3,484,873	3,524,756	
- Diesel for vehicle traction (public transport)	GJ	1,498,073	1,115,879	1,060,777	
- Diesel for navigation	GJ	569,011	537,695	573,361	
- Diesel for heating	GJ	170,660	194,362	241,379	
- Diesel for vehicle traction (road and work vehicles)	GJ	289,373	279,302	274,449	
- Natural gas for vehicle traction (public transport)	GJ	338,577	328,319	346,603	
- Natural gas for heating and other uses	GJ	1,289,235	1,254,164	1,226,989	
- Natural gas for vehicle traction (road and work vehicles)	GJ	784	345	1,991	
- Petrol for vehicle traction (public transport)	GJ	264	305	238	
- Petrol for vehicle traction (road and work vehicles)	GJ	6,136	6,669	10,138	
- LPG for heating	GJ	3,258	4,242	6,586	
- Road vehicle traction (road and work vehicles)	GJ	130	228	267	
- Fuel oil for heating	GJ	9,344	9,635	7,847	
Electricity	GJ	19,035,889	18,591,065	17,494,488	
- Electricity for railway traction	GJ	16,665,851	16,368,857	15,330,442	
- Electricity for other uses	GJ	2,368,639	2,220,860	2,162,471	
- Solar power used internally	GJ	4,211	3,611	4,170	
- amount sold	GJ	2,811	2,263	2,595	
Heat	GJ	40,725	31,597	29,346	
Heat for heating	GJ	40,725	31,597	29,346	

ENERGY CONSUMED NOT BY THE GROUP

GRI

	Unit	2017	2016	2015	302-2
Total energy consumed not by the Group	GJ	914,688	799,580	696,241	
- Electricity (work sites)	GJ	672,726	86,247	107,052	
- Diesel (work sites)	GJ	241,963	713,333	589,189	

ENERGY INTENSITY

GRI

	Unit	2017	2016	2015	302-3
Final specific consumption for railway traction	(kJ/UT)	311.4	316.4	294.4	
Passenger traffic	(kJ/pkm ⁴)	359.8	374.6	340.6	
Freight traffic	(kJ/tkm ⁵)	148.8	129.0	144.3	

¹ Our processing of data according to the guidelines issued by Terna, International Union of Railways (UIC), Eurostat, International Energy Agency (IEA) and ISPRA.

² The data reported below refer to the work sites considered for 2017: the Palermo hub, the Bari-San'Andrea Biletto line, the Fiumetorlo-Ogliastrello line, the Castelplano-Montecarotto line, the laying of double tracks north of Ortona, the Brescia hub, the Arcisate-Stabio line, the Bologna-Lot 15 hub, Bologna - Lot 13 hub, Bologna - Rastignano variation hub, the central computerised multi-station device in Brescia, the Treviglio-Brescia line, advance works on the Catenanuova-Raddusa Agira line, the Bicocca-Augusta line, the HS Terzo Valico line. General zoning plan at the Bari station, the Bicocca-Catenanuova section; Int. 1, Bicocca-Catenanuova section; Int. 2, the Florence hub. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

³ The scope of reference for energy intensity indicators is the following: Trenitalia, Mercitalia Rail.

⁴ passengers-km (pkm)

⁵ Tonne-km (tkm)



KPI - ENVIRONMENTAL

GRI 303

WATER

WATER EXTRACTED BY USE AND SOURCE (GROUP)					GRI
	Unit	2017	2016	2015	303-1
Civil use	m³	19,985,720	21,411,020	20,497,764	
- from aqueducts	m ³	8,560,164	8,428,202	7,558,067	
- from underground water (water table and sources)	m ³	11,425,555	12,982,818	12,939,696	
Industrial use	m³	2,995,304	3,205,906	2,963,111	
- from aqueducts	m ³	1,496,672	1,473,564	1,500,180	
- from underground water (water table and sources)	m ³	1,468,899	1,689,467	1,417,944	
- from bodies of water	m ³	29,733	42,875	44,987	
Total water extracted by the Group	m³	22,981,024	24,616,926	23,460,874	

WATER EXTRACTED BY SOURCE (WORK SITES) ¹					GRI
	Unit	2017	2016	2015	303-1
Aqueducts	m³	498,304	92,871	318,535	
- for civil use	m ³	111,727.50	61,615.13	88,898.70	
- for industrial use	m ³	386,576.00	31,256.00	229,636.40	
Superface bodies of water for industrial use	m³	94,715	7,118	23,000	
Underground water for industrial use	m³	417,970	133,082	49,745	
Total water extracted by work sites	m³	1,010,989	233,071	391,280	

¹ The data reported below refer to the work sites considered for 2017: the Palermo hub, the Bari-Sant'Andrea Bitetto line, the Fiumetorta-Ogliastrello line, the Castelplano/Montecatotto line, the laying of double tracks north of Ortona, the Brescia hub, the Arcisate-Stabio line, the Bologna hub-Lot 15, Bologna hub-Lot 13, Bologna hub - Rastignano variation, the central computerised multi-station device in Brescia, the Treviglio-Brescia line, advance works on the Catenanuova-Raddusa Agira line, the Bicocca-Augusta line, the HS Terzo Valico line, General zoning plan at the Bari station, the Bicocca-Catenanuova section Int. 1, the Bicocca-Catenanuova section Int. 2 and the Florence hub. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

KPI - ENVIRONMENTAL

GRI 305

EMISSIONS^{1 2 3 4 5}

DIRECT EMISSIONS - SCOPE 1

GRI

	Unit	2017	2016	2015	305-1
Total direct greenhouse gas emissions	tCO₂	540,145	506,404	510,926	
- Diesel for railway traction	tCO ₂	259,404	258,229	261,184	
- Diesel for vehicle traction (public transport)	tCO ₂	110,330	82,182	78,124	
- Diesel for navigation	tCO ₂	41,907	39,413	42,027	
- Diesel for heating	tCO ₂	12,557	14,301	17,777	
- Diesel for vehicle traction (road and work vehicles)	tCO ₂	21,312	20,570	20,213	
- Natural gas for vehicle traction (public transport)	tCO ₂	19,382	18,703	19,753	
- Natural gas for heating and other uses	tCO ₂	73,802	71,445	69,925	
- Natural gas for vehicle traction (road and work vehicles)	tCO ₂	45	20	113	
- Petrol for vehicle traction (public transport)	tCO ₂	19	22	17	
- Petrol for vehicle traction (road and work vehicles)	tCO ₂	450	489	743	
- LPG for heating	tCO ₂	214	278	432	
- Road vehicle traction (road and work vehicles)	tCO ₂	9	15	18	
- Fuel oil for heating	tCO ₂	716	737	600	

INDIRECT EMISSIONS - SCOPE 2

GRI

	Unit	2017	2016	2015	305-2
Total indirect greenhouse gas emissions	tCO₂	1,825,842	1,825,508	1,689,981	
- Electricity for railway traction	tCO ₂	1,590,162	1,604,244	1,478,101	
- Electricity for other uses	tCO ₂	233,348	219,464	210,207	
- Heat for heating	tCO ₂	2,331	1,800	1,672	

OTHER INDIRECT EMISSIONS - SCOPE 3

GRI

	Unit	2017	2016	2015	305-3
Other total indirect greenhouse gas emissions	tCO₂	87,338	65,069	57,539	
- Electricity (work sites)	tCO ₂	66,274	8,523	10,406	
- Diesel (work sites)	tCO ₂	17,820	52,536	43,393	
- Emissions for work travel (includes air travel and hotels)	tCO ₂	3,244	4,011	3,740	

¹ The rates indicated in the IPCC's "2006 Guidelines for National Greenhouse Gas inventories" and the ISPRA and EEA rates were used to calculate 2015 emissions

² The data reported below refer to the work sites considered for 2017: the Palermo hub, the Bari-Sant'Andrea Bitetto line, the Fiumetorto-Ogliastro line, the Castelplanio-Montecarotto line, the laying of double tracks north of Ortona, the Brescia hub, the Arcisate-Stabio line, the Bologna hub-Lot 15, Bologna hub-Lot 13, Bologna hub - Rastignano variation, the central computerised multi-station device in Brescia, the Treviglio-Brescia line, advance works on the Catenanuova-Raddusa Asgira line, the Bicocca-Augusta line, the HS Terzo Valico line, General zoning plan at the Bari station, the Bicocca-Catenanuova section Int. 1, the Bicocca-Catenanuova section Int. 2 and the Florence hub. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

³ The transformation rates indicated in the "2009 EMEP/EEA air Guidebook" were used to calculate direct emissions, while the ENEL rates in the "2015 Sustainability Report" - datasheet were used for indirect emissions

⁴ Other immaterial emissions consisted of SF₆, which is used as a dielectric in high voltage switches at the electric substations, and HFC, which is used as a cooling gas in the air conditioning systems. Only a small number of air conditioning systems use HCFC and they are continuously being reduced: any ozone-depleting gas leaks have been estimated and are not material for the purposes of this report.

⁵ The scope of reference for energy intensity indicators is the following: Trenitalia, Mercitalia Rail.

INTENSITY OF GREENHOUSE GAS EMISSIONS

GRI

	Unit	2017	2016	2015	305-4
Specific CO₂ emissions for traction	(gCO₂/UT)	31.2	32.0	29.3	
Passenger traffic	(gCO ₂ /pkm)	36	38	34	
Freight traffic	(gCO ₂ /tkm)	15	13	15	

OTHER SIGNIFICANT EMISSIONS

GRI

	Unit	2017	2016	2015	305-7
Total direct emissions					
SO ₂	t	392	382	399	
NO _x	t	6,835	6,400	6,470	
PM ₁₀	t	195	182	184	
Total indirect emissions					
SO ₂	t	1,093	1,068	1,005	
NO _x	t	1,381	1,348	1,210	
PM ₁₀	t	38	37	38	
Total other emissions					
SO ₂	t	1,486	1,450	1,404	
NO _x	t	8,216	7,748	7,679	
PM ₁₀	t	233	219	222	

KPI - ENVIRONMENTAL

GRI 306

WASTEWATER AND WASTE

WATER DISCHARGE BY QUALITY AND DESTINATION (GROUP) ¹

GRI

	Unit	2017	2016	2015	306-1
Wastewater sent to sewers	m³	20,353,868	20,851,649	19,796,923	
- water treated beforehand	%	4.4%	4.5%	4.2%	
Wastewater sent elsewhere	m³	464,756	360,257	388,969	
- water treated beforehand	%	93.1%	92.5%	90.1%	

¹ Wastewater resulting from the Group use is mainly classified as domestic wastewater (in 2017, domestic wastewater accounted for 90.8% of total wastewater). This water is disposed of by being sent to the municipal sewage system in accordance with the requirements of legislative decree no. 152/2017.

WATER DISCHARGE BY QUALITY AND DESTINATION (WORK SITES) ¹

GRI

	Unit	2017	2016	2015	306-1
Wastewater sent to sewers	m³	153,829	138,238	131,418	
- water treated beforehand	%	85.8%	98.3%	76.2%	
Wastewater sent elsewhere	m³	654,254	181,678	124,434	
- water treated beforehand	%	23.2%	9.3%	98.9%	

¹ Wastewater resulting from work site use is mainly classified as industrial wastewater (in 2017 industrial wastewater made up 97.3% of total wastewater). The data reported below refer to the work sites considered for 2017: the Palermo hub, the Bari-Sant'Andrea Bitetto line, the Fiumetorto-Ogliastrello line, the Castelplanio-Montecarotto line, the laying of double tracks north of Ortona, the Brescia hub, the Arcisate-Stabio line, the Bologna hub-Lot 15, Bologna hub-Lot 13, Bologna hub-Rastignano variation, the central computerised multi-station device in Brescia, the Treviglio-Brescia line, advance works on the Catenanuova-Raddusa Agrigò line, the Bicocca-Augusta line, the HS Terzo Valico line, General zoning plan at the Bari station, the Bicocca-Catenanuova section Int. 1, the Bicocca-Catenanuova section Int. 2 and the Florence hub. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

WASTE PRODUCED BY TYPE (GROUP) ¹

GRI

	Unit	2017	2016	2015	306-2
Total waste produced	t	296,396	236,333	232,367	
Waste classified as urban waste	t	6,478	3,852	3,266	
- sorted waste	t	1,944	1,457	1,413	
Station waste classified as urban waste	t	18,330	20,731	19,643	
- sorted waste	t	3,518	2,759	2,610	
Non-hazardous special waste	t	212,380	173,649	154,738	
Hazardous special waste	t	59,209	38,101	54,720	

¹ The amount of special waste produced is calculated based on the amounts reported in the waste identification formulations. The amounts related to waste classified as urban waste are based on the waste's weight on a scale or the average weight of bags of waste produced.

WASTE PRODUCED BY TYPE (WORK SITES) ¹

GRI

	Unit	2017	2016	2015	306-2
Total waste produced	t	40,443,863	661,947	1,769,460	
Non-hazardous special waste	t	40,327,413	653,072	1,766,894	
Hazardous special waste	t	116,450	8,876	2,565	

¹ The data reported below refer to the work sites considered for 2017: the Palermo hub, the Bari-Sant'Andrea Bitetto line, the Fiumetorto-Ogliastrello line, the Castelplanio-Montecarotto line, the laying of double tracks north of Ortona, the Brescia hub, the Arcisate-Stabio line, the Bologna hub-Lot 15, Bologna hub-Lot 13, Bologna hub-Rastignano variation, the central computerised multi-station device in Brescia, the Treviglio-Brescia line, advance works on the Catenanuova-Raddusa Agrigò line, the Bicocca-Augusta line, the HS Terzo Valico line, General zoning plan at the Bari station, the Bicocca-Catenanuova section Int. 1, the Bicocca-Catenanuova section Int. 2 and the Florence hub. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

WASTE SENT FOR TREATMENT (GROUP)

GRI

	Unit	2017	2016	2015	306-2
Total waste sent for treatment	t	271,918	211,520	209,376	
Non-hazardous special waste sent for disposal	t	212,374	173,458	154,747	
- sent for recycling	%	96.8%	95.8%	95.8%	
- sent for disposal	%	3.2%	4.2%	4.2%	
Hazardous special waste sent for disposal	t	59,545	38,062	54,628	
- sent for recycling	%	87.4%	90.6%	95.7%	
- sent for disposal	%	12.6%	9.4%	4.3%	

WASTE SENT FOR TREATMENT (WORK SITES)¹

GRI

	Unit	2017	2016	2015	306-2
Total waste sent for treatment	t	40,379,832	663,949	1,772,685	
Non-hazardous special waste sent for disposal	t	40,316,013	655,074	1,770,117	
- sent for recycling	%	99.9%	86.1%	82.6%	
- sent for disposal	%	0.1%	13.9%	17.4%	
Hazardous special waste sent for disposal	t	63,819	8,875	2,568	
- sent for recycling	%	79.0%	71.5%	40.3%	
- sent for disposal	%	21.0%	28.5%	59.7%	

¹ The data reported below refer to the work sites considered for 2017: the Palermo hub, the Bari-Sant'Andrea Biletto line, the Fiumetorto-Ogliastro line, the Castelplanio/Montecatotto line, the laying of double tracks north of Ortona, the Brescia hub, the Arcisate-Stabio line, the Bologna hub-Lct 15, Bologna hub-Lct 13, Bologna hub - Rastignano variation, the central computerised multi-station device in Brescia, the Treviglio-Brescia line, advance works on the Catenanuova-Raddusa Agricola line, the Bicocca-Augusta line, the HS Terzo Valico line, General zoning plan of the Bari station, the Bicocca-Catenanuova section Int. 1, the Bicocca-Catenanuova section Int. 2 and the Florence hub. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

HAZARDOUS WASTE TRANSPORTED ON BEHALF OF THIRD PART (BASEL CONVENTION)

GRI

	Unit	2017	2016	2015	306-4
Total hazardous waste (Basel convention)	t	313,260	328,991	472,777	
- sent for recycling	t	68,412	138,532	156,449	
- waste sent for disposal	t	244,848	190,459	316,328	

WASTE TRANSPORTED DOMESTICALLY

GRI

	Unit	2017	2016	2015	306-4
Non-hazardous waste	t	96,091	55,974	58,746	
- transported on behalf of third parties	%	100%	100%	100%	
Hazardous waste	t	10,343	21,604	37,082	
- transported on behalf of third parties	%	98.4%	91.8%	61%	



KPI - ENVIRONMENTAL**GRI 306**

OTHER ENVIRONMENTAL IMPACT - NOISE

NOISE (NEW LINES OR THOSE BEING UPGRADED)					GRI
	Unit	2017	2016	2015	n.a.
Design of acoustic barriers	m	177,910	114,078	37,000	
Acoustic barriers under construction	m	44,702	48,208	66,487	
Acoustic barriers built (total accumulated length per year)	m	352,217	350,352	343,434	

NOISE (OPERATING LINES)					GRI
	Unit	2017	2016	2015	n.a.
Design of acoustic barriers	m	459,208	452,837	394,387	
Acoustic barriers approved	m	38,132	12,950	17,110	
Acoustic barriers under construction	m	12,262	12,376	8,927	
Acoustic barriers built (total accumulated length per year)	m	71,650	60,566	60,566	

KPI - SOCIAL

GRI 102

GENERAL DISCLOSURES

BREAKDOWN OF PERSONNEL BY GENDER AND POSITION (SCOPE AS PER CONSOLIDATED FINANCIAL STATEMENTS)					GRI
	Unit	2017	2016	2015	102-8 405-1
Total workforce (at 31 December)	no.	74,436	70,180	69,009	
Managers	no.	778	727	721	
	%	1.0%	1.0%	1.0%	
- women	no.	134	117	n.a.	
- men	no.	644	610	n.a.	
Junior managers	no.	10,996	11,005	10,945	
	%	14.8%	15.7%	15.9%	
- women	no.	1,854	1,832	n.a.	
- men	no.	9,142	9,173	n.a.	
White collar workers	no.	33,948	32,117	31,296	
	%	45.6%	45.8%	45.4%	
- women	no.	7,321	6,659	n.a.	
- men	no.	26,627	25,458	n.a.	
Blue collar workers	no.	28,714	26,331	26,047	
	%	38.6%	37.5%	37.7%	
- women	no.	2,000	1,616	n.a.	
- men	no.	26,714	24,715	n.a.	
Of women	%	15.2%	14.6%	85.5%	
Of men	%	84.8%	85.4%	14.5%	
AVERAGE NUMBER DURING THE YEAR	no.	72,441	69,056	69,276	

BREAKDOWN OF PERSONNEL BY AGE (REDUCED SCOPE) ¹					GRI
	Unit	2017	2016	2015	102-8 405-1
Total workforce	no.	61,913	60,191	60,152	
Under 20 years	no. %	266 0.4%	107 0.2%	129 0.2%	
Between 21 and 20 years	no. %	5,211 8.4%	3,607 6.0%	3,391 5.6%	
Between 31 and 40 years	no. %	11,358 18.3%	11,020 18.3%	11,199 18.6%	
Between 41 and 50 years	no. %	12,142 19.6%	11,705 19.4%	11,884 19.8%	
Between 51 and 60 years	no. %	25,571 41.3%	27,757 46.1%	29,237 48.6%	
Over 60 years	no. %	7,365 11.9%	5,995 10.0%	4,312 7.2%	

BREAKDOWN OF PERSONNEL BY YEARS OF SERVICE (REDUCED SCOPE) ¹					GRI
	Unit	2017	2016	2015	102-8
Between 0 and 10 years	no. %	9,935 16.0%	8,291 13.8%	8,197 13.6%	
Between 11 and 20 years	no. %	15,131 24.4%	14,751 24.5%	15,315 25.5%	
Between 21 and 30 years	no. %	13,537 21.9%	14,108 23.4%	15,666 26.0%	
Over 30 years	no. %	23,310 37.6%	23,041 38.3%	20,974 34.9%	

BREAKDOWN OF PERSONNEL BY LEVEL OF EDUCATION (REDUCED SCOPE) ¹					GRI
	Unit	2017	2016	2015	102-8
University graduates	no. %	7,177 11.6%	6,637 11.0%	6,299 10.5%	
High school graduates	no. %	42,108 68.0%	41,637 69.2%	41,469 68.9%	
Other qualification	no. %	12,628 20.4%	11,917 19.8%	12,384 20.6%	

¹ The reduced scope in 2017 includes: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Logistics, Mercitalia Rail, Mercitalia Transport & Services, Cemaj, FS Sistemi Urbani, Busitalia Veneto, Busitalia Rail Service, Busitalia Campania, Grandi Stazioni Rail, Grandi Stazioni Immobiliare and Terminali Italia. The total number of employees in this reduced scope is approximately 83% of the Group's total workforce (scope as per the consolidated financial statements). For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.



KPI - SOCIAL

GRI 401

EMPLOYMENT

HIRINGS BY GENDER/ TYPE OF CONTRACT
(SCOPE AS PER THE CONSOLIDATED FINANCIAL STATEMENTS)

GRI

	Unit	2017	2016	2015	401-1
Total hirings by gender/type of contract	no.	4,379	2,296	2,546	
Apprenticeship	no. %	2,089 47.7%	693 30.2%	935 36.7%	
- women	no.	426	160	n.a.	
- men	no.	1,663	533	n.a.	
Fixed-term	no. %	715 16.3%	578 25.2%	484 19.0%	
- women	no.	217	136	n.a.	
- men	no.	498	442	n.a.	
Open-ended	no. %	1,575 36.0%	1,025 44.6%	1,127 44.3%	
- women	no.	363	219	n.a.	
- men	no.	1,212	806	n.a.	

KPI - SOCIAL

GRI 401

EMPLOYMENT

HIRINGS BY AGE (REDUCED SCOPE) ¹					GRI
	Unit	2017	2016	2015	401-1
Total hirings by age	no.	3,501	1,371	1,382	
Under 20 years	no. %	318 9.1%	122 8.9%	153 11.1%	
- women	no.	41	16	26	
- men	no.	277	106	127	
Between 21 and 30 years	no. %	2,218 63.4%	992 72.4%	968 70.0%	
- women	no.	542	232	313	
- men	no.	1,676	760	655	
Between 31 and 40 years	no. %	470 13.4%	122 8.9%	106 7.7%	
- women	no.	97	22	18	
- men	no.	373	100	88	
Between 41 and 50 years	no. %	315 9.0%	77 5.6%	88 6.4%	
- women	no.	23	6	5	
- men	no.	292	71	83	
Between 51 and 60 years	no. %	151 4.3%	47 3.4%	58 4.2%	
- women	no.	7	5	1	
- men	no.	144	42	57	
over 60 years	no. %	29 0.8%	11 0.8%	9 0.7%	
- women	no.	1	0	0	
- men	no.	28	11	9	

OUTGOING EMPLOYEES BY AGE (REDUCED SCOPE)¹

GRI

	Unit	2017	2016	2015	401-1
Total outgoing employees by age	no.	2,995	1,639	2,412	
Under 20 years	no. %	6 0.2%	4 0.2%	2 0.1%	
- women	no.	1	0	0	
- men	no.	5	4	2	
Between 21 and 30 years	no. %	73 2.4%	53 3.2%	51 2.1%	
- women	no.	15	6	4	
- men	no.	58	47	47	
Between 31 and 40 years	no. %	63 2.1%	65 4.0%	81 3.4%	
- women	no.	12	7	4	
- men	no.	51	58	77	
Between 41 and 50 years	no. %	74 2.5%	73 4.5%	96 4.0%	
- women	no.	6	13	10	
- men	no.	68	60	86	
Between 51 and 60 years	no. %	1,191 39.8%	733 44.7%	1,343 55.7%	
- women	no.	112	60	104	
- men	no.	1,079	673	1,239	
over 60 years	no. %	1,588 53.0%	711 43.4%	839 34.8%	
- women	no.	185	56	95	
- men	no.	1,403	655	744	

¹ The reduced scope in 2017 includes: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Logistics, Mercitalia Rail, Mercitalia Transport & Services, Cemat, FS Sistemi Urbani, Busetalia Veneto, Busetalia Rail Service, Busetalia Campania, Grandi Stazioni Rail, Grandi Stazioni Immobiliare and Terminali Italia. The total number of employees in this reduced scope is approximately 83% of the Group's total workforce (scope as per the consolidated financial statements). For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

KPI - SOCIAL

GRI 401

EMPLOYMENT

TURNOVER BY AGE (REDUCED SCOPE) ¹

GRI

	Unit	2017	2016	2015	401-1
Total turnover	%	10.5%	5.0%	6.3%	
Under 20 years	%	0.53%	0.21%	0.26%	
Between 21 and 30 years	%	3.71%	1.74%	1.68%	
Between 31 and 40 years	%	0.86%	0.31%	0.31%	
Between 41 and 50 years	%	0.63%	0.25%	0.30%	
Between 51 and 60 years	%	2.17%	1.30%	2.31%	
over 60 years	%	2.62%	1.20%	1.40%	

HIRINGS BY GEOGRAPHICAL SEGMENT (REDUCED SCOPE) ¹

GRI

	Unit	2017	2016	2015	401-1
Hirings by geographical segment	no.	3,501	1,371	1,382	
Italy	no.	3,496	1,350	1,374	
- North	no.	1,147	448	480	
- Centre	no.	1,065	560	542	
- South and islands	no.	1,284	342	352	
Abroad	no.	5	21	8	
Italy	%	99.9%	98.5%	99.4%	
- North	%	32.8%	32.7%	34.7%	
- Centre	%	30.4%	40.8%	39.2%	
- South and islands	%	36.7%	24.9%	25.5%	
Abroad	%	0.1%	1.5%	0.6%	

OUTGOING EMPLOYEES BY GEOGRAPHICAL SEGMENT (REDUCED SCOPE)¹

GRI

	Unit	2017	2016	2015	401-1
Outgoing employees by geographical segment	no.	2,995	1,639	2,412	
Italy	no.	2,987	1,628	2,401	
- North	no.	1,462	726	1,143	
- Centre	no.	753	394	555	
- South and islands	no.	772	508	703	
Abroad	no.	8	11	11	
Italy	%	99.7%	99.3%	99.5%	
- North	%	48.8%	44.3%	47.4%	
- Centre	%	25.1%	24.0%	23.0%	
- South and islands	%	25.8%	31.0%	29.1%	
Abroad	%	0.3%	0.7%	0.5%	

TURNOVER BY GEOGRAPHICAL SEGMENT (REDUCED SCOPE)¹

GRI

	Unit	2017	2016	2015	401-1
Total turnover	%	10.5%	5.0%	6.3%	
Italy					
- North	%	4.23%	1.95%	2.68%	
- Centre	%	2.94%	1.59%	1.81%	
- South and islands	%	3.33%	1.41%	1.74%	
Abroad	%	0.02%	0.05%	0.03%	

TURNOVER BY GENDER (REDUCED SCOPE)¹

GRI

	Unit	2017	2016	2015	401-1
Total turnover	%	10.5%	5.0%	6.3%	
Women	%	1.69%	0.70%	0.96%	
Men	%	8.83%	4.30%	5.30%	

¹ The reduced scope in 2017 includes: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Logistics, Mercitalia Rail, Mercitalia Transport & Services, Cernat, FS Sistemi Urbani, Busitalia Veneto, Busitalia Rail Service, Busitalia Campania, Grandi Stazioni Rail, Grandi Stazioni Immobiliare and Terminali Italia. The total number of employees in this reduced scope is approximately 83% of the Group's total workforce (scope as per the consolidated financial statements). For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

KPI - SOCIAL

GRI 403

HEALTH AND SAFETY (REDUCED SCOPE)¹

HEALTH AND SAFETY ORGANISATION					GRI
	Unit	2017	2016	2015	403-1
Number of production units	no.	126	119	125	
Production units with occupational safety certification	no.	119	84	114	
Prevention and Protection Representatives	no.	113	104	115	
Company doctors	no.	248	158	192	
Workers' Safety Representatives	no.	468	474	473	
Personnel subject to health monitoring check-ups	no.	51,502	45,074	45,495	
Personnel subject to railway safety medical check-ups	no.	17,735	16,266	15,772	

ACCIDENTS INDEMNIFIED BY INAIL BY TYPE					GRI
	Unit	2017	2016	2015	403-2
Accidents at work	no.	1,186	1,353	1,458	
- women	no.	157	173	185	
- men	no.	1,029	1,180	1,273	
Mortal accidents	no.	1	2	0	
Accidents in transit	no.	287	303	269	

FREQUENCY OF ACCIDENTS INDEMNIFIED BY INAIL (IR - INJURY RATE) ²					GRI
	Unit	2017	2016	2015	403-2
Total frequency rate	i.	19.2	22.6	24.1	
Frequency - (women)	i.	17.2	19.7	20.8	
Frequency - (men)	i.	19.5	23.0	24.7	

SERIOUSNESS OF ACCIDENTS INDEMNIFIED BY INAIL (LDR - LOST DAY RATE) ³					GRI
	Unit	2017	2016	2015	403-2
Seriousness index	i.	n.a.	1,001	827	

¹ The reduced scope in 2017 includes: FS S.p.A., RFI, Trenitalia, Ferservizi, Italferr, FS Sistemi Urbani, Italcertifier, Mercitalia Logistics, Mercitalia Rail and Busitalia Sita Nord. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

² Frequency rate: [no. of accidents at work/amount] * 1,000 employees, calculated in accordance with European ESAW standards.

³ Seriousness index: [number of missed days/amount] * 1,000 employees.

GRI 404

TRAINING AND EDUCATION (REDUCED SCOPE)¹

MAN/DAYS OF TRAINING BY PROFESSIONAL LEVEL AND GENDER ¹					GRI
	Unit	2017	2016	2015	404-1
Total days of training	man/days	431,709	355,322	352,107	
Managers	no.	2,314	2,112	3,580	
- women	no.	549	436	648	
- men	no.	1,765	1,676	2,931	
Junior managers	no.	47,457	48,292	47,988	
- women	no.	7,658	6,786	6,440	
- men	no.	39,799	41,506	41,549	
White collar workers	no.	223,989	157,205	149,576	
- women	no.	41,847	29,982	30,564	
- men	no.	182,142	127,223	119,012	
Blue collar workers	no.	157,949	147,712	150,963	
- women	no.	4,222	4,683	5,659	
- men	no.	153,727	143,030	145,305	
Total women	no.	54,276	41,887	43,310	
Total men	no.	377,433	313,435	308,797	
Average days of training per employee	no.	7.015	5.94	5.83	

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS ²					GRI
	Unit	2017	2016	2015	404-3
Employees who have had a performance and career development review	no.	11,644	8,314	7,031	
Managers who have had a performance and career development review	no	653	417	459	
Junior managers who have had a performance and career development review	no	6,506	6,001	4,974	
White collar workers who have had a performance and career development review	no	3,710	1,859	1,592	
Blue collar workers who have had a performance and career development review	no	775	37	6	
Women who have had a performance and career development review	%	21.3%	22.1%	23.8%	
Men who have had a performance and career development review	%	78.7%	77.9%	76.2%	
% annual average	%	18.9%	13.9%	11.6%	

¹ The reduced scope for 2017 includes: FS S.p.A., RFI, Trenitalia, Busitalia Sita Nord, Ferservizi, Italferr, FS Sistemi Urbani, Mercitalia Logistics and Mercitalia Rail. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

² The reduced scope in 2017 includes: FS S.p.A., RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Rail, Mercitalia Logistics, Mercitalia Transport & Service, FS Sistemi Urbani, Terminali Italia, CEMAT, Busitalia Rail Service, Busitalia Campania, Busitalia Veneto, GS Rail and GS Immobiliare. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

KPI - SOCIAL

GRI 405

DIVERSITY AND EQUAL OPPORTUNITIES (REDUCED SCOPE)¹

GROSS ANNUAL REMUNERATION AND TOTAL ANNUAL REMUNERATION				GRI
	Unit	2017	2016	2015 405-2
Managers				
Gross annual remuneration	%	94.9%	95.5%	94.7%
Total annual remuneration	%	95.3%	96.6%	95.9%
Junior managers				
Gross annual remuneration	%	101.8%	102.3%	101.9%
Total annual remuneration	%	96.9%	96.3%	96.2%
White collars				
Gross annual remuneration	%	97.6%	98.0%	97.8%
Total annual remuneration	%	84.3%	83.7%	82.8%
Blue collars				
Gross annual remuneration	%	101.6%	100.9%	100.7%
Total annual remuneration	%	96.0%	94.4%	94.2%

¹ The reduced scope in 2017 includes: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Logistics, Mercitalia Rail, Mercitalia Transport & Services, Cemat, FS Sistemi Urbani, Busitalia Veneto, Busitalia Rail Service, Busitalia Campania, Grandi Stazioni Rail, Grandi Stazioni Immobiliare and Terminali Italia. The total number of employees in this reduced scope is approximately 83% of the Group's total workforce (scope as per the consolidated financial statements). For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports.

GRI 416

CUSTOMER HEALTH AND SAFETY

RAILWAY ACCIDENT STATISTICS				GRI
	Unit	2017	2016	2015 416-1
Train collision with railway vehicle	no.	1	0	1
	billion train-km	4	0	3
Train collision with an obstacle blocking the tracks	no.	0	3	4
	billion train-km	0	11	14
Train derailment	no.	1	1	3
	billion train-km	4	3	9
Railroad crossing accident, including accidents involving pedestrians at crossings	no.	11	11	19
	billion train-km	39	39	57
Injury to people involving rolling stock in motion, excluding suicides and attempted suicides	no.	82	70	67
	billion train-km	290	200	197
Fire on board rolling stock	no.	0	1	2
	billion train-km	0	4	6
Other types of accidents	no.	3	5	2
	billion train-km	11	14	6

CONSEQUENCES OF RAILWAY ACCIDENTS INVOLVING PEOPLE ON THE RFI

GRI

	Unit	2017	2016	2015	416-1
Death of employees ¹	no.	2	0	3	
Death of passengers ²	no.	2	0	1	
Other deaths	no.	56	59	49	
- users of railroad crossings	no.	6	5	7	
- other people on the platform	no.	0	0	0	
- other people not on the platform	no.	0	0	0	
- people crossing the tracks inappropriately	no.	50	54	42	
Total deaths³	no.	60	59	53	
Injured employees	no.	1	0	3	
Injured passengers	no.	3	3	1	
Other injuries	no.	31	21	37	
- users of railroad crossings	no.	4	4	9	
- other people on the platform	no.	0	0	0	
- other people not on the platform	no.	0	0	0	
- people crossing the tracks inappropriately	no.	27	17	28	
Total injuries⁴	no.	35	24	41	

¹ Employees: the people who work for the railway and are in service at the time of the incident. They include the train crew and personnel managing rolling stock and infrastructures (including contractors' and independent contractors' personnel).

² Passengers: any person, other than the on-board crew, travelling on the train. Injury statistics include those involving passengers attempting to board/disembark from moving trains.

³ Death: any person who dies immediately following or within 30 days of an accident, excluding suicides, death from natural causes or homicide.

⁴ Injuries (serious): any person injured in an accident and hospitalised for more than 24 hours, excluding suicide attempts.

TREND IN GOING THROUGH NO ENTRY SIGNALS¹

GRI

	Unit	2017	2016	2015	416-1
No entry signals	no.	27	14	19	

¹ Trains continuing through no entry signals

GRI 419

SOCIAL AND ECONOMIC COMPLIANCE

DISPUTES WITH EMPLOYEES (REDUCED SCOPE)¹

GRI

	Unit	2017	2016	2015	419-1
Appeals filed during the year	no.	1,950	1,680	2,074	
Pending disputes ²	no.	3,910	3,238	3,939	
Economic value of the disputes	€	52,076,000	44,494,000	46,811,000	

¹ The reduced scope in 2017 includes: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, Busitalia - Sita Nord e Sita Ataf Gestioni, Blufferies, FS Logistica, Metropark, Grandi Stazioni Rail, Serfer and Ferrovie del Sud Est e Servizi Automobilistici S.r.l. For details of the scope for 2016 and 2015, reference should be made to the 2016 and 2015 Sustainability reports

² In 2017, it acquired the dispute of Società Ferrovie del Sud Est e Servizi Automobilistici S.r.l., which increased the total pending disputes.



COMPANY HIGHLIGHTS

OUR APPROACH

Ferrovie dello Stato Italiane intends to incorporate the protection of the environment into the strategies and activities of the entire Group by promoting and developing sustainable mass mobility built around rail transport.

In order to pursue this objective, it considers that it is essential to establish, carry out and maintain objectives which require the rational use of resources, the prevention and reduction of environmental risks, research into energy efficiency, and the promotion of renewable energy sources with the aim of gradually reducing the Group's carbon footprint.

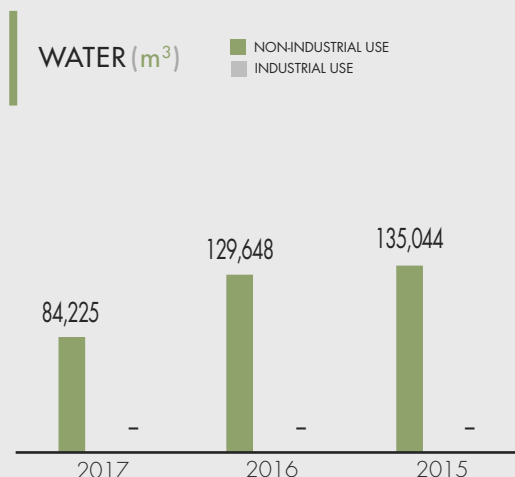
The environmental policy and environmental management system governance model guide the processes and actions towards continuous improvement, carefully and continuously developing natural capital by spreading awareness of environmental matters and actively supporting the monitoring of environmental impacts.

FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity	MWh	6,103	6,397	6,579
Natural gas	Sm ³	283,645	291,046	318,502
Diesel	t	66	70	250

Comments on the trend

Energy consumption relates mainly to the management of the building housing the central headquarters in Villa Patrizi, Rome. The volume of natural gas consumed has remained essentially stable over the years, changing only in response to atmospheric conditions.



Comments on the trend

The figures in the table mainly refer to extraction for Villa Patrizi in Rome and are steady given the type of office activities carried out at that site.

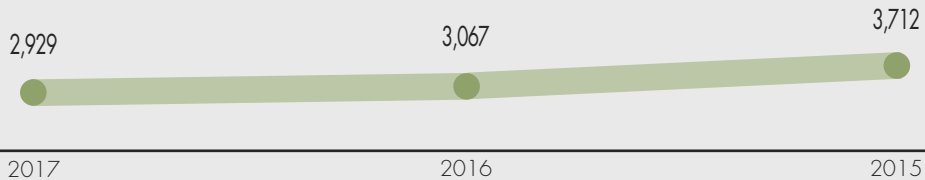
In addition to rationalising the use of water, the decreasing trend was caused by a leak discovered in 2014 and resolved in 2015.



Comments on the trend

The figures in the table refer to special waste produced by the Villa Patrizi site in Rome. The data reflect a nearly steady trend due to the type of office activities that are carried out at the site, which entails a constant production of waste (IT equipment, furnishings and air conditioners). Hazardous special waste increased due to the replacement of air conditioning units in areas occupied by personnel.

TOTAL CO₂ EMISSIONS (t)



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Issuing the sustainability governance model, an organisational tool to ensure the integrated management of the three sustainability aspects (economic, social and environmental)

Pilot projects based on the Corporate Shared Value approach, with the aim of creating a methodology that provides for a multi-dimensional assessment of activities

Update of the environmental management system and guidelines in compliance with the new UNI EN ISO 14001:2015 standard

Continuation of second-party audit activities on owned assets

The sustainability governance model was set out and shared with the FS Sustainability Committee

A pilot project on the Freccialink (Milan-Matera line) has been developed with the aim of measuring the direct impacts generated by the service, the indirect impacts on the supply chain and the impacts for the surrounding area

Guidelines have been updated and a sharing process has been launched with the main Group companies

Second-party audit activities were carried out on the owned assets (three sites)

The sustainability governance model will be formalised and shared within the Group at all organisational levels

Long term environmental targets will be defined

A model to assess external economic, social and environmental issues to be applied to the Group's main projects will be defined

The updated guidelines will be issued and across-the-board training will be provided to the main Group companies

A project to integrate environmental and social considerations during the procurement stage and to analyse and subsequently improve the sustainability performance of the Group's supply chain will be launched



A framework agreement has been signed for the electricity supply with CVA Trading S.r.l. for electricity utilities of ten Group companies, including FS S.p.A.. From 1 January 2018, the new electricity supply allows for an improved environmental profile, as 100% comes from certified renewable sources, and an improvement in the management of utilities (metre readings and contract terminations etc.) and the monitoring of consumption

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND

OUR APPROACH

RFI's environmental and social commitment is a strategic part of its industrial mission, which covers all the company's productive activities and those of its subsidiaries. Not only does it aim to protect the environment, but also to create shared value with a view to corporate responsibility and focus on the quality of life of the community.

RFI manages the rail network according to the principle of continuous improvement regarding efficiency, safety and accessibility, which means that it is contributing to a modal shift towards an increasingly integrated sustainable transport system.

In every-day life, this means:

- producing goods and services and developing the management, maintenance, planning and construction of the infrastructure, lines and stations, with increased attention to the reduction of environmental and social impacts, and pursuing the rational use of resources and land;
- working "on-site", in contact with the various areas that the railway passes through, with a constant focus on making the most of people's vocations and the natural, social, urban and historical-archaeological heritage of the area, in close collaboration with institutional bodies and the other stakeholders.

In order to do this, RFI operates in compliance with the principals and values listed in its environmental policy, implementing them with the involvement of the entire organisation and its suppliers within the scope defined by the environmental management system, included within the integrated safety management system.

FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity**	MWh	446,390	413,813	416,410
Diesel	t	14,891	14,656	16,204
Natural gas	Sm ³	8,294,510	8,392,092	8,913,116
District heating	MWht	5,637	5,473	5,108

** Does not include high voltage electricity absorbed by the railway companies' trains operating on the national network.

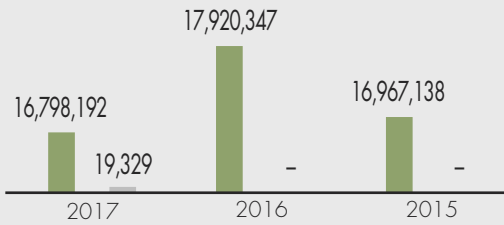
Comments on the trend

Electricity consumption not for traction increased by approximately 8% compared to 2016 due to the activation of the new central computerised devices for the management of safe travel and works to extend the innovative public information system "IeC".

Diesel and natural gas consumption remained substantially in line with 2016 and 2015. Diesel, however, did show two opposing trends: consumption for work vehicles and cars increased by 6% on 2016 due to the gradual replacement of petrol-fuelled vehicles, while consumption for heating decreased by 15% due to the retirement of certain thermal power stations to be replaced with systems using heat pumps, natural gas and district heating. Accordingly, the increasing trend already recorded in 2016 continued.

WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE

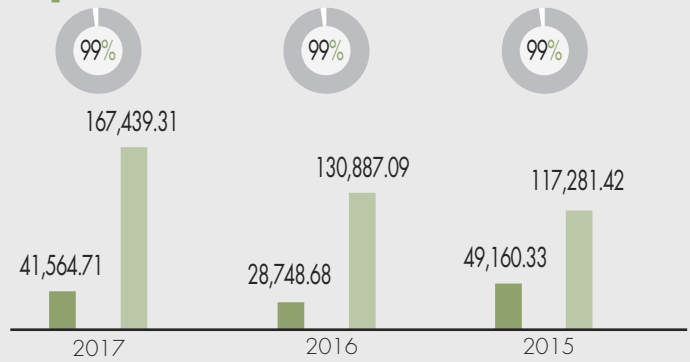


Comments on the trend

In 2017, RFI water extraction decreased by approximately 7% compared to the previous year mainly due to maintenance activities which led, in particular, to less water being extracted from wells and springs, the use of which was progressively decreasing anyway. There was a slight increase in water extracted from the aqueduct for non-industrial and industrial use, due, among other things to the acquisition of new washing platforms.

WASTE (t)

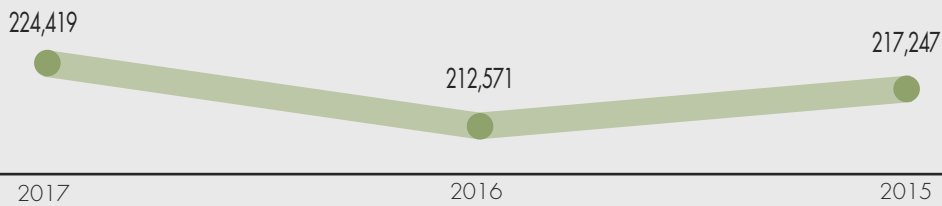
■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE



Comments on the trend

Total waste produced in 2017 increased by approximately 31% compared to 2016, largely due to the increase in maintenance activities on the railway network carried out during the year, mostly related to track renovation. Non-hazardous special waste, mainly consisting of iron, steel and cement, in particular, increased by 28%, while hazardous waste increased by 44% due to the replacement of wood sleepers treated with creosote for CAP sleepers or eco-friendly treated sleepers, as set out in the "piano legno" (wood plan) being rolled out by the network. In line with previous years, the amount of waste sent for recycling remained unchanged.

TOTAL CO₂ EMISSIONS (t)



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OUR COMMITMENT

COMMITMENTS MADE...	...WHAT WE HAVE ACCOMPLISHED	...WHERE WE WANT TO GO...
 <p>Continuing the project by obtaining an expert in energy management certification for at least three RFI Energy Managers</p>	<p>An expert in energy management certification was obtained for 12 professionals</p>	<p>A course about meeting the requirements of the expert in energy management certification will be provided</p>
<p>An energy management system will be implemented within RFI's environmental management system. It will cover all local divisions and related Energy Managers</p>	<p>The UNI CEI EN ISO 50001 energy management system, "Energy management systems – Requirements with guidance for use" was defined as part of RFI's environmental management system</p>	<p>A UNI CEI EN ISO 50001 energy management system, "Energy management systems – Requirements with guidance for use" will be introduced to RFI's environmental management system</p>
<p>A tender will be assigned for the supply of new LED lighting systems to replace fluorescent light bulbs</p>	<p>The tender was assigned for the supply of LED lighting systems</p>	<p>Relamping activities will take place in 50 stations and audit activities focused on assessing lighting before and after the activities, also to access the "Conto Termico 2.0" subsidy granted by the Italian government</p>
<p>Relamping activities in workshops with the new lighting systems</p>	<p>The long-term relamping project, which will involve 1,200 stations has been defined, with a view to eventually extending the project to include other RFI plants, such as offices and workshops</p>	
<p>The technological updating of low shunting signals (replacement of another 800 signals with LED technology)</p>	<p>800 low LED signals were installed to replace low signal bulbs</p>	<p>A further 400 low signals will be replaced with LED technology.</p>
<p>The long-term project to equip and certify top-of-the-line electric trains with an energy metering system was kicked off to measure the actual consumption of each train</p>	<p>Specific metering techniques for 38 top-of-the-line electric trains were defined</p>	<p>The DCS system prototype will be delivered (DCS-Data Collection System)</p>
<p>Inspections and analyses were conducted to identify sites where the construction of photovoltaic plants meets the technical/cost effectiveness parameters</p>	<p>Inspections of RFI land were carried out to identify sites that are suitable for photovoltaic plants as part of the "Green Power for Rail" project for the self-generation of energy</p>	<p>The framework for the "Green Power for Rail" project will be developed, for the self-generation of solar energy</p>
<p>Work was carried out as planned in the new project to install meters and replace old-generation transformers in electrical substations</p>	<p>Negotiation activities with the supplier are being finalised</p>	<p>The negotiation plan will be developed with the supplier for the project to start in 2018 and to be completed by 2021</p>
<p>An agreement was signed with a research body to create two prototypes to recover and transform kinetic energy produced by train braking into electricity</p>	<p>The definitive project was prepared for the experimental innovative electrical substation to regulate the tension and energy accumulated by train braking was defined</p>	<p>The experimental innovative electrical substation will be launched to regulate the tension and energy accumulated by train braking</p>

ASPECTS

 <p>CONTINUOUS IMPROVEMENT</p>	 <p>RAW MATERIALS CYCLE</p>	 <p>ENERGY AND EMISSIONS</p>	 <p>WATER CYCLE</p>	 <p>LAND</p>
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COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...

A supply agreement was signed for energy from renewable sources for uses other than railway traction

A tender was assigned for the supply of approximately 80 GWh of electricity for uses other than railway traction, 18% of which certified with guarantee of origin certificates from renewable sources



The training session and rolling out of the "Atlantide" information system were completed, for, inter alia, the single environmental report to the government

System customisation was completed, also based on feedback from the training session

The roll-out of the customised "Atlantide" information system will continue



A specific water management project was launched to optimise and reduce water consumption through:

- structural repairs to eliminate leaks
- implementation of a monitoring system for the 700 main water plants in the network (including stations, freight hubs and washing platforms) including the installation of remote metering systems
- checks and updates of water contracts for alignment with "large user" parameters
- separation of RFI's mixed-use utility accounts where possible; alternatively, meters could be installed that separate/recharge costs to the related third parties

Revisiting initiatives for the management of water resources within RFI, focusing on the system. Work planned on utilities utilities were joined by the new long-term plan for the management of water, water disposal and fire prevention, with the following aim:

- separating water utilities and remote control of consumption
- adjusting water systems, water disposal and fire prevention
- analysing and assessing the viability of ceasing to use wells and spring water sources or transferring them to water companies

Italferr was entrusted engineering services relating to this

The process and implementation of the measurement and monitoring of corporate water consumption will continue, using the meters for RFI's most significant water utilities (which represent 75% of annual costs, based on 2016 figures), in order to launch a virtuous process to save water

A survey will be performed to decide whether to close or sell current wells or springs and analysis will begin

Technical and project studies will be launched, aimed at:

- acquiring/renewing/reviewing authorisations related to water management
- mapping water networks and procurement points



Monitoring the environmental indicators provided for by the "Environmental assessment of investments" procedure in the analysis, planning and execution of investments

The monitoring of indicators provided by the monitoring process of impacts, data and environmental aspects related to the planning and completion of infrastructure investments

A system to oversee indicators provided during the environmental assessment of investments will be rolled out

With respect to the environmental data base, roll out of the tool for the automatic classification of the "environmental risk level" and development of the electronic storage of environmental management documentation (e.g., authorisation, permits, plans, etc.)

The tool for the automatic classification of the "environmental risk level" and electronic storage was rolled out

The data from the PAI (plan regulating the more urgent aspects of the hydrogeological structure) will be updated and the PGTA (flood risk management plan) will continue to be integrated on the infrastructure lines at hydrogeological risk

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Updating the environmental management system to the new version of the ISO14001:2015 standard and including environmental criteria in the assessment factors for awarding cleaning service contracts for stations in the network

Activities to guarantee the alignment of the environmental management system with the requirements of ISO14001:2015 have continued and a new scoring criterion in tenders has been introduced that rewards suppliers for their sustainability, using the monitoring platform developed by EcoVadis

The scoring criterion that rewards suppliers for their sustainability, using the monitoring platform developed by EcoVadis will be rolled out to all tender procedures

Participation in round tables discussion groups promoted by Railsponsible will begin

Joining Railsponsible, an initiative that brings together major railway companies to promote sustainable procurement by sharing best practices and virtuous processes

Extending OHSAS 18001 certification to the entire company.

The certification scope regarding health and safety at work (OHSAS 18001) was extended to the whole company

The OHSAS 18001 certification will continue to be held

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



RFI'S SUBSIDIARIES

BLUFERRIES

FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Diesel	t	5,935	5,461	5,578

Comments on the trend

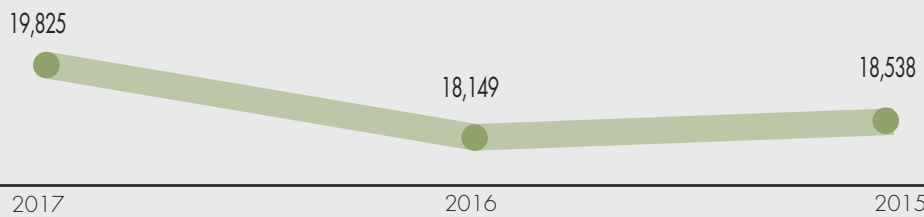
The increase of approximately 9% in Blufferries' diesel consumption must be viewed in relation to the increase in the number of journeys during the year.



Comments on the trend

The amount of overall waste was broadly the same as the previous year, but there was a net increase in the amount of waste sent for recycling (+17%), directly related to the different type of maintenance activities carried out during the year, which was largely routine, compared to that carried out in 2016 which was largely non-routine.

TOTAL CO₂ EMISSIONS (t)



OUR COMMITMENT

COMMITMENTS MADE...	...WHAT WE HAVE ACCOMPLISHED	...WHERE WE WANT TO GO...
 <p>Providing annual training and information sessions required by the safety management system (SMS)</p>	<p>Training sessions were provided relating to: the IMDG code for personnel involved in the transport of hazardous freight, and on increased fire risk, for depot operatives</p>	<p>The personnel training programme will continue with courses on the updates for legislative changes affecting activities performed</p>
	<p>Following a specific feasibility study, a desalination system will be installed on the ferry, "Enotria", to independently meet washing water requirements to reduce external procurement</p>	<p>The feasibility of extending the desalination to other means of water transport will be assessed, also based on the data collected on Enotria and the monitoring of water consumption on board</p>
	<p>The construction of a new ferry with motors with EIAPP (Engine International Air Pollution Prevention) certification began and a contract for the construction of second unit was defined</p>	<p>The construction of the new ferry with motors with EIAPP (Engine International Air Pollution Prevention) certification will be completed by summer and the construction of a second unit will begin</p>
 <p>Completing the process to obtain ISO 14001 certification</p>	<p>ISO 14001:2004 certification was obtained</p>	<p>The process to update ISO 14001:2015 certification and to obtain OHSAS 18001 certification will begin</p>

ASPECTS

				
CONTINUOUS IMPROVEMENT	RAW MATERIALS CYCLE	ENERGY AND EMISSIONS	WATER CYCLE	LAND

RFI'S SUBSIDIARIES

TERMINALI ITALIA

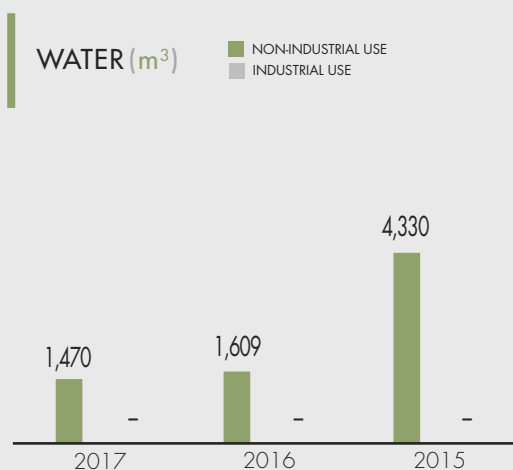
FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity	MWh	2,519	2,807	2,611
Diesel	t	1,451	1,491	1,538

Comments on the trend

Electricity consumption decreased by approximately 10% compared to the previous year thanks to the replacement of traditional lighting systems in the lighting towers with LEDs for greater efficiency.

Diesel consumption remained substantially stable, consolidating the result for 2016, the year in which the project for the replacement of the fleet with lower environmental-impact vehicles was launched. In 2017, two new-generation mobile cranes were purchased for the Verona terminal, which also improved security.



Comments on the trend

Water extraction refers to two utilities in plants not owned by RFI, the third Verona module and Milan shunting site. 2017 water consumption confirms the stability of water extraction, after resolving the piping issue which resulted in abnormal water extraction until 2015.

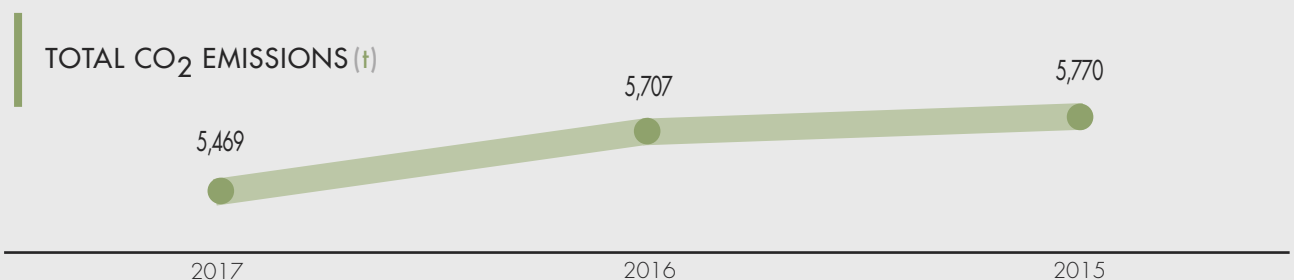


Comments on the trend

The trend in the annual production of waste is subject to significant changes due to the strong correlation with the non-routine maintenance of the yards or work vehicles.

In 2017, the total production of waste grew considerably due to the increase in non-hazardous waste caused by the non-routine cleaning of the Verona yards and the replacement of crane tyres in the south. On the other hand, as non-routine maintenance on the new mobile cranes has decreased, so has the amount of hazardous waste.

Waste sent for recycling increased significantly, particularly non-hazardous waste.



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



An advanced environmental emergency response course will be provided to certain members of the emergency team

Training activities were postponed to 2018 due to the operational commitments of the management personnel

An advanced environmental emergency response course will be provided to certain members of the emergency team

Preliminary activities will begin for ISO 14001 certification

In the scope of work to obtain ISO 14001:2004 certification planned for the beginning of 2018, the quality and environment integrated policy was issued and the procedures and related registrations of the environmental management system are in the final drafting stage

ISO 14001:2004 certification for the environmental management system will be obtained and preliminary activities will begin for ISO 14001:2015

In collaboration with RFI, the new fire prevention system will be activated at the Segrate terminal and the diesel pump will be relocated to the Catania terminal to improve internal roadways and obstacle management

The new fire prevention system at the Segrate terminal was tested and checked for leaks.

Work at the Catania Terminal was completed

Work began to integrate the Bologna Interport terminal into the integrated logistics platform (PL) to optimise and simplify information flows between parties in the intermodal logistics chain

Revamping activities on mobile cranes were carried out at the Verona terminal

Revamping activities on the mobile cranes will continue



At the Verona terminal, in collaboration with RFI, approximately 140 old-generation light bulbs were replaced with new LED technology light towers, generating energy savings of over 50%

Old-generation light bulbs were replaced with new LED technology light towers at the Verona terminal

Two new-generation mobile cranes with better safety features and lower environmental impact were purchased for the Verona terminals.

Two new-generation mobile cranes with lower environmental impact in terms of energy efficiency and emissions will be purchased for the Verona and Segrate terminals.

Five new locomotives with maximum-power fuel consumption that is significantly lower than former models will be leased. The new locomotives will be fitted with modern safety systems and will be used for railway shunting at the Verona and Bari terminals.



Works to create the new rainwater treatment plant at the Verona terminal is nearly completely finished.

Rolling out the new rainwater treatment plant at the Verona terminal

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



TRENITALIA



OUR APPROACH

Trenitalia considers safety, the quality of services provided, the protection of the environment, the safeguarding of the health and safety of its workers and energy efficiency as strategic elements in its business. Trenitalia has therefore defined an integrated policy (quality, environment, occupational health and safety and energy) that generally orients and guides the company in achieving its mission and gaining a competitive edge: this which uses the environmental benefits of railway transport as leverage to create an incentive for sustainable mobility. For these reasons, Trenitalia has implemented a management system that conforms to the requirements of the OHSAS 18001, ISO 14001 and ISO 9001 standards.

In relation to energy efficiency, Trenitalia is furthering a broad energy diagnosis campaign at its industrial plants to progressively improve the energy performance of its maintenance activities, through investments in the installation of LED lighting systems and the redevelopment of the energy supplies for compressed air and heating systems and the production of renewable energy from photovoltaic plants. Also with respect to the purchase of new rolling stock, Trenitalia is making efforts to include a series of clauses entailing significant progress in the energy efficiency of vehicles, as in previous calls for bids for the contract for over 500 regional electric and diesel trains awarded previously.

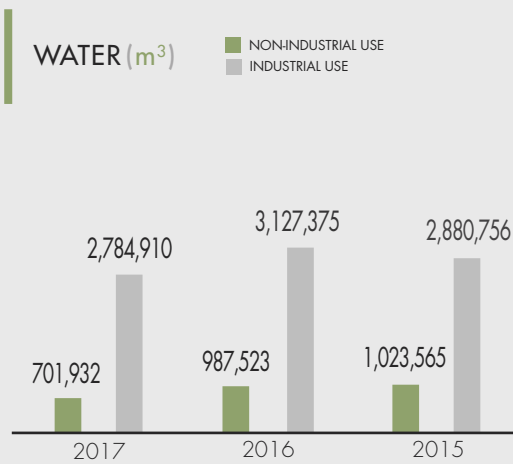
FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity for railway traction	MWh	3,727,662	4,220,639	3,957,506
Electricity for other uses	MWh	76,483	79,470	72,643
<i>with guarantee of origin or self-produced using energy photovoltaic technologies</i>		100%	100%	50.1%
Diesel	t	41,785	46,034	47,611
Natural gas	Sm ³	19,809,346	19,206,374	17,891,042

Comments on the trend

The decrease in electricity and diesel consumption between 2016 and 2017 was due to the changes to the Group scope (on 1 January 2017 the Cargo Division was spun off from Trenitalia and Mercitalia Rail was subsequently established).

The increase in natural gas consumption, on the other hand, was related to the severe winter conditions, the conversion of thermal power stations from diesel to methane, the acquisition of utilities or the activation of new burners in some large centres and longer operating hours.



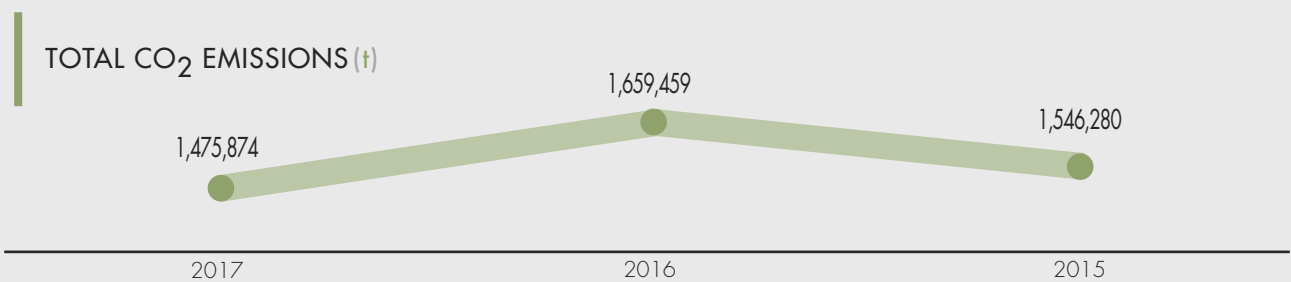
Comments on the trend

The positive reduction in water extraction for non-industrial use was partly due to the change in scope due to the Cargo Division spin off and partly to the efforts to rationalise water consumption, to reduce waste and leaks and the spreading of management, infrastructure and technological solutions aimed at minimising consumption, specifically at production sites. With reference to the reduction in water extraction for industrial use, the containment of consumption related to the spin-off of the Cargo Division was less significant and was largely due to the adoption of the above-mentioned works. The decrease is more significant if considered in the light of the increase in train-km during the year.



Comments on the trend

The production of special waste was significantly affected by the demolition campaigns for rolling stock no longer suitable for service over the past three years. During 2017, the amount of non-hazardous special waste decreased significantly, largely as a result of the Cargo Division spin off, while the production of hazardous special waste increased slightly mostly due to the maintenance activities of the Long Haul Passenger Transport Division.



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Additional investments to produce energy from renewable sources and to achieve energy efficiency, with particular emphasis on the installation of LED lights and radiant strip heating systems, improvements in systems to produce and distribute compressed air at the Rome, Milan, Naples, Rimini and Foligno plants, with the aim of cutting electricity consumption by 50% and natural gas consumption for heating by 30% at plants or in plant components included in the scope of the work

LED relamping carried out at the Foligno ordinary maintenance plant, Rome HS current maintenance plant and the FAP at the Naples HS current maintenance plant

Construction work on photovoltaic plants at the HS current maintenance plant in Rome, the Napoli S.M. La Bruna ordinary maintenance workshop and the ordinary maintenance workshop in Vicenza will be completed

The solar thermal plant will be rolled out at the Foggia ordinary maintenance workshop

Requests for investments were approved for the installation of LEDs, radiant strips and photovoltaic plants at the ordinary maintenance workshops in Florence, Foligno, Verona and Naples

A programme to check for leaks of compressed air was carried out at four plants

Works to install photovoltaic plants at the Florence Osmannoro ordinary maintenance workshops, expanding those rolled out in 2017 at the Foligno and Verona ordinary maintenance plants and works to improve the efficiency of the maintenance hub of the LHPD in Milan will be assigned

Continuing the energy diagnosis campaign initiated in 2015 and continued in 2016 (for a total of 18 diagnoses already completed) with another nine diagnoses at company industrial plants

10 energy diagnoses performed

Creating a new system in collaboration with Ferservizi, to monitor energy consumption for uses other than railway traction based on a digital flow of data from suppliers

Development was completed on the QLIK IT system to monitor energy consumption for uses other than railway traction

Further investments in energy efficiency and photovoltaic systems at the Mestre current maintenance plant, the Naples HS current maintenance plant, the ordinary maintenance workshops in Voghera and Rimini and the current maintenance plants in Florence Osmannoro, Ancona and Palermo will be made.

Structural works on old-generation thermal plants in service at the production sites will be carried out to reduce CO₂ emissions

Construction work on photovoltaic plants at the HS current maintenance plant in Rome and the Naples S.M. La Bruna ordinary maintenance workshop was launched and the photovoltaic plant at Firenze Osmannoro was rolled out

GSE approved the requests to access to white certificates for the new Pop and Rock regional trains

FS Italiane S.p.A. issued its first green bond to finance the purchase of the Pop, Rock and Frecciarossa 1000 trains, which are eligible because they are energy efficient



Increasing the quantity of purchased recycled paper, while concurrently decreasing paper through paperless projects

The company exclusively purchased 100% recycled paper guaranteed by FSC

The focus will be on improving sorted waste on board trains

A feasibility study was carried out to increase sorted waste on board trains and at plants.

Defining targets to reduce waste production, increasing the percentage of waste that is sent for recycling and increasing sorted waste

Annual objectives for recycling waste were defined, leading to new initiatives which helped meet the 2017 target

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...

Carrying out work to improve the areas set up for waste storage (current maintenance plant in Milan)

Activities started during last year and are currently underway.

Work to improve the areas set up for waste storage (current maintenance plant in Milan) will be completed



Identifying operational/technological solutions to minimise water consumption for non-industrial and industrial use and defining projects to reduce water consumption at the sites with the most critical issues. In certain cases, structural improvements will be planned to restore water networks (Marche and Abruzzo Regional Divisions)

These solutions were identified and carried out at some industrial sites (Emilia Romagna, Friuli Venice-Giulia, Marche, Tuscany, Veneto and at the LHPD at the current maintenance plants in Turin, Reggio Calabria and Bari)

The process to monitor consumption and the maintenance on the water networks will be completed, through other restorative structural works, retirement or replacement of old sections, defining further targets for the reduced consumption, through both management projects and plant improvements

Installation of specific meters and time-controlled dispensers (Puglia, Sicily, Tuscany, Campania, Liguria and Piedmont Regional Divisions and the Bari current maintenance plant for the Long Haul Passenger Division)

Work carried out at the Puglia, Sicily, and Campania regional divisions and at other maintenance plants (Reggio Calabria current maintenance plant). At the Liguria regional division and the Bari current maintenance plant for the Long Haul Passenger Division, works was postponed to 2018

The purification of water intended for human consumption using ozone will be completed (Friuli Venezia Giulia Regional Division)

Completion of already commenced/planned work to revamp the water networks (Long Haul Passenger Division: Naples and Milan current maintenance plants and the Sardinia Regional Division)

In the Sardinia Regional Division, activities have been started and will be completed in 2018 With respect to LHPD, work began involving current maintenance plants in Milan and Naples.

Testing the purification of water intended for human consumption using ozone (Friuli Venezia Giulia Regional Division)

Technical and project aspects were defined



Designing and holding, with the support of the Director of the Campocatino Astronomy Observatory (Union of Italian Astronomers), a seminar on the light pollution caused by running exterior lighting systems at night in large industrial areas and railway yards and their environmental impact (involving 50 resources)

The seminar on light pollution was held with the support of the Director of the Campocatino Astronomy Observatory (Union of Italian Astronomers)

The project for the planting of trees at the maintenance plant in Florence will be launched in an attempt to mitigate the plant's impact on the landscape

Renovation works in the historic area surrounding the maintenance plant at the Napoli Gianturco station will be launched and trees will be planted at the current maintenance plant in Florence



Launching a project to manage the transition to the ISO 14001:2015 standard and implementation of an integrated IT platform for the management and intelligent querying of data in Trenitalia's management system

Activities to manage the transition in line with the new requirements of ISO 14001 and ISO 9001 continued

Certification for the integrated management system with respect to the new ISO 14001 and ISO 9001 will be obtained

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



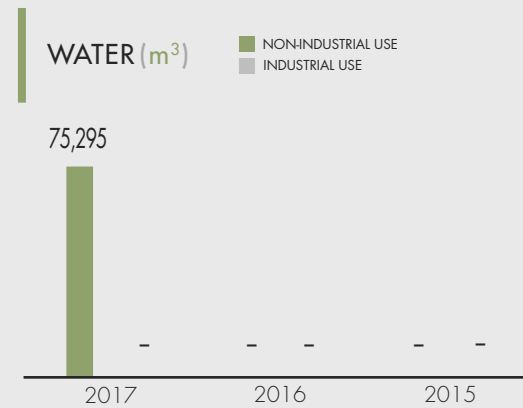
LAND



TRENITALIA'S SUBSIDIARIES

TRENITALIA C2C

FINAL ENERGY CONSUMPTION		
	Unit	2017
	MWh	83,709
Electricity for railway traction	MWh	5,896
Natural gas	t	136,170
Total CO ₂ emissions	t	35,309



OUR COMMITMENT

...WHAT WE HAVE ACCOMPLISHED



Trenitalia c2c Ltd has completed the programme to replace lighting systems on platforms and roofs with LEDs in all 26 stations of the c2c line. The LED lighting provides a better quality of light and lasts longer, thus reducing maintenance costs and cutting energy consumption

...WHERE WE WANT TO GO...

A plan for the installation of photovoltaic panels will be planned for the Pitsea Station and East Ham Depot which will produce approximately 500,000 kWh per year

ASPECTS

CONTINUOUS IMPROVEMENT

RAW MATERIALS CYCLE

ENERGY AND EMISSIONS

WATER CYCLE

LAND

OUR APPROACH

In line with FS Group's strategies, Italferr's design decisions are in line with the principles of environmental prevention and protection under EU regulations and sustainable development strategies, developing an integrated quality, environment and safety management system in line with ISO 9001, ISO 14001 and BS OHSAS 18001 standards to ensure the efficiency and effectiveness of production processes, improve environmental performance and supply products and services in line with the applicable legislative requirements.

In Italy and abroad, Italferr develops design solutions focused on the principles of sustainability through the adoption of innovative methodologies that ensure a holistic approach to designing and building infrastructure. Carrying out works with a local focus, stakeholder engagement, the integrated assessment of environmental, economic and social objectives, environmental and social monitoring and communication tools are key elements for sustainable development. Environmental planning plays a crucial role for improving the way construction work interacts with the local area and people affected. The company carries out specialised studies to check the projects' impacts on the environment and landscape and, more generally, for the assessment of direct and indirect effects that the construction of infrastructures could have. Furthermore, Italferr develops specific plans to identify material aspects related to processing at sites, mitigation measures and monitoring to ensure proper control as work is taking place.

As part of environmentally sustainable projects, solutions and projects are designed specifically to promote an increasingly rational use of the resources used, through greater reuse of excavation materials and using landscaping to help construction work blend into the surrounding area.

FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity	MWh	2,238	2,251	2,290
Diesel	t	120	113	117
Natural gas	Sm ³	21,197	33,355	39,276
District heating	MWht	220	214	182

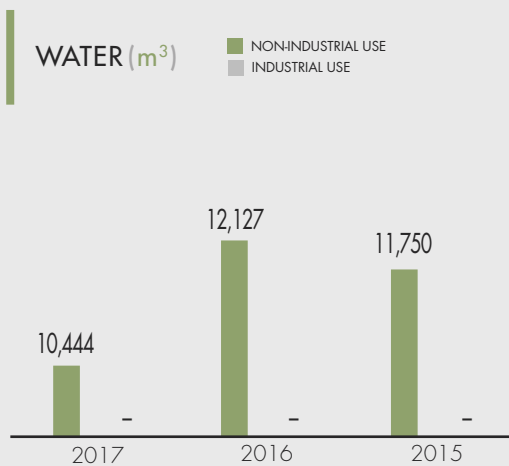
Comments on the trend

Energy consumption data for 2017 confirm the trend of the previous two-year period, with the exception of natural gas, which decreased by over 36% compared to 2016, as it referred solely to the Rome site.

Furthermore, work is carried out to improve and redevelop the areas that are passed through, with surveys and reclamation of contaminated sites where the infrastructure is built, an awareness of the way the area was historically used and inhabited and the consequent development of archaeological sites through preventive archaeology, highlighting the benefits of building the infrastructure.

With respect to land use, Italferr pursues design solutions focused on the compatibility of works with the condition of locations with a view to the most effective placement of the work. Over the past decade, Italferr has ramped up its architectural designs and urban planning, refining an accurate and original design process in all stages, from local planning to the design of individual works, to the final design applied to the construction solutions. Based on the careful preparation of the functional plan, which implements the requests of customers and stakeholders and the input arising from the transport study, the company prepares the architectural concept, i.e., the formal and formative idea that transforms all the functions and suggestions, as well as the adjustments required by the location, into an architectural structure. Through the engineering of structures and plants, this process is completed with the components that ensure technical/cost feasibility and buildability.

Most of the control tools used during construction are monitoring all environmental components that are potentially affected by processing to verify the actual occurrence of expected impacts, assess the effectiveness of systems to mitigate, and also to record and manage any irregular situations in a timely manner.



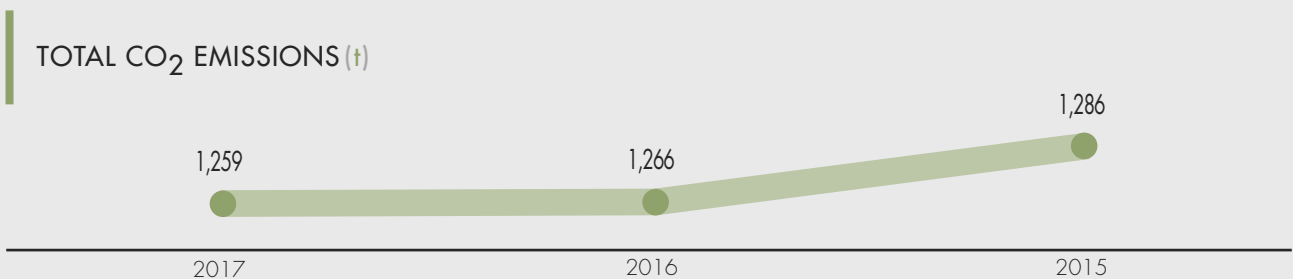
Comments on the trend

In 2017, total water extraction at sites was 10,444 cubic metres, approximately 14% less than 2016. To this end, the change in water consumption is due to the fluctuating trend in the number of people working in the offices.



Comments on the trend

Of the 41.58 tonnes of special waste produced in 2017, 0.45 tonnes were hazardous waste (lead batteries and gas canisters). The trend shows variations due to the closure and/or relocation of local branches in the past three years.



OUR COMMITMENT

COMMITMENTS MADE...



In 2017, the rationalisation of energy consumption at sites continued, guiding the decisions to transfer certain local company offices to buildings with better energy performance or to FS Italiane Group buildings to take advantage of energy saving initiatives.

Maintenance of UNI ISO 14064-1:2012, UNI EN ISO 9001:2008, UNI EN ISO 14001:2004 and OHSAS 18001:2007 certification

arrangements for the reduction of greenhouse gas emissions into the work contracts in order to promote environmentally-friendly actions on the part of the contractor during the construction, and in particular, to reduce the amount of greenhouse gas emissions produced

...WHAT WE HAVE ACCOMPLISHED

The offices of two local branches were transferred to new buildings

- Furthermore, at the Rome site, the following actions were carried out:
- rationalisation of the working hours of all plants;
 - optimisation of the combustion process of the water heaters and methods to regulate air conditioning;
 - progressive use of LEDs for external lighting

The following certifications were maintained: ISO 9001:2008, ISO 14001:2004, BS OHSAS 18001:2007 e UNI ISO 14064-1:2012.

Contractual arrangements for the reduction of greenhouse gas emissions have been introduced into the work contracts in order to promote environmentally-friendly actions on the part of the contractor during the construction, and in particular, to reduce the amount of greenhouse gas emissions produced

...WHERE WE WANT TO GO...

A monitoring system to measure the main energy vectors used by the Group will be analysed

The certification will be obtained in accordance with ISO 9001:2015 and ISO 14001:2015

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Preparation of guidelines for the application of the "Envision" sustainability protocol to railway infrastructures

Guidelines were prepared for the application of the "Envision" sustainability protocol to railway infrastructures

Guidelines for a complete sustainability analysis of the infrastructural work will be provided, taking into consideration the life cycle of the work and the context of the surrounding area

Development of new services for the enhancement of cultural assets and the reporting of archaeological activities

Participation in the "Mediterranean Exchange of Archaeological Tourism", the only exhibition hall in the world dedicated to archaeological heritage and in ArchaeoVirtual, the first international event dedicated to multimedia, interactive and virtual technologies, at the stand of the Naples Superintendent for Archaeology, Fine Arts and Landscape, together with MIBACT and RFI. During the event, there were three audio-visual demonstrations which showed the most recent discoveries made through preventive archaeology as part of the construction of the Naples-Bari line

New services will be developed for the enhancement of cultural assets and the reporting of archaeological activities, in addition to the activities already underway

Specifically, in the context of archaeological activities carried out on the Canello-Frasso line, the restoration and museum display of the painted tomb (fourth century B.C.) found in the Maddaloni municipality was planned; for the Potenza-Foggia line, the renovation and screening of archaeological material is planned along with the writing of a publication with the results of the excavations; for the Apice-Hirpinia line, the publication of scientific data related to the excavation will be considered

Application of Building Information Modelling (B.I.M.) to land analyses with respect to the presence of environmental, landscape and archaeological restrictions

The Building Information Modelling (B.I.M.) was applied to a project to make land analyses available with respect to the presence of environmental, landscape and archaeological restrictions. B.I.M. offers a functional and effective solution to sustainability, promoting collaboration between different disciplines

The B.I.M. certification will be obtained from a third party organisation in accordance with a nationally-recognised framework

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND

OUR APPROACH

In accordance with the guidelines of FS Italiane Group's environmental policy and its occupational health and safety action areas and furthering its commitment to the integrated management of the requirements of major international standards, Mercitalia Logistics considers the quality of its services, the protection of the environment and the protection of occupational health and safety to be strategic elements in developing its business, in the pursuit of continuous improvement in logistics and the enhancement of its assets.

The company's commitment to the environment can be seen in the use of rails as the preferred mode of transport in its provision of integrated logistics services, thereby gaining an advantage in terms of sustainable mobility and reducing emissions. It confirmed this sensitivity to environmental issues in the installation - as far back as 2007 - of a photovoltaic power station at the Roma San Lorenzo site, which actively contributes to preventing pollution by preventing CO₂ emissions into the atmosphere.

FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity	MWh	3,073	2,998	2,291
<i>with guarantee of origin or self-produced using photovoltaic technologies</i>	%	10.4%	9.2%	11.5%
Diesel	t	6	13	23
Natural gas	Sm ³	15,116	17,382	23,674

Comments on the trend

Electricity - between 2015 and 2016, following the acquisition of new utilities, electricity consumption increased. In 2017, consumption remained steady. Furthermore, in 2017, energy production increased by approximately 10% at the Rome San Lorenzo photovoltaic plant.

Diesel - the downward trend in diesel consumption was confirmed in 2017 following the end of use and retirement of diesel-powered water heaters at the Pomezia and Milan shunting sites.

Natural gas - the trend for the consumption of natural gas was confirmed in 2017, with a decrease in consumption in certain offices (Bologna Interporto and Genoa Pieragostini).

WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE

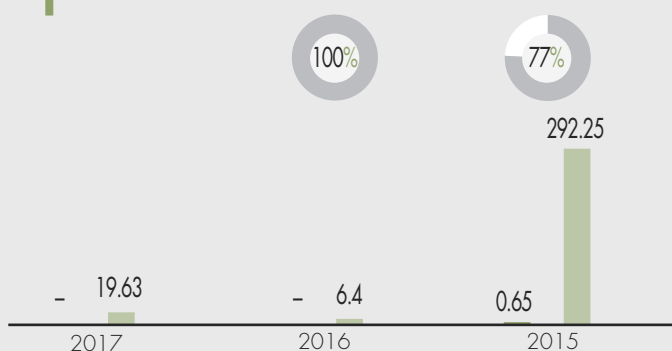


Comments on the trend

In 2017, the decrease in consumption was related to the reduced use of the resource at the Genoa site and the closure of a utility at Padua Interporto..

WASTE (t)

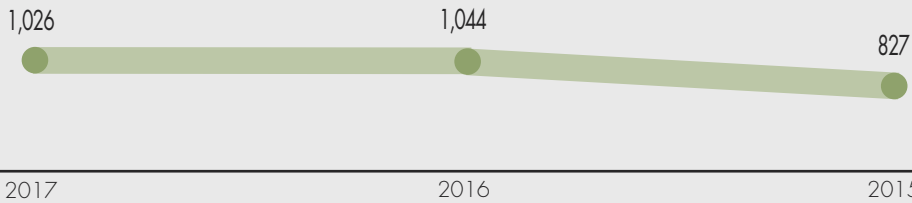
■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE



Comments on the trend

In 2017, cleaning in some warehouses led to an increase in the disposal of non-hazardous waste. The quantity of special waste produced in 2015 was due to non-routine cleaning at local sites.

TOTAL CO₂ EMISSIONS (t)



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Providing the following environmental training courses:

- information on the new environmental management system within the company following the adoption of the new UNI EN ISO 14001:2015 format
- ADR/RID 2017 hazardous freight - environmental impacts
- environmental crimes and changes to the current organisational model pursuant to Legislative decree no. 231/01

The first training activity on the UNI EN ISO 14001:2015 standard was provided for staff at the safety, environment and quality office; furthermore, two training sessions on the 2017 ADR/RID regulation were provided, also regarding environmental impacts

At the end of 2017, Legislative decree no. 231/01 was updated to include environmental crimes



Performance of a technical and economic feasibility analysis on the replacement of traditional lighting with LED technology in hubs equipped with lighting towers

During the redevelopment of buildings, which will end at the end of April 2018, only the lights at the main office on Viale dello Scalo di S. Lorenzo were replaced

The company will develop a methodology to show customers the relationship between the service offered and environmental advantages, with particular focus on the carbon footprint, and social advantages related to the entire service offered by the company and its subsidiaries (logistics, transport, movement and other relevant services)



Extension of Mercitalia Logistics S.p.A.'s scope of application of its environmental management system to coordination and control processes since the Mercitalia hub became a sub-holding company on 1 January 2017

The scope of application of the (integrated) environmental management system included the direction and coordination of the Mercitalia hub operating companies

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



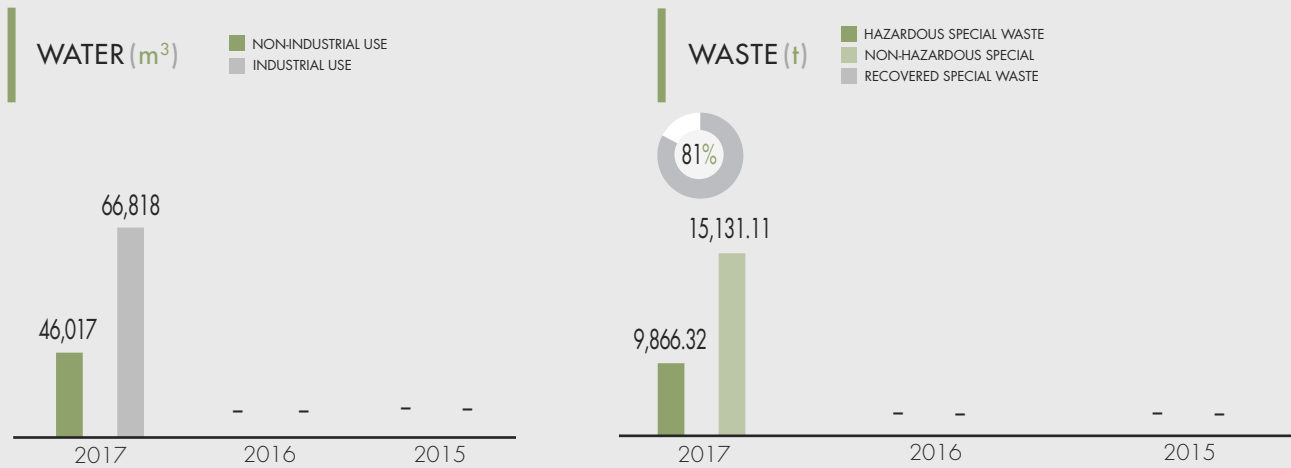
MERCITALIA RAIL

MERCITALIA LOGISTICS' SUBSIDIARIES

MERCITALIA RAIL

FINAL ENERGY CONSUMPTION

	Unit	2017
Electricity for railway traction	MWh	494,409
Electricity for other uses	MWh	5,700
<i>with guarantee of origin or self-produced using photovoltaic technologies</i>	%	100%
Diesel	t	2,197
Natural gas	Sm ³	792,747
Total CO ₂ emissions	tCO ₂	179,990



OUR COMMITMENT

...WHAT WE HAVE ACCOMPLISHED



A procedure that regulates the ignition and manoeuvring of diesel vehicles to limit running-engine wait time was issued



An activity to spread awareness about sorted waste and purchasing recyclable materials was performed



Awareness activities for a more rational use of resources were provided, in part through the issuing of dedicated operating instructions about the conservation of natural resources: rational use of water, checking for leaks and immediately reporting them, checking the meter for unusual consumption

...WHERE WE WANT TO GO...

New digital instruments (tablets) will be provided to make paperless activities possible

Old-generation taps will be replaced with mixer taps with filters

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND

MERCITALIA LOGISTICS' SUBSIDIARIES

MERCITALIA SHUNTING & TERMINAL

FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity for electrical traction	MWh	2,588	3,781	7,051
Electricity for other uses	MWh	402	345	442
<i>with guarantee of origin or self-produced using photovoltaic technologies</i>	%	10.4%	9.2%	9.5%
Diesel	t	2,254	2,118	2,093

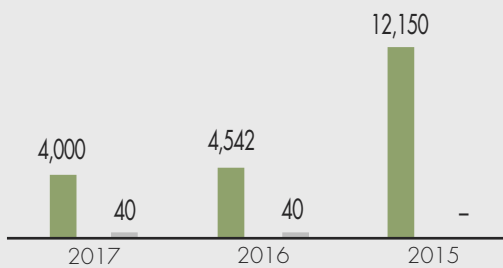
Comments on the trend

The reduction in electricity consumption for traction was due to the sale of services another company belonging to the Mercitalia hub (Mercitalia Rail). The other energy data remained almost the same.

The increase in shunting between 2015 and 2017 following an increase in the number of operating site caused an increase in diesel consumption.

WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE

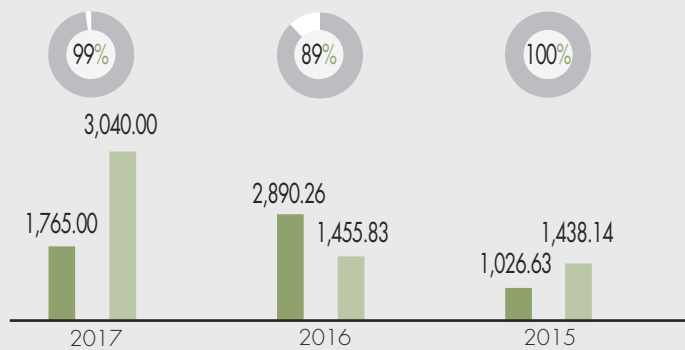


Comments on the trend

The company mainly provides shunting services at customer sites, using the services and utilities provided by them. This method was applied from 2016, which led to a decrease in the amount directly attributable to the company.

WASTE (t)

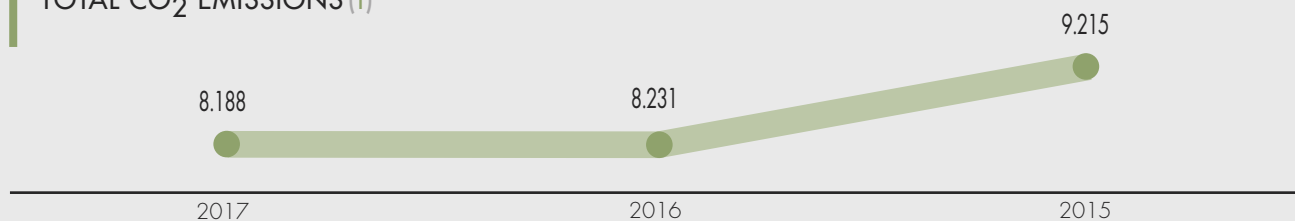
■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE



Comments on the trend

The increase in waste production was due to increased working activities (e.g. the increase in shunting work sites or non-routine superstructure maintenance).

TOTAL CO₂ EMISSIONS (t)



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Monitoring service efficiency once the data have been consolidated using INFOPMS software, which monitors the numbers of faults per machine and the number of days when machines are inoperative

The system was implemented and enables data to be extracted for individual machines and, from the second half of 2019, for individual safety components, as well as for the renewal/optimisation of the fleet. Between 2016 and 2017, the replacement of vehicles has reduced the average age of the fleet to approximately three years

Revamping activities will continue and new shunting locomotives will be purchased to improve efficiency and reduce pollutant emissions



The conditions of the temporary storage of waste produced on shunting work sites were improved through the purchase of waste management devices

Activities to improve the conditions of the temporary storage of waste produced on shunting plants were improved through the purchase of waste management devices and anti-spillage kits for hazardous liquids

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND





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MERCITALIA LOGISTICS' SUBSIDIARIES

TX LOGISTIK

FINAL ENERGY CONSUMPTION

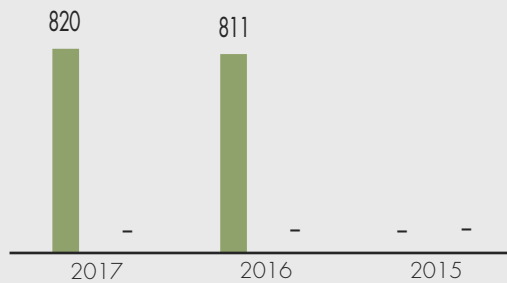
	Unit	2017	2016	2015
Electricity for electrical traction	MWh	160,887	155,863	163,000
Electricity for other uses	MWh	712	684	542
Diesel	t	113	96	91

Comments on the trend

There were no changes

WATER (m³)

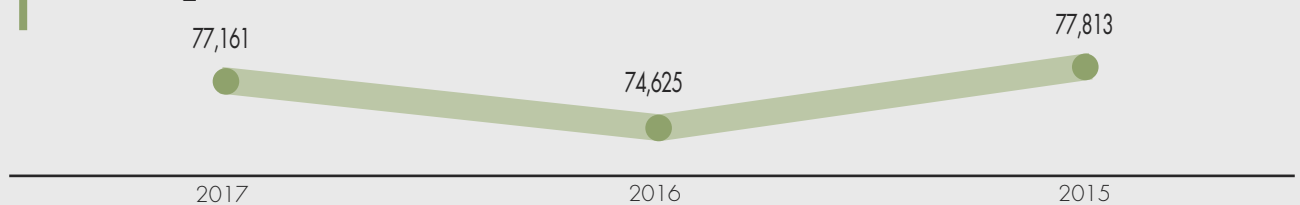
■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE



Comments on the trend

There were no changes

TOTAL CO₂ EMISSIONS (t)





GRANDI STAZIONI RAIL



OUR APPROACH

Grandi Stazioni Rail manages the real estate complexes of major Italian railway stations and develops management and logistics areas and car parks, in accordance with FS Italiane Group's environmental policies. The company considers environmental sustainability is a strategic element of the integrated management of maintenance and cleaning, development, design and construction services.

Grandi Stazioni is committed to:

- improving energy efficiency;
- reducing its environmental impact, in terms of water resources and greenhouse gas emissions, noise pollution and electromagnetic emissions that it releases into the atmosphere, the soil and water;
- guaranteeing the proper management of waste, promoting sorted waste collection and recycling;
- implementing its own environmental management system and striving to continuously improve its environmental performance;
- complying with and, where possible, exceeding the legal requirements governing safety and environmental protection;
- helping raise stakeholders' environmental awareness.

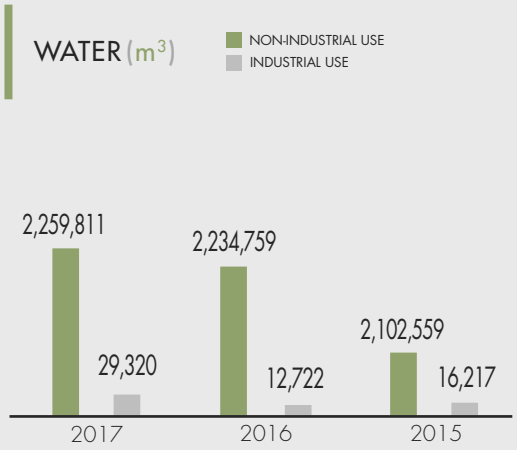
The above commitments were transformed into measurable objectives to be periodically assessed.

FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity	MWh	74,631	78,127	74,043
<i>with guarantee of origin or self-produced using photovoltaic technologies</i>	%	30.0%	29.9%	19.5%
Diesel	t	41	51	65
Natural gas	Sm ³	8,125,343	8,341,323	7,892,716
Fuel oil	t	230	188	182
District heating	MWht	6,477	2,969	2,318

Comments on the trend

The general reduction in consumption was mainly due to the survey and transfer of certain utilities of the commercial segments. The increase in district heating/cooling consumption was due to the new supply at the Bologna central station, replacing the diesel-powered thermal power plant.

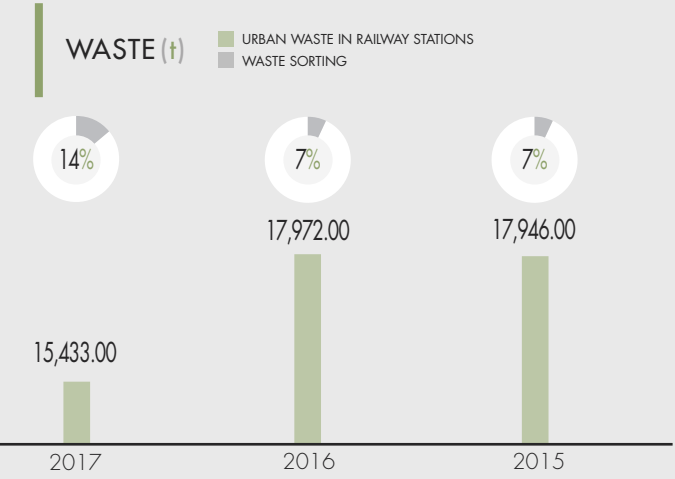


Comments on the trend
 There was a slight increase in consumption for non-industrial use due to the opening of the new shopping areas.

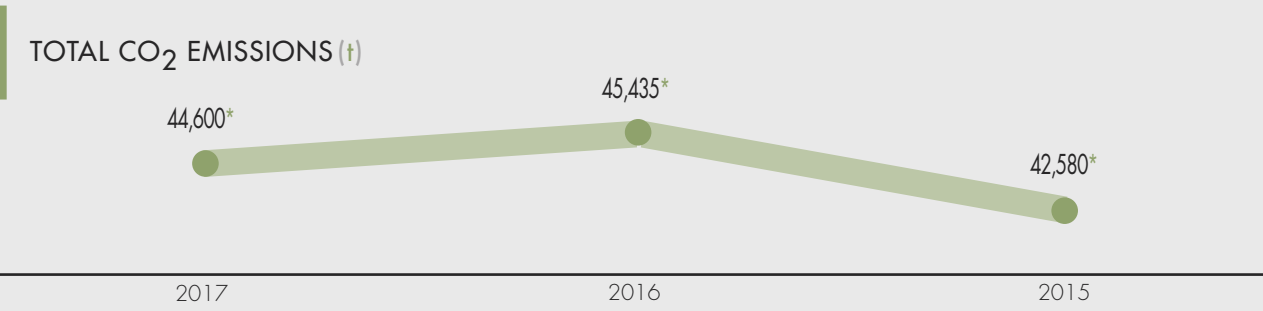


* percentage of waste sent for recycling based on data available in 2017; the types and methods of waste collection make recycling difficult

Comments on the trend
 There were no significant changes.



Comments on the trend
 With respect to data from previous years (which were mostly estimated), data for 2017 are more representative of the actual quantity of waste produced in stations. Following the launch of new integrated environmental service contracts (which require the performance of specific projects concerning sorted waste) and thanks to the direct involvement of local municipal companies, it was possible to accurately determine the effective amount of waste produced, and therefore, the amount sorted.



* The figures refer to the environmental aspects managed directly or on behalf of the company or the Group companies. They include consumption by station customers.



la rete
OLICENTRALE

Partenza	Arrivata	Destino	Stazione
18:05	18:05	...	...
18:10	18:10	...	...
18:15	18:15	...	...
18:20	18:20	...	...
18:25	18:25	...	...
18:30	18:30	...	...
18:35	18:35	...	...
18:40	18:40	...	...
18:45	18:45	...	...
18:50	18:50	...	...
18:55	18:55	...	...
19:00	19:00	...	...
19:05	19:05	...	...
19:10	19:10	...	...
19:15	19:15	...	...
19:20	19:20	...	...
19:25	19:25	...	...
19:30	19:30	...	...
19:35	19:35	...	...
19:40	19:40	...	...
19:45	19:45	...	...
19:50	19:50	...	...
19:55	19:55	...	...

Cerca la rete
FREE WIFI NAPOLEONICA

← Binari Platforms 2-14

→ Binari Platforms 15-24



GRANDI STAZIONI RAIL



OUR COMMITMENT

COMMITMENTS MADE...



Completion of checks concerning the obligations pursuant to Legislative decree no. 102/2014

Continuing with the energy rationalisation of the entire building complex at Milan Centrale and Rome Tiburtina with specific work on the exterior and plants.

At Roma Tiburtina station, this work will entail energy savings equal to roughly 15% of current consumption and compliance with the project's comfort targets.

A reduction of around 2,300 tCO₂ is expected at the Milano Centrale station as a result of the thermal plant rationalisation work

Assigning new electricity supply accounts for all network stations, which require that at least 30% of the electricity supplied comes from renewable sources

Start the process of separation of the utilities accounts for the new companies GS Retail and GS Immobiliare

...WHAT WE HAVE ACCOMPLISHED

Completion of checks concerning the obligations pursuant to Legislative decree no. 102/2014

A feasibility study was carried out on the projects to be implemented and, together with RFI, the designer of the Tiburtina station was contacted about the project

The new thermal plant at Milan Centrale station was designed

The electricity and gas supply accounts were assigned for all the stations in the network, which require that at least 30% of the electricity supplied comes from renewable sources

The process was launched through the transfer of 34 electrical energy accounts and those for three methane supplies

District heating/cooling utilities were activated in the Bologna Centrale station to replace the existing and thermal power plants cooling systems

...WHERE WE WANT TO GO...

Energy efficiency measures at the Rome Tiburtina station will be designed and implemented

Based on the executive project for the new thermal plant at Milan Centrale station, in 2018, methods to finance the works will be identified between the owners and operators, with the closure of the current thermal plant and the historic distribution network and their replacement with more efficient heat pumps (by 2019)

In 2018, a study for the production of electricity by photovoltaic plants at the Rome Termini station will take place. The project will include the installation of panels on the roof of the new car park and above station platforms, producing a total of approximately 1 MWp

Energy diagnoses will be performed at the Rome Termini, Naples Centrale, Florence S.M.N., Bari Centrale, Bologna Centrale and Verona P.N. stations



Upgrade of the waste collection areas at the Roma Termini, Roma Tiburtina, Bologna Centrale and Bari Centrale stations

The waste collection area at Bologna Centrale was improved in collaboration with the municipal company that manages the collection service

A new call for bids was started for the cleaning service contract for the stations. The call required that bids included a specific project to increase the percentage of sorted waste

The waste collection areas at the Rome Termini, Rome Tiburtina, Bologna Centrale and Bari Centrale stations will be upgraded



Obtaining ISO 14001 certification for the real estate complexes in Rome Termini, Milan Centrale and Venice Santa Lucia as part of the environmental management system

The ISO 14001:2015 certification was achieved for the Rome Termini, Milan Centrale and Venice Santa Lucia stations

The ISO 14001:2015 certification will be obtained for another four network stations: Naples C.le, Turin P.N., Verona P.N., Venice Mestre

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



CENTOSTAZIONI



OUR APPROACH

In compliance with the Group's 2017-2026 business plan, Centostazioni manages the railway stations on a unified basis that emphasises the innovative role of stations as intermodal hubs, fully integrated in the urban fabric of their surroundings. The new station concept provides for projects aimed at safeguarding the environment, offering integrated services to improve customer experience and focusing on projects for sustainable mobility.

The company's environmental policy is based on two main principles:

- maximising the environmental benefits of the development, maintenance and management of stations and related support services;
- minimising negative environmental impacts

In managing of activities that are already focused on achieving the absolute highest service levels in terms of environmental sustainability, safety, punctuality and comfort, the company is committed to:

- performing environmental analyses to identify the environmental aspects that could have a significant impact and implementing specific monitoring programmes that minimise their effects;
- updating the stations to the energy management and sophisticated diagnosis model through the SEM (Smart Energy Management) project developed by Rete Ferroviaria Italiana;
- adopting innovative technologies, purchasing energy from renewable sources and keeping plants running efficiently to optimise and rationalise consumption;
- designing operating solutions aimed at making buildings more energy efficient;
- selecting suppliers whose work takes account of ethical, environmental and safety matters.

The management of environmental aspects involving the processes and activities performed is guaranteed by the integrated quality, safety and environmental management system, certified according to the international standards ISO 9001, ISO 14001 and OHSAS 18001.

FINAL ENERGY CONSUMPTION

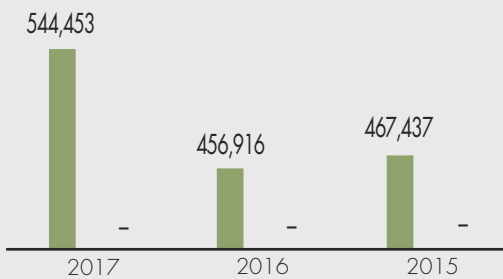
	Unit	2017	2016	2015
Electricity	MWh	12,191	12,126	14,120
with guarantee of origin or self-produced using photovoltaic technologies	%	30.0%	30.0%	21.8%
Diesel	t	466	195	256
Natural gas	Sm ³	3,162,032	1,520,387	1,773,356
District heating	MWht	1,151	1,158	1,137

Comments on the trend

In 2017, a new energy supplier arrived, introducing remote control and management systems.

WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE

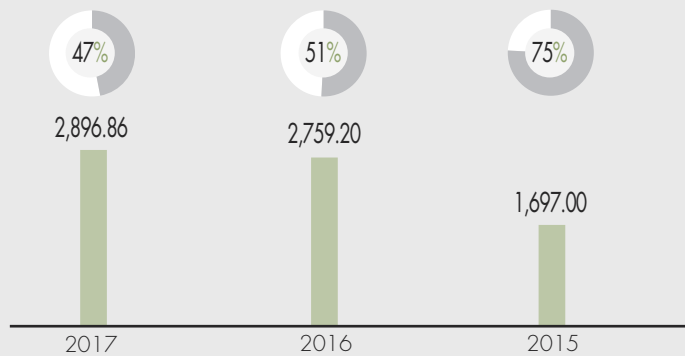


Comments on the trend

Over the years, a process to optimise the monitoring of water consumption has made it possible to effectively and quickly carry out works on the water network when reports are received. In 2017, the year in which the new supply contracts for integrated maintenance were introduced, huge leaks were identified at the Pistoia and Domodossola stations, which had led to increased water consumption.

WASTE (t)

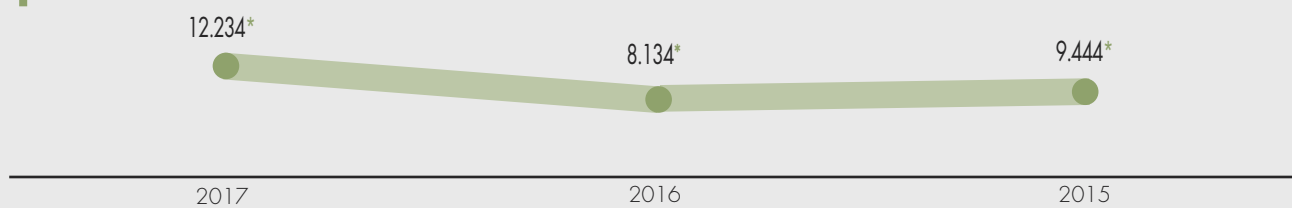
■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE



Comments on the trend

From December 2016, with the new cleaning service provider, the systematic data collection was implemented regarding urban waste (quantity and type) produced at the network stations. In this way, it was possible to precisely monitor the effective production of waste and sorted waste in stations. In 2017, after the risk analysis carried out in 2016, asbestos removal started at around 17% of network stations.

TOTAL CO₂ EMISSIONS (t)



* The figures refer to the environmental aspects managed directly by the company on its own behalf or on behalf of other Group companies. This includes consumption by station customers.

OUR COMMITMENT

COMMITMENTS MADE...



Steps will begin to optimise and rationalise the energy performance of buildings through:

- energy diagnoses on 10 stations
- installation of LED lighting in public areas at 10 stations in order to make the electricity consumption of lighting systems more efficient
- creation of an accurate monitoring and consumption oversight system for electrical power stations (70% of buildings) and thermal power stations (66% of buildings) by installing network gauges and heat sensors

...WHAT WE HAVE ACCOMPLISHED

Energy diagnostics pursuant to Legislative decree no. 102/2014 started at the following stations: Termoli, Foggia, Potenza, Lecce, Naples Mergellina, Perugia, Ancona, Civitavecchia, Cagliari, Pescara, Ventimiglia, Vercelli, Rimini, La Spezia, Parma, Milano Lambrate, Milano Rogoredo, Trieste, Bolzano and Brescia. The process is scheduled to be completed by 2018.

The plan to replace lighting with LEDs in the public areas of the station started at the following stations: Naples Mergellina, Ancona, Savona, Milano Porta Garibaldi, Foggia, Rome Ostiense, Alessandria, Milano Lambrate, Novara, Milano, Rogoredo, Vercelli, Padua, Rimini, Trieste, La Spezia, Bolzano, Faenza and Vicenza. The activities were affected by the time it took RFI to award the contract. The process will be completed by 2018

An accurate monitoring and consumption oversight system for electrical power stations and thermal power stations was launched by installing network gauges and heat sensors. The project was set to be completed by 2018

The system to monitor energy consumption was revamped to allow for the improved performance and management of the energy parameters for energy consumption at the Milan Porta Garibaldi station; after the data was obtained a project was launched in collaboration with the Milan Politecnico university to design and create an energy dashboard

...WHERE WE WANT TO GO...

A feasibility study was launched for the installation of devices to monitor the output and emissions of thermal plants

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Launching a systematic data collection process and the related reporting on volumes of sorted waste collection for all network stations

Systematic data collection was implemented for urban waste (quantity and type) produced at the network stations



Development of a monitoring and oversight system to read water consumption via the installation of specific water gauges. This will enable the company to process and manage consumption parameters and use them in planning improvements to the plants it manages

A feasibility study was launched for the creation of a monitoring system

The installation of water gauges to enable the company to process and manage consumption parameters will be completed



A revision process on the environmental management system to update it to the new UNI EN ISO 14001:2015 standard

The revision process on the environmental management system to update it to the new UNI EN ISO 14001:2015 was not launched as a result of the company's corporate/organisational restructuring

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



FERSERVIZI



OUR APPROACH

In accordance with the guidelines in FS Italiane Group's environmental policy and its occupational health and safety guidelines and objectives and furthering its commitment to the integrated management of the requirements in major international standards, Ferservizi considers the quality of its services, the protection of the environment and the protection of occupational health and safety strategic elements in its operations.

As part of its goal of continuous improvement, Ferservizi is committed to pursuing:

- customer satisfaction by meeting agreed requirements, which it verifies through the appropriate monitoring and recording of feedback on customer satisfaction with services provided;
- the engagement, awareness and information of people through training and internal communication, to raise their awareness of the contribution that each can give;
- the definition of measurable objectives in line with business strategies;
- full compliance with applicable legislation and, where possible, exceeding it by investing in people and protecting environmental resources;
- the involvement of the concerned parties so that they efficiently implement policies capable of spreading awareness among all workers;
- constant focus on the procurement chain, considering compliance with environmental criteria, adequate technical and organisational requirements on occupational health and safety and their adequacy over time, in accordance with established standards and requirements, as necessary conditions for continuing the contractual relationship;
- the consolidation of a risk prevention culture to create healthy and safe work environments and promote responsible conduct, not least to pursue the Group's objective of constantly reducing accidents;
- the rational and efficient use of natural resources and raw materials by reducing consumption and energy use, promoting the use of energies from renewable sources, the optimisation of the waste cycle and the prevention and reduction of pollution for the entire life cycle.

FINAL ENERGY CONSUMPTION

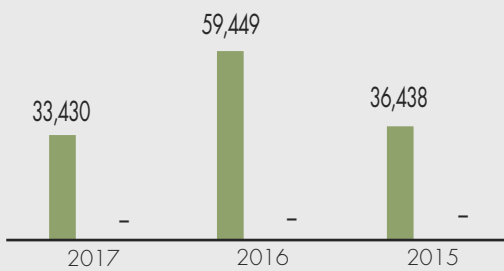
	Unit	2017	2016	2015
Electricity	MWh	3,562	3,375	4,206
Diesel	t	134	163	169
Natural gas	Sm ³	374,708	362,789	379,417
District heating	MWht	624	639	685

Comments on the trend

The decrease in energy consumption, which is less evident for electricity, natural gas and district heating, is more significant for diesel (-18%) essentially due to the retirement of certain thermal power stations powered by diesel (Venice and Naples).

WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE

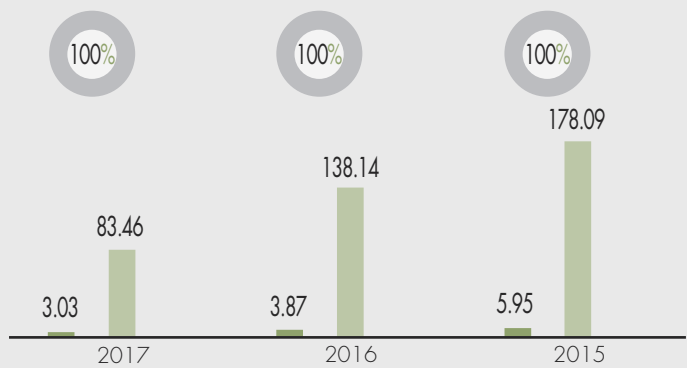


Comments on the trend

Water consumption in 2017 was significantly lower than 2016, but substantially in line with 2015. In 2016, an unexpected event occurred.

WASTE (t)

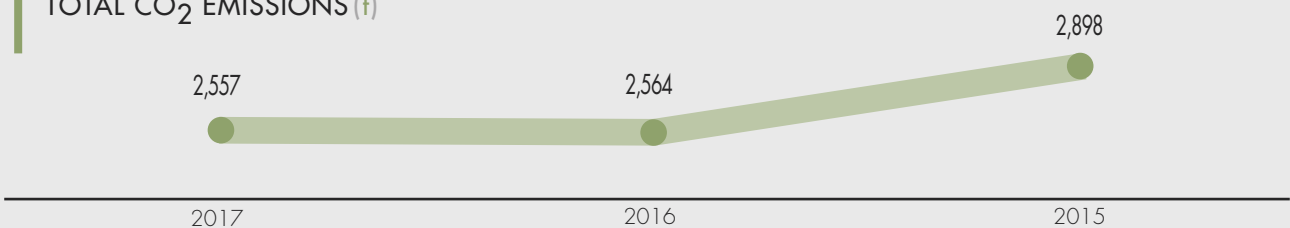
■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE



Comments on the trend

The type of waste subject to analysis essentially consists of owned assets that the company has decided to dispose of. The decreasing trend in the three years was in fact mainly due to the closure/rationalisation activities at the sites and the Ferrotel, which usually resulted in the disposal of assets and the consequent production of waste

TOTAL CO₂ EMISSIONS (t)



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Activation of the photovoltaic plant at the Genoa site

The photovoltaic plant in Genoa has not yet been activated due to problems related to obtaining the necessary authorisations

The photovoltaic plant in Genoa will produce electrical energy of up to 3kWp (saving approximately 0-70 tep)

Completion of the executive plan for the plant and assignment of work for the construction of the photovoltaic plant at the Verona site. Consumption is expected to decrease by roughly 30MWh per annum

A photovoltaic plant was constructed in Verona

The photovoltaic plant in Verona will be able to produce 30MWh, covering to 45% of the building's annual electricity use. A reduction in CO₂ emissions of approximately 10,900kg is expected, corresponding with an annual absorption guaranteed by 72 tall trees (saving approximately 5 tep)

Proceeding with the separation of electricity utilities accounts at the Bari site, to monitor actual energy consumption and take steps to reduce energy consumption

Utilities accounts were separated. A meter was installed and the necessary authorisations were acquired for the activation of a meter at the Bari site

Energy diagnoses will be performed at the other four buildings (offices in Genoa, Trieste, Milan and Bari)

Energy diagnosis plan on at least three buildings with utilities accounts

Energy diagnoses were performed at four company buildings (Naples, Venice and Mestre offices and Ferrotel and Reggio Calabria)

For the Ferrotel in Mestre, a solar thermal plant will be created to heat water (saving approximately 0.70 tep) and to separate the water utilities accounts

Conversion of the Venice Ferrotel. Consumption is expected to decrease by 20%

The thermal power plant changed from diesel to methane and a new condensation water heater was installed at the Ferrotel in Mestre

For the Ferrotel at Rome P.ta Maggiore, a solar thermal plant will be created to heat water (saving approximately 3 tep)

Exterior lighting system project for the Foligno document archive. Energy consumption is expected to decrease by 3MWh per annum

The internal and external lighting project was approved

An external and internal lighting system will be created for the document archive in Foligno (saving approximately 7 tep)

Project to replace lighting systems in common areas at the via Tripolitania site with LED technology; energy savings of approximately 50MWh per annum are expected

LED lighting systems were installed in the common areas with the use of electronic regulators to modulate the intensity of the light, reducing the power needed, with a saving of approximately 9 tep

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Definition of a guideline for the management of donations of hardware and furniture to public bodies, recognised associations and foundations whose exclusive purpose is to provide assistance, charity, education, training, studies or scientific research and non-profit organisations. The resulting decisions will be aligned with the parent's guidelines

Indications for the management at Group level are pending. Activities are currently suspended

Continuing the campaign to increase personnel's awareness of the importance of properly sorting waste

Personnel from the sites were involved via email and posters on platforms. Some sites have set out operating regulations and instructions to increase involvement and spread awareness to both colleagues and companies providing activities

Awareness campaigns will continue for personnel through specific training and information activity

Audits of suppliers focusing on their awareness

Extension of the project for the procurement of recycled paper only for office activities following the testing launched in 2014 to all Group companies

The activity was carried out and extended to the press (2,640 trees, 2,860mc water and 451 MWh energy saved and 2,970kg of CO2 emissions avoided)

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



BUSITALIA – SITA NORD



OUR APPROACH

Busitalia-Sita Nord's company policy resolves to adopt a management system that extends throughout all operating sites (of the company and its subsidiaries) that allows for optimum service effectiveness and efficiency and continuous improvement, including in terms of environmental performance, in line with the needs of the customer, evolving rules and regulations, FS Italiane Group's strategies and, in general, to keep up to date with the transformations within the social, cultural and economic context of Busitalia-Sita Nord and its subsidiaries.

The company promotes the development of innovative infrastructures and technologies in order to improve services in terms of their sustainable life cycle.

The company carries out continuous market analyses and research, aimed at making the most of development opportunities for integrated and sustainable mobility, including through joint projects together with stakeholders.

FINAL ENERGY CONSUMPTION

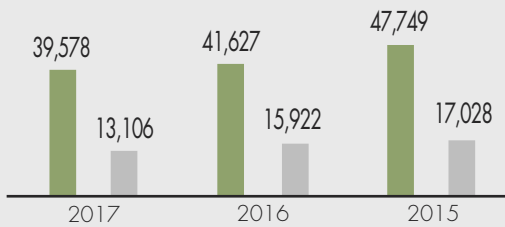
	Unit	2017	2016	2015
Electricity	MWh	7,248	6,758	7,414
Diesel	t	11,109	11,306	10,984
Natural gas	Sm ³	4,160,644	4,118,692	4,219,186

Comments on the trend

Usage of electricity, diesel and natural gas consumption was essentially unchanged in 2016 and 2017.

WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE

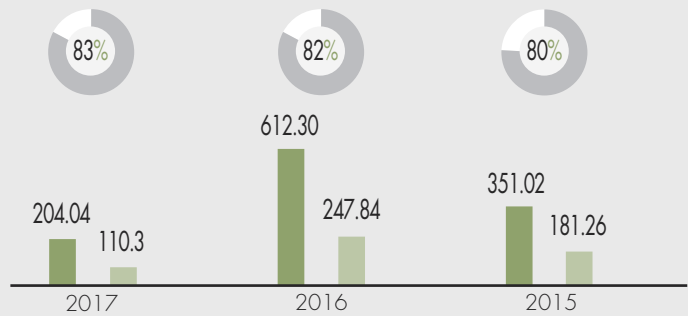


Comments on the trend

The consumption of water extracted for non-industrial use compared to 2016 was essentially stable. The reduced water consumption for industrial use recognised in 2017 was mainly due to the temporary breakdown of some of the washing units at the Umbria regional division sites.

WASTE (t)

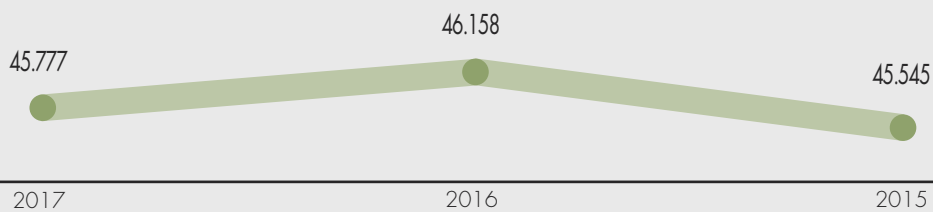
■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE



Comments on the trend

From the analysis of the trend, there was a significant increase in hazardous special waste in 2016 due to extensive scrapping of buses in the Umbria regional division. Non-hazardous special waste decreased between 2016 and 2017 due to the non-routine cleaning of treatments plants in 2016 in the Umbria regional division.

TOTAL CO₂ EMISSIONS (t)





BUSITALIA – SITA NORD



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Purchase of 71 new Euro 6 motorised buses bought to replace the same number of old generation vehicles (Euro 0/Euro 1/Euro 2), which will lead to a reduction in consumption and a decrease in emitted particulates, nitrogen oxide and CO₂

The long-term campaign to replace old generation vehicles (from Euro 0 to Euro 2) with a fleet of 18 new Euro 6 motorised buses, of which nine were for the Tuscany regional division and nine for the Umbria regional division

156 motorised buses will be purchased, of which 20 are for the Tuscany regional division and 136 for the Umbria regional division, to replace the old generation vehicles (from Euro 0 to Euro 2)

A further 24 motorised Euro 5 buses were added in the Umbria regional division, which perform better from an energy perspective

The air conditioning system at the Perugia site will be replaced with an energy efficient heat pump

A new electronic monitoring system will be launched on 15% of Busitalia Group's entire bus fleet, making it possible to constantly track drivers' performance and pinpoint areas for improvement through individual training to improve personal performance and consequently reduce consumption

Building a lighting system that uses energy efficient light bulbs for the Perugia depot office building

The work has been pushed back to 2018 and will also include the replacement of current external lighting systems with new LEDs at the Santa Maria Degli Angeli depot

Replacing the old air conditioning systems in the offices with new latest generation systems during 2017 as well

Eight old air conditioning systems were replaced with new, more environmentally friendly, liquid systems, six of which are in the Florence offices and two in the Foligno offices

A monitoring system that makes it possible to constantly track drivers' performance and pinpoint areas for improvement was installed on the new vehicles

The new ticket office was opened in Perugia at the FS Fontivegge station, fitted out entirely with LED technology



Continued implementation of devices restricting the use of printers/photocopiers to authenticated users only (use of company badge) at all company sites to accurately monitor the consumption of toner and paper

Devices were installed at all company sites restricting the use of printers/photocopiers to authenticated users only (use of company badge)



The roll out of the closed-cycle reverse osmosis system to recycle industrial water subject to treatment to be reused to wash buses in order to reduce the extraction of well water

Roll out pushed back to 2018

Three new washing units were rolled out (two at the Perugia depot and one at the Foligno depot) which will lead to a reduction in consumption

The water treatment plant will be replaced at the Gubbio depot and Naval work site in Passignano

The closed-cycle reverse osmosis system to recycle industrial water subject to treatment to be reused to wash buses in order to reduce the extraction of well water will be rolled out

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



BUSITALIA – SITA NORD'S SUBSIDIARIES

BUSITALIA VENETO

FINAL ENERGY CONSUMPTION

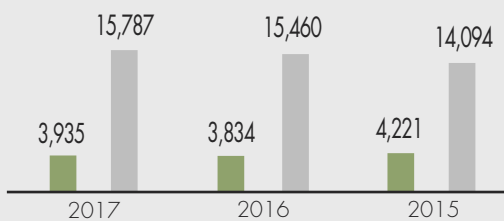
	Unit	2017	2016	2015
Electricity	MWh	7,246	7,190	2,963
Diesel	t	7,569	7,265	7,146
Natural gas	Sm ³	3,461,215	3,583,813	3,903,342

Comments on the trend

Usage of electricity, diesel and natural gas was broadly unchanged in 2016 and 2017.

WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE

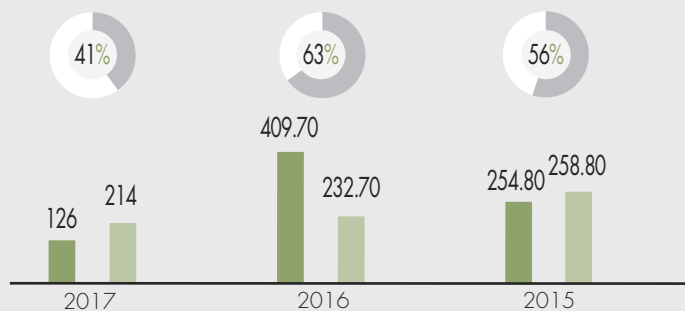


Comments on the trend

Consumption of water withdrawn for non-industrial and industrial use remained substantially stable between 2016

WASTE (t)

■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE

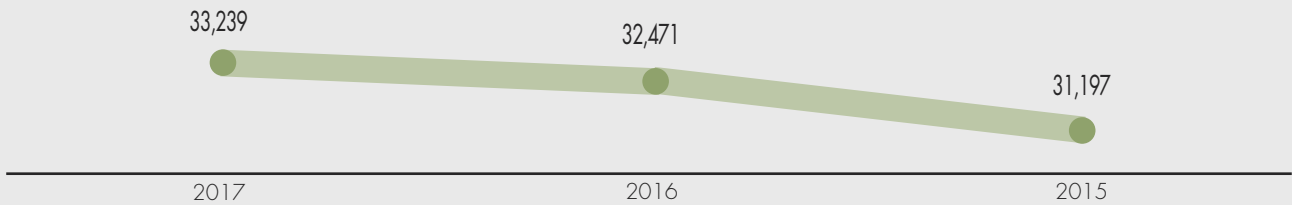


NB The figures refer to the environmental aspects managed directly by the company or on behalf of other Group companies.



Comments on the trend

The significant decrease in hazardous special waste in 2017 compared to the previous year, was due to the lower number of scrapped buses. This also led to an increased in the amount of special waste sent for recycling.

TOTAL CO₂ EMISSIONS (t)



OUR COMMITMENT

COMMITMENTS MADE...	...WHAT WE HAVE ACCOMPLISHED	...WHERE WE WANT TO GO...
 <p>Roll-out of ten new Euro 6 diesel buses for urban transport as part of the Padua and Rovigo public transport service lines.</p>	<p>Ten Euro 0 buses were replaced with motorised Euro 6 buses, assigned for public transport in Padua and Rovigo</p>	<p>28 urban and 27 suburban Euro 1 and Euro 2 buses will be replaced with motorised Euro 6 buses. Four urban Euro 2 buses will also be replaced with electric buses</p>
<p>Building a photovoltaic covering at the Padua trolley bus depot to protect rolling stock from atmospheric agents</p>	<p>Following the technical/cost assessment of the investment, it was not deemed suitable to continue with the work</p>	
<p>Continuing the analysis to replace interior lighting systems on board trolley buses with LED technology</p>	<p>The replacement of interior lighting systems on board trolley buses was pushed back to 2019</p>	
 <p>Building new plants for the treatment of first flush rainwater and to wash buses, which will generate benefits in terms of energy consumption and environmental impact</p>	<p>Plants were built at the Via Rismondo and Via del Pescarotto depots in Padua and at the Viale Petrarca depot in Rovigo</p>	<p>Existing washing units will be replaced at the Via Rismondo Padua depot and the Viale Petrarca depot in Petrarca, which will cut back on 450/500 litres of water and between 90 and 100ml of detergent for every wash The treatment plant at the Rovigo depot is also going to be replaced</p>

ASPECTS

- 
 CONTINUOUS IMPROVEMENT
- 
 RAW MATERIALS CYCLE
- 
 ENERGY AND EMISSIONS
- 
 WATER CYCLE
- 
 LAND

BUSITALIA – SITA NORD'S SUBSIDIARIES

ATAF GESTIONI

FINAL ENERGY CONSUMPTION

	Unit	2017	2016	2015
Electricity	MWh	3,218	3,042	2,721
Diesel	t	5,300	5,294	5,237
Natural gas	Sm ³	2,442,302	2,576,758	2,936,404

Comments on the trend

Usage of electricity, diesel and natural gas was broadly unchanged in 2016 and 2017.

WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE

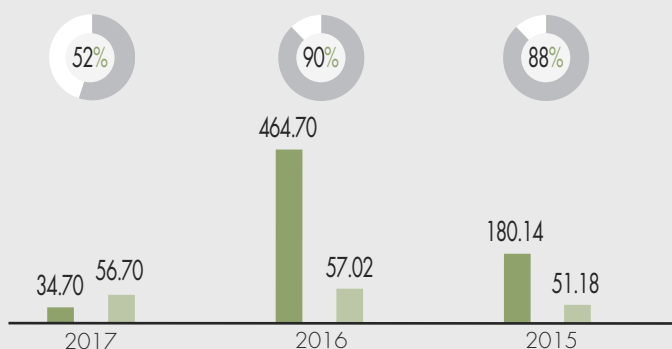


Comments on the trend

The reduction in the consumption of water extracted for non-industrial use was mainly due to non-routine maintenance on the water network at the Viale dei Mille Florence depot. Water consumption for industrial use was broadly unchanged.

WASTE (t)

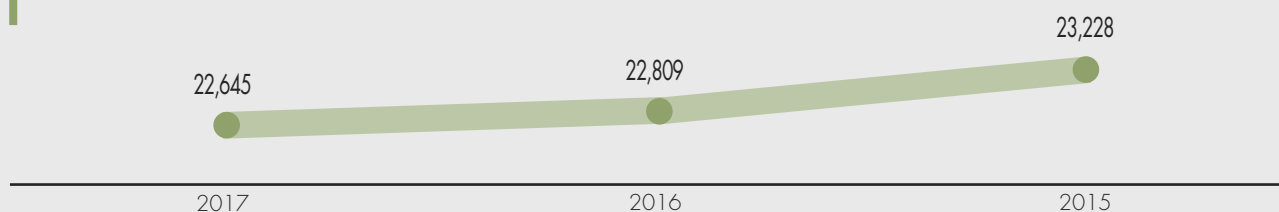
■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE



Comments on the trend

The significant decrease in hazardous special waste between 2017 and 2016 was due to the decrease in the scrapping of buses. For the same reasons, there was also a decrease in special waste sent for recycling.

TOTAL CO₂ EMISSIONS (t)



OUR COMMITMENT

COMMITMENTS MADE...

...WHAT WE HAVE ACCOMPLISHED

...WHERE WE WANT TO GO...



Another 34 new Euro 6 buses will be rolled out to replace the same number of old generation buses, and the plan to renew the company car fleet will continue

Investments to purchase new vehicles were postponed to 2018

Approximately 50 hybrid Euro 6 buses will be added to the purchase plan for 2018-2019, which will allow for a further reduction in consumption and emissions

The process to transform 16 electrical vehicles was launched and completed: batteries and the traction system were significantly modified, replacing old zebra accumulators with more modern Li-Ion batteries, improving the overall efficiency of the vehicle

In the two years 2018-2019, approximately 100 new Euro 6 vehicles will be introduced to replace Euro 3 and Euro 4 vehicles, which will guarantee reduced consumption and emissions



Implementation of the "Aliseaweb" IT platform for the IT management of special waste



Building new industrial waste water plants and a new closed-cycle reverse osmosis system for the re-use of water from the washing plant

The installation of the new closed-cycle reverse osmosis system for the re-use of water from the washing plant has been postponed to 2018 at the Viale dei Mille Florence depot

A closed-cycle reverse osmosis system for the re-use of water from the washing plant and to prevent contamination from industrial waste water will be installed at the Viale dei Mille Florence depot

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



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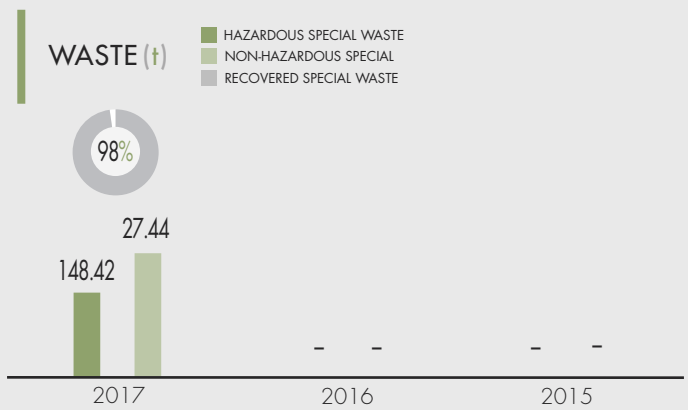
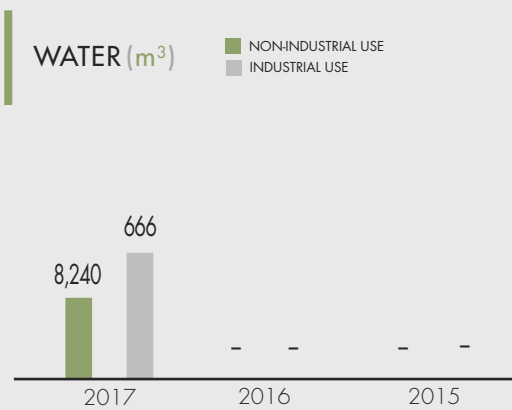


BUSITALIA – SITA NORD'S SUBSIDIARIES

BUSITALIA CAMPANIA

FINAL ENERGY CONSUMPTION

	Unit	2017
Electricity	MWh	766
Diesel	t	3,690
Natural gas	Sm ³	744,691
Total CO ₂ emissions	t CO ₂	13,359



OUR COMMITMENT

...WHAT WE HAVE ACCOMPLISHED



Seven new Euro 6 buses featuring high-tech construction and special devices to ensure lower consumption and pollutant emissions joined the fleet



Use of higher-performing lubricating liquids for the drive-train in the new Euro 6 vehicles, increased the amount of time before the need for replacement and, therefore, led to a reduction in the amount of waste disposed of. Furthermore, as the mechanical components are better protected, the life cycle is expected to be longer



...WHERE WE WANT TO GO...

80 motorised Euro 6 buses will be purchased to replace the old generation vehicles (from Euro 0 to Euro 2) which will reduce fuel consumption and pollutant emissions

Monitoring operations will begin for scrupulous control of the water cycle in the two main depots, Pagani and Fuorni (Salerno)

Meters to measure volumes of waste water will be restored at the two main depots and maintenance activities will be carried out on the treatment plants

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND

Busitalia Campania joined the scope of the Sustainability Report in 2017.



NETINERA GROUP



OUR APPROACH

Netinera Group operates in local rail and road public transport and also offers transborder services between Germany, France, the Czech Republic and Poland, in addition to freight services.

Netinera considers the quality of services provided, the protection of the environment, the safeguarding of the health and safety of its workers and energy efficiency as strategic elements in its business.

The Group is constantly committed to energy efficiency and, specifically, the monitoring and reduction of electricity consumption for railway traction. This commitment is confirmed by the Group's monitoring systems and the training and awareness campaigns aimed at personnel with the goal of minimising energy consumption during the different parts of the journey (from how the train moves to how it stops).

FINAL ENERGY CONSUMPTION

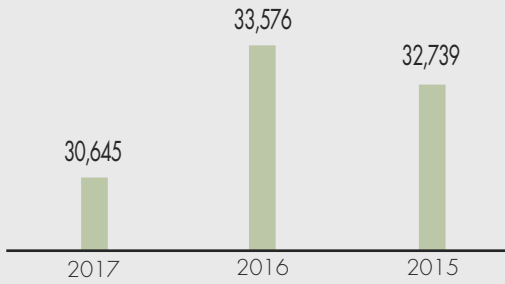
	Unit	2017	2016	2015
Electricity for traction	MWh	160,149	166,622	130,900
Electricity for other uses	MWh	10,534	11,026	5,825
Diesel	t	34,293	35,857	34,256

Comments on the trend

There were no significant changes in energy consumption and the most significant component was railway traction.

WATER (m³)

WATER WITHDRAWALS

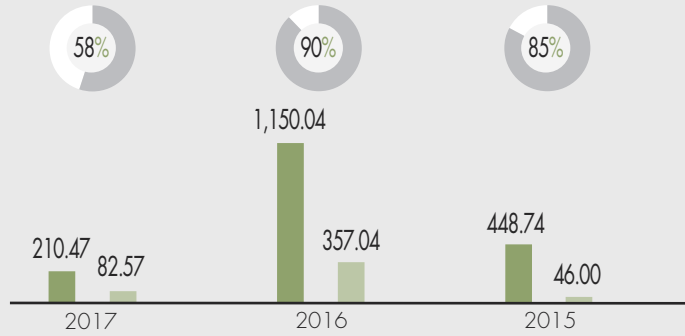


Comments on the trend

The data do not show significant changes in water usage.

WASTE (t)

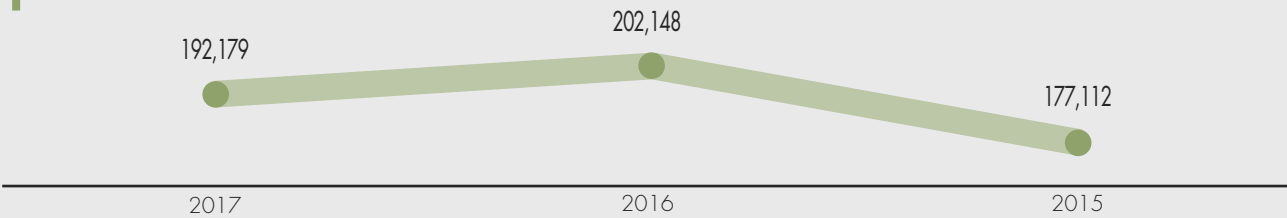
HAZARDOUS SPECIAL WASTE
NON-HAZARDOUS SPECIAL
RECOVERED SPECIAL WASTE



Comments on the trend

The change in the amount of special waste produced was due to the campaign to renew the tracks launched in 2016.

TOTAL CO₂ EMISSIONS (t)



OUR COMMITMENT

COMMITMENTS MADE...



Reducing the Group's environmental impact and improving the fleet's energy efficiency

...WHAT WE HAVE ACCOMPLISHED

New energy efficient trains were purchased (BEMU: Battery Electric Multiple Unit)

Energy audits were completed and a system to monitor electricity consumption for railway traction was completed

Objectives to reduce energy consumption were defined

...WHERE WE WANT TO GO...

The purchase of highly efficient trains will continue

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



FERROVIE DEL SUD-EST E SERVIZI AUTOMOBILISTICI



OUR APPROACH

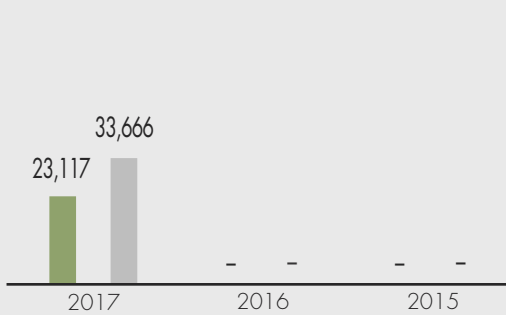
FSE manages a railway infrastructure of over 470 km of lines on which it offers its services. For this reason, it presents itself as a single, integrated rail/road operator offering an articulated and wide-spread transport service throughout Puglia, the only of its kind. FSE believes it is essential to pursue the highest standards for local public transport by both rail and road and therefore, in its relaunch plan, FSE considers the quality of services provided, the protection of the environment and the safeguarding of the health and safety of its workers as strategic elements in its business. That is why FSE has implemented a quality management system in accordance the 9001 standard and expects to be certified by March 2018. Furthermore, it has implemented an environmental management system, pursuant to the 14001:2015 standard in compliance with the Group's guidelines and an occupational health and safety management system in line with the requirements of BS OHSAS 18001.

FINAL ENERGY CONSUMPTION

	Unit	2017
Electricity	MWh	4,196
Diesel	t	9,053
Natural gas	Sm ³	48,053
Total CO ₂ emissions	t CO ₂	30,176

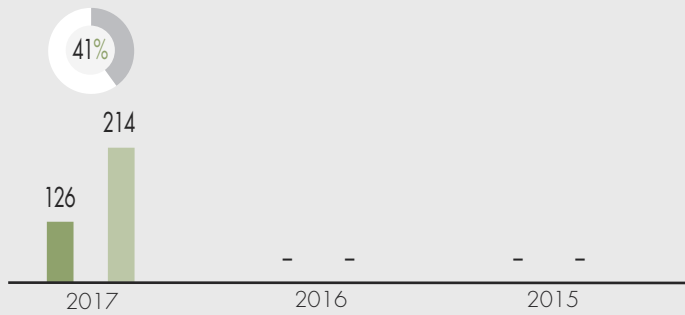
WATER (m³)

■ NON-INDUSTRIAL USE
■ INDUSTRIAL USE



WASTE (t)

■ HAZARDOUS SPECIAL WASTE
■ NON-HAZARDOUS SPECIAL
■ RECOVERED SPECIAL WASTE



OUR COMMITMENT

...WHAT WE HAVE ACCOMPLISHED



Five electric trains were purchased to replace diesel trains

69 new motorised Euro 5 and Euro 6 buses will be purchased



Wood sleepers along 5km of the Bari-Taranto line will be replaced with reinforced concrete sleepers



The design of plants for the treatment of first flush rainwater at the Bari, Taranto and Lecce garages has been completed



Reactivation of management systems for quality (ISO 9001), the environment (ISO 14001) and health and safety (OHSAS 18001)

...WHERE WE WANT TO GO...

A further six electric trains will be purchased

68 new motorised Euro 6 buses will be purchased

The plan to replace wood sleepers on the Bari-Taranto line with concrete sleepers will continue

New plants for the treatment of first flush rainwater will be rolled out at the Bari, Taranto and Lecce garages

Certification of the management systems for quality (ISO 9001), the environment (ISO 14001) and health and safety (OHSAS 18001) will continue

ASPECTS



CONTINUOUS IMPROVEMENT



RAW MATERIALS CYCLE



ENERGY AND EMISSIONS



WATER CYCLE



LAND



FS SISTEMI URBANI



OUR APPROACH

FS Sistemi Urbani is responsible for developing the Group's assets which are not functional to railway operations and providing integrated urban services with a business-oriented approach, as well as streamlining and improving the functioning and service offered to the public.

In the context of its activities, the company pays particular attention to the environment, managing potential critical aspects through the transformation and redevelopment of the area from an urban and intermodal point of view.

OUR COMMITMENT				
COMMITMENTS MADE...	...WHAT WE HAVE ACCOMPLISHED	...WHERE WE WANT TO GO...		
 <p>Continued company asset monitoring activities and implementation of a plan to remedy irregularities in the parking areas</p>	<p>Company asset monitoring activities continued throughout Italy so as to prevent any irregular situations, in collaboration with RFI. Over 100 inspections were carried out and no critical aspects arose. Activities planned in remedial plan for the parking areas commenced</p>	<p>Activities from the remedial plan for parking areas will continue</p>		
 <p>Launching activities to ensure compliance with the new ISO 14001:2015 standard</p>	<p>The environmental management system certification pursuant to the new ISO 14000:2015 standard was confirmed, extending the scope of environmental management control activities on the real estate compendium in Salerno used by third parties</p>	<p>A strategic tool that identifies criteria for sustainable improvements will be developed</p>		
ASPECTS				
 <p>CONTINUOUS IMPROVEMENT</p>	 <p>RAW MATERIALS CYCLE</p>	 <p>ENERGY AND EMISSIONS</p>	 <p>WATER CYCLE</p>	 <p>LAND</p>



- 1 Vision by the team from Stefano Boeri Architetti
- 2 Vision by the team from Mecanoo
- 3 Vision by the team from Mad Architects
- 4 Vision by the team from Cino Zucchi Architetti
- 5 Vision by the team from Miralles Tagliabue EMBT

MANAGEMENT SYSTEMS

The following table shows the certification standards for each company and the related scope. The “Integrated systems” column shows information on the integration of the management systems (Quality, Environment, Occupational safety).

FERROVIE DELLO STATO ITALIANE		INTEGRATED SYSTEMS: -
<p>QUALITY (Q)</p> <p>ISO 9001</p>	<p>Central Audit Department and audit departments of Ferrovie dello Stato Italiane Group</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • design and provision of internal audit services to the Group companies. 	
<p>ENVIRONMENT (A)</p> <p>ISO 14001</p>	<p>Ferrovie dello Stato Italiane (Headquarters)</p> <p>AMBITO:</p> <ul style="list-style-type: none"> • setting the guidelines and coordinating policies and industrial strategies for the Group’s operating companies, implementing corporate governance processes, preparing the Group’s business plan, governing and monitoring corporate relationships within the Group, managing relationships with the government and other institutional authorities. 	

RFI		INTEGRATED SYSTEMS: Q + A + S
<p>QUALITY (Q)</p> <p>ISO 9001</p>	<p>Commercial and Network Operation Department and Steering Departments</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • management of train traffic to ensure safe railway operation. <p>Production Department (PD) and Local Production Units</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • maintenance of the railway infrastructure to ensure safe train travel and railway operation and the performance of train travel and shunting activities; • design in the railway engineering sector (superstructure, signalling and telecommunications systems and electrical traction), civil engineering, road engineering and environmental protection in the railway field. <p>National Electrical Equipment Workshop - Bologna, the PD’s national workshops</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • maintenance to ensure safe train travel and railway operation through the inspection, repair, rehaul and assistance for vehicles operating on the rails and railway equipment for electrical traction systems and safety and signalling systems. <p>National Superstructure Workshop - Pontassieve, the PD’s national workshops</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • maintenance to ensure safe train travel and railway operation; construction of railway super structure equipment through mechanical processing, welding, assembly and attachment of rails and railway diverters. <p>National Carriage Workshop - Catanzaro, the PD’s national workshops</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • maintenance to ensure safe train travel and railway operation through general inspections, non-routine maintenance, 5-year checks, repairs and assistance for the vehicles operating on rails. 	

ENVIRONMENT (E)**ISO 14001****Central Divisions**

SCOPE:

- design, construction, implementation, management and maintenance of national railway infrastructure.

Steering Divisions

SCOPE:

- management of train traffic to ensure safe railway operation.

Local Production Units

SCOPE:

- maintenance of railway infrastructure to ensure safe train travel and railway operation and the performance of train travel and shunting activities.

National Electrical Equipment Workshop - Bologna, the PD's national workshops

SCOPE:

- maintenance to ensure safe train travel and railway operation through the inspection, repair, rehaul and assistance for vehicles operating on rails and railway equipment for electrical traction systems and safety and signalling systems.

National Superstructure Workshop - Pontassieve, the PD's national workshops

SCOPE:

- maintenance to ensure safe train travel and railway operation; construction of railway super structure equipment through mechanical processing, welding, assembly and attachment of rails and railway diverters.

National Carriage Workshop - Catanzaro, the PD's national workshops

SCOPE:

- maintenance to ensure safe train travel and railway operation through general inspections, non-routine maintenance, 5-year checks, repairs and assistance for vehicles operating on rails.

OCCUPATIONAL SAFETY (S)**OHSAS 18001****Steering Divisions**

SCOPE:

- management of train traffic to ensure safe railway operation.

Local Production Units

SCOPE:

- maintenance of the railway infrastructure to ensure safe train travel and railway operation and the performance of train travel and shunting activities.

National Electrical Equipment Workshop - Bologna, the PD's national workshops

SCOPE:

- maintenance to ensure safe train travel and railway operation through the inspection, repair, reclassification and assistance for vehicles operating on the rails and railway equipment for electrical traction systems and safety and signalling systems.

National Superstructure Workshop - Pontassieve, the PD's national workshops

SCOPE:

- maintenance to ensure safe train travel and railway operation; construction of railway super structure equipment through mechanical processing, welding, assembly and attachment of rails and railway diverters.

National Carriage Workshop - Catanzaro, the PD's national workshops

SCOPE:

- maintenance to ensure safe train travel and railway operation through general inspections, non-routine maintenance, 5-year checks, repairs and assistance for the vehicles operating on rails.

TRENITALIA

INTEGRATED SYSTEMS: Q + E + S

QUALITY (Q)

ISO 9001

ENVIRONMENT (E)

ISO 14001

OCCUPATIONAL SAFETY (S)

OHSAS 18001

Trenitalia (Headquarters and operating sites)

SCOPE:

- design and provision of passenger and freight transport services by rail.

ITALFERR

INTEGRATED SYSTEMS: Q + E + S

QUALITY (Q)

ISO 9001

ENVIRONMENT (E)

ISO 14001

OCCUPATIONAL SAFETY (S)

OHSAS 18001

Italferr (Headquarters and operating sites)

SCOPE:

- design, management of works contracting, works oversight and supervision of works on guided transport and the related interferences.

NETINERA GROUP ¹¹³

INTEGRATED SYSTEMS: -

QUALITY (Q)

ISO 9001

RAG (Neumark workshop)

SCOPE:

- light carpentry work on behalf of third parties

Netinera Werke

SCOPE:

- maintenance and inspection of railway vehicles in accordance with German regulations (Iron, Building and Works Regulations – EBO).

OHE (Headquarters and operating sites)

SCOPE:

- maintenance and inspection of railway vehicles in accordance with German regulations (Iron, Building and Works Regulations – EBO)

113 The Netinera Group companies that fall under the scope of the Sustainability Report have been considered.

BUSITALIA - SITA NORD

INTEGRATED SYSTEMS: Q + E + S

QUALITY (Q)

ISO 9001

Busitalia - Sita Nord (Headquarters)

SCOPE:

- design and provision of transport services using buses, trolley buses, railways and ships: local public transport. Design and provision of transport services using buses: long haul lines, rentals, replacement and integrated rail services and atypical services. Roll-out of alternative mobility services (lifts, cable railways, escalators and moving walkways). Maintenance and depot facilities for its own vehicle fleet and alternative mobility. Sea works and dredging. Management of parking areas and loading areas.

Busitalia - Sita Nord (Tuscany regional division)

SCOPE:

- design and provision of transport services using buses (local public transport, long haul lines, rentals and atypical services). Maintenance and reconditioning of the owned vehicle fleet.

Busitalia - Sita Nord (Umbria regional division)

SCOPE:

- design and provision of transport services using buses, trolley buses, railways and ships: local public transport. Design and provision of transport services using buses: rentals and atypical services. Roll out of alternative mobility services (lifts, cable railways, escalators and moving walkways). Maintenance and depot facilities for its own vehicle fleet and alternative mobility. Sea works and dredging. Management of parking areas and loading areas

ENVIRONMENT (E)

ISO 14001

Busitalia - Sita Nord (Headquarters)

SCOPE:

- design and provision of transport services using buses and trolley buses: local public transport. Design and provision of transport services using buses: long haul lines, rentals and atypical services. Roll out of alternative mobility services (lifts, cable railways, escalators and moving walkways). Maintenance and depot facilities for its own vehicle fleet. Management of parking areas and loading areas.

Busitalia - Sita Nord (Tuscany regional division)

SCOPE:

- design and provision of transport services using buses (local public transport, long haul lines, rentals and atypical services). Maintenance and reconditioning of the owned vehicle fleet.

Busitalia - Sita Nord (Umbria regional division)

SCOPE:

- design and provision of transport services using buses: local public transport, rentals and atypical services. Roll out of alternative mobility services (lifts, cable railways, escalators and moving walkways). Management of parking areas and loading areas.

OCCUPATIONAL SAFETY (S)

OHSAS 18001

Busitalia - Sita Nord (Headquarters and regional divisions)

SCOPE:

- design and provision of transport services using buses and trolleys: local public transport. Design and provision of transport services using buses: long haul lines, rentals and atypical services. Maintenance and depot facilities for its own vehicle fleet.

BUSITALIA VENETO
INTEGRATED SYSTEMS: Q + E + S
QUALITY (Q)
ISO 9001
ENVIRONMENT (E)
ISO 14001
OCCUPATIONAL SAFETY (S)
OHSAS 18001
Busitalia Veneto (Headquarters and operating sites)
SCOPE:

- design and provision of transport services using buses and trolleys: local public transport. Design and provision of transport services using buses: long haul lines, rentals and atypical services. Maintenance and depot facilities for its own vehicle fleet.

CENTOSTAZIONI
INTEGRATED SYSTEMS: Q + E + S
QUALITY (Q)
ISO 9001
OCCUPATIONAL SAFETY (S)
OHSAS 18001
Centostazioni (Headquarters and sites)
SCOPE:

- development and redevelopment of real estate complexes; design and works oversight services. Commercial development and advertising services. Real estate portfolio management, property and facility management services.

ENVIRONMENT (E)
ISO 14001
Centostazioni (Headquarters, sites and the following stations: Milan Porta Garibaldi, Novara, Padua, Modena, Rome Ostiense and Naples Mergellina)
SCOPE:

- development and redevelopment of real estate complexes; design and works oversight services. Commercial development and advertising services. Real estate portfolio management, property and facility management services.

FERSERVIZI
INTEGRATED SYSTEMS: Q + E + S
QUALITY (Q)
ISO 9001
ENVIRONMENT (E)
ISO 14001
OCCUPATIONAL SAFETY (S)
OHSAS 18001
Ferservizi (Headquarters and operating units)
SCOPE:

- service management: administration, procurement, real estate sales services, leases and agreements, technical and asset services, maintenance and facility management services for office buildings and hotels, the issue of travel concessions, company canteen services, real estate and legal custody services, printing services, credit management, tax services, correspondence and notifications.

Ferservizi (Headquarters and operating units)
SCOPE:

- provision of all the activities that the company performs to manage administrative, sale and lease of real estate, custody and safeguarding of real estate and facility services, in addition to Group procurement, IT and maintenance.

Ferservizi (Headquarters and operating units)
SCOPE:

- provision of all the activities that the company performs to manage administrative, sale and lease of real estate, custody and safeguarding of real estate and facility services, in addition to Group procurement, IT and maintenance.

MERCITALIA LOGISTICS		INTEGRATED SYSTEMS: Q + E + S ¹¹⁴
<p>QUALITY (Q)</p> <p>ISO 9001</p>	<p>Mercitalia Logistics (Rome headquarters)</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • Organisation and management of logistics services in relation to sundry freight and the provision of such services via third party coordination. Management and development of the company's real estate assets. Management and coordination of the MERCITALIA hub operating companies. 	
<p>ENVIRONMENT (E)</p> <p>ISO 14001</p>	<p>Mercitalia Logistics (Rome headquarters and local units in Bologna San Donato, Catania Bicocca, Turin Orbassano, Bologna Interport, Pomezia S. Palomba, Verona Porta Nuova and Marcianise)</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • Organisation and management of logistics services in relation to sundry freight and the provision of such services via third party coordination. Management and development of the company's real estate assets. Management and coordination of the MERCITALIA hub operating companies. 	
<p>OCCUPATIONAL SAFETY (S)</p> <p>OHSAS 18001</p>	<p>Mercitalia Logistics (Rome headquarters and local units in Bologna Interport, Milan via Valtellina and Pomezia via della Zoologia)</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • Organisation and management of logistics services in relation to sundry freight and the provision of such services via third party coordination. Management and development of the company's real estate assets. Management and coordination of the MERCITALIA hub operating companies. 	

FS SISTEMI URBANI		INTEGRATED SYSTEMS: -
<p>ENVIRONMENT (E)</p> <p>ISO 14001</p>	<p>FS Sistemi Urbani (Headquarters)</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • management, on its own behalf or by appointing third parties, of the company's real estate assets; • real estate development, on its own behalf or by appointing third parties, of the company's real estate assets and other Group companies' real estate assets not functional for railway operations; • planning, development and implementation of real estate development and management processes and urban intermodal systems; • management control activities of the real estate compendium in Salerno used by third parties. 	

MERCITALIA SHUNTING & TERMINAL		INTEGRATED SYSTEMS: Q + E + S
<p>QUALITY (Q)</p> <p>ISO 9001</p> <p>ENVIRONMENT (E)</p> <p>ISO 14001</p> <p>OCCUPATIONAL SAFETY (S)</p> <p>OHSAS 18001</p>	<p>Serfer (Headquarters, Genoa office and operating site in Udine)</p> <p>SCOPE:</p> <ul style="list-style-type: none"> • design, construction, maintenance and restructuring of railway connections; • freight and passenger transport services as railway company in the national railway infrastructure; • welcome, assistance and catering services on equipped passenger cars; • management of shunting in railway connections; • maintenance and reconditioning of diesel traction vehicles, railway rolling stock for freight transport and related services. 	

¹¹⁴ The company also received Global Quality certification for the integrated QAS system for the specific scope of application.

TERMINALI ITALIA**INTEGRATED SYSTEMS: -****QUALITY (Q)****ISO 9001****Terminali Italia (Headquarters and operating sites)****SCOPE:**

- management and operation of terminals equipped for intermodal transport;
- provision of terminal services.

ATAF GESTIONI**INTEGRATED SYSTEMS: -****QUALITY (Q)****ISO 9001****Ataf Gestioni (Headquarters and operating sites)****SCOPE:**

- design of public transport; provision of customised urban public transport services: conventional and flexible services.

ENVIRONMENT (E)**ISO 14001****Ataf Gestioni (Headquarters and operating sites)****SCOPE:**

- provision of public mass transport services by road in the following stages: transport service operation, deposit, cleaning, electrical and mechanical maintenance, provisioning, entry and exit of vehicles.

GRANDISTAZIONI RAIL**INTEGRATED SYSTEMS: -****ENVIRONMENT (E)****ISO 14001****Grandistazioni Rail (station complexes in Rome Termini, Milan C.le and Venice S. Lucia)****SCOPE:**

- management of station complexes and development support through facility and energy management services

MERCITALIA RAIL**INTEGRATED SYSTEMS: Q + A + S****QUALITY (Q)****ISO 9001****ENVIRONMENT (E)****ISO 14001****OCCUPATIONAL SAFETY (S)****OHSAS 18001****Mercitalia Rail (Headquarters and operating sites)****SCOPE:**

- design and provision of freight transport services by rail.

BUSITALIA CAMPANIA **INTEGRATED SYSTEMS: -**

QUALITY (Q)

ISO 9001

Busitalia Campania (Headquarters and operating sites)

SCOPE:

- Design and provision of transport services using buses (local public transport, long haul lines, rentals and atypical services)
- Maintenance depot facilities for its own vehicle fleet (Sector EA: 31 - 35)

BLUFERRIES **INTEGRATED SYSTEMS: -**

ENVIRONMENT (E)

ISO 14001

Blufferies (Registered office, operating sites and owned ships)

SCOPE:

- Sea transport provided using ro-ro ships and high-speed craft (HSC).



Group Strategy, Planning, Verification and Sustainability Department
Group Brand Strategy and Communications Department

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Photos

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