



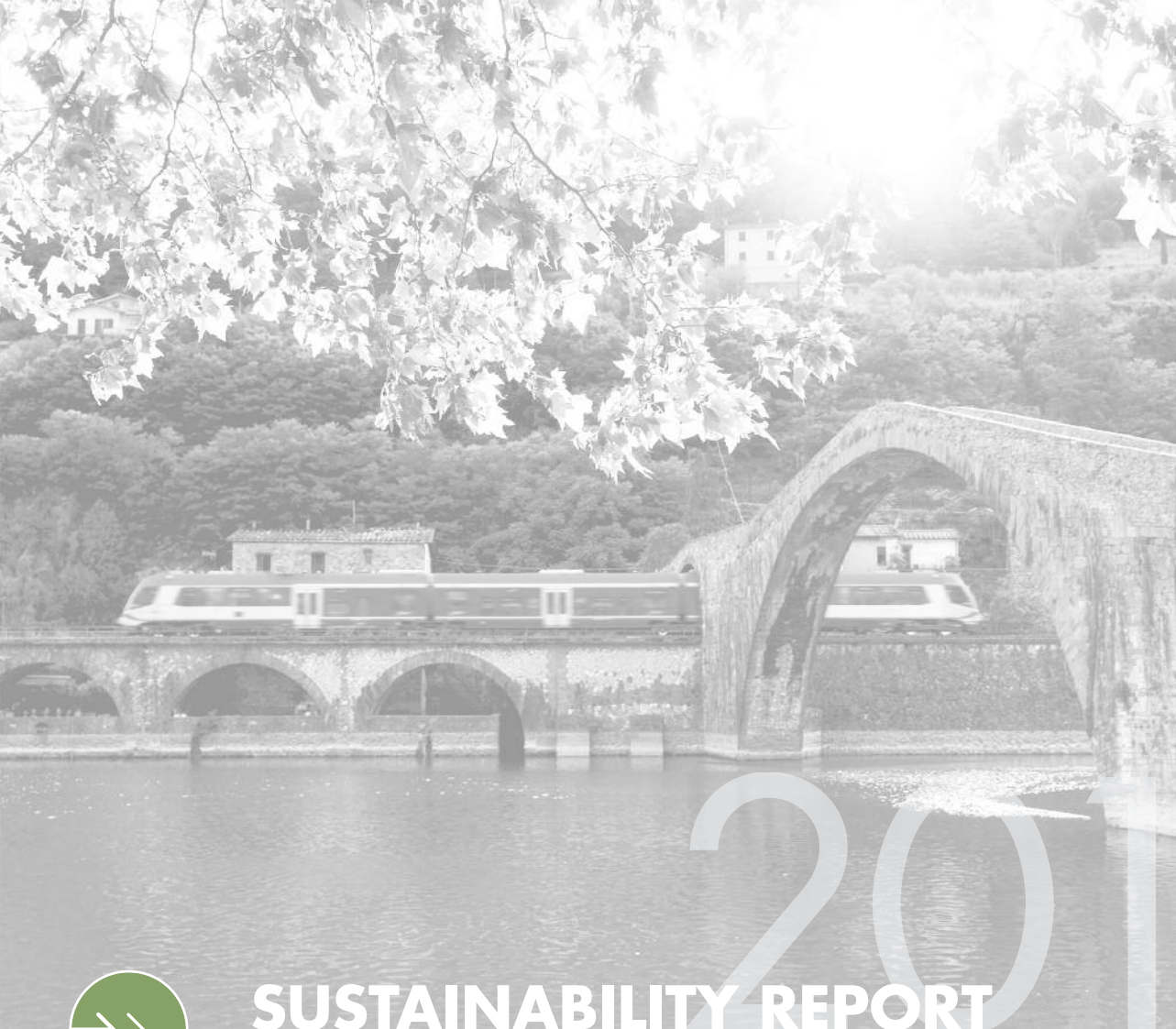
2017



# SUSTAINABILITY REPORT

*GRI Content index*





# SUSTAINABILITY REPORT

*GRI Content index*

The following is a bridging table between the material issues identified, the related GRI aspects and the scope of reporting. For each GRI aspect related to the material issues identified, the related current or potential internal and external impacts have been considered.

MATERIAL ASPECTS FOR FS ITALIANE GROUP	INTERNAL SCOPE	EXTERNAL SCOPE	GRI ASPECT	NOTES
<b>Energy efficiency</b>	FS Italiane Group	Supply chain	Energy	The assessment considers consumption related to work site activities for the external scope
<b>Customer safety</b>	FS Italiane Group	Customers	Customer health and safety	
<b>Climate change and air quality</b>	FS Italiane Group	Supply chain	Emissions	The assessment considers emissions related to work site activities for the external scope
<b>Intermodality</b>	FS Italiane Group	Customers'- National economic system	n.a.	
<b>Digital transformation</b>	FS Italiane Group	Customers'- National economic system	n.a.	
<b>Customer satisfaction</b>	FS Italiane Group	Customers	Customer satisfaction Customer health and safety	
<b>Occupational health and safety</b>	FS Italiane Group Employees	Supply chain	Occupational health and safety	The assessment considers the impact related to the supplier screening process for the external scope
<b>Responsible management of the supply chain</b>	FS Italiane Group	Supply chain	Procurement practices Supplier environmental assessment Supplier social assessment Non-discrimination Freedom of association and collective bargaining Child labour Forced labour or compulsory labour	
<b>Stakeholder engagement</b>	FS Italiane Group	Group stakeholders	Stakeholder engagement	
<b>Diversity &amp; Inclusion</b>	FS Italiane Group	Community	Diversity and equal opportunities	
<b>Sustainable management of infrastructure</b>	FS Italiane Group	Customers' - National economic system	Economic performance Indirect economic impacts Local communities	
<b>Effluents and waste</b>	FS Italiane Group	Supply chain	Effluents and waste	The assessment considers work site operations for the external scope
<b>Soil protection</b>	FS Italiane Group	Supply chain	Effluents and waste	The assessment considers work site operations for the external scope
<b>Management and personnel development</b>	FS Italiane Group	-	Employment Labour management relations Training and education	
<b>Sustainable use of resources</b>	FS Italiane Group	Supply chain	Materials Water	The assessment considers work site operations for the external scope
<b>Ethics and integrity</b>	FS Italiane Group	Supply chain - National economic system	Environmental compliance Security practices Human rights assessment Public policy Customer privacy Socio economic compliance Anti-corruption Anti-competitive behaviour	

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>ORGANISATIONAL PROFILE</b>			
<b>102-1</b>	Name of the organisation		Ferrovie dello Stato Italiane Group
<b>102-2</b>	Activities, brands, products, and services	✓	The Group's profile Putting customers first - Door to door experience
<b>102-3</b>	Location of headquarters		The parent, "Ferrovie dello Stato Italiane" (or "FS S.p.A."), is based at Piazza della Croce Rossa 1, Rome
<b>102-4</b>	Location of operations	✓	The Group's profile Putting customers first - Door to door experience
<b>102-5</b>	Ownership and legal form	✓	The Group's profile Governance model  The parent, Ferrovie dello Stato Italiane S.p.A., is a company limited by shares. At 31 December 2017, the parent's share capital is entirely held by the Ministry of the Economy and Finance.
<b>102-6</b>	Markets served	✓	The Group's profile Putting customers first - Door to door experience
<b>102-7</b>	Scale of the organisation	✓	The Group's profile FS Italiane Group at a glance Putting customers first - Door to door experience 2017 Annual Report (prg. "The Group's financial position and performance")
<b>102-8</b>	Information on employees and other workers	✓	People, our capital - Who we are People, our capital - Remuneration and pensions People, our capital - Moving welfare Performance indicators
<b>102-9</b>	Supply chain	✓	Sustainability of the supply chain Supplier assessment
<b>102-10</b>	Significant changes to the organisation and its supply chain	✓	The Group's profile  In 2017, there were no significant changes in FS S.p.A.'s size, structure or ownership structure (i.e. in ownership of FS S.p.A. shares and the amount of subscribed capital).
<b>102-11</b>	Precautionary principle or approach	✓	In 2017, there were no significant changes to the supply chain.  Environmental commitment - Design and construction of new railway infrastructure  Business integrity  The Group applies the precautionary principle in the assessment and management of economic, environmental and social risks.

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>ORGANISATIONAL PROFILE</b>			
<b>102-12</b>	External initiatives	✓	Business integrity- Management systems Sustainability policy and governance Sustainability of the supply chain - Supplier assessment
<b>102-13</b>	Membership of associations	✓	Dialogue with stakeholders - Other forms of dialogue
<b>STRATEGY</b>			
<b>102-14</b>	Statement from senior decision-maker	✓	Letter to the stakeholders Creation of shared value Governance model Business integrity Sustainability policy and governance
<b>102-15</b>	Description of key impacts, risks and opportunities	✓	Creation of shared value Business integrity Sustainability policy and governance 2017 Annual Report (prg. "Risk factors")
<b>ETHICS AND INTEGRITY</b>			
<b>102-16</b>	Values, principles, standards, and norms of behaviour	✓	Sustainability policy and governance Sustainability of the supply chain - Sustainable procurement  <a href="https://www.fsitaliane.it/content/fsitaliane/en/fs-group/governance/code-of-ethics.html">https://www.fsitaliane.it/content/fsitaliane/en/fs-group/governance/code-of-ethics.html</a>
<b>102-17</b>	Mechanisms for advice and concerns about ethics		In 2017, the Group continued the project started in 2016 to update its code of conduct, aimed at reviewing the current code of conduct and updating it to strengthen its anti-corruption controls. This project ended with the Board of Directors' ("BoD") approval of the Group's new code of conduct on 28 February 2018. The new code of conduct has a section dedicated to reports and indications, in which the Ethics Committee is indicated as the body responsible for handling reports made in good faith about potentially illegal or irregular events and conduct in violation of the code of conduct. The confidentiality of the whistleblower is ensured. Furthermore, FS Group applies a zero tolerance policy to retaliation. In 2017, a process began to prepare a procedure for the management of reports, also in light of the recent whistleblowing law (Law no. 179/2017), which governs the receipt, analysis and processing of reports sent or forwarded by anyone, about potentially illegal or irregular events and conduct in violation of the law or internal regulations including the Group's code of conduct, with

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GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>ETHICS AND INTEGRITY</b>			
<b>102-17</b>	<b>Mechanisms for advice and concerns about ethics</b>		<p>respect to the operations and organisation of FS S.p.A. and/or its subsidiaries.</p> <p>The parent is also required to report to the supervisory body, set up as per Legislative decree no. 231/2001, as provided for in its organisational model. It reports on any fraudulent violation of the rules established in the model. Specifically, the management procedure for reports to be sent to the Supervisory Body is attached to the general part of the model, together with a standard report module. Reports can be sent to the Supervisory Body by post or email. There is a dedicated email address for this purpose. The confidentiality of the reporting party is ensured as part of the legal remit of the Supervisory Body. Furthermore, it is guaranteed that the parent will not take any retaliatory action in direct or indirect response to the report, which could affect the reporting party's relationship with the parent.</p> <p>Under the code of conduct, anyone (company bodies, management, employees, freelancers, business partners, suppliers and all other parties involved in transactions with the Group) that becomes aware of violations of the code by any of the parties with which the Group operates, is required to inform - in writing and not anonymously - the Ethics Committee of their respective company.</p> <p>The confidentiality of the reporting party is ensured, without prejudice to legal obligations. Furthermore, the Group undertakes to protect whistleblowers from possible retaliation of any kind as a result of reporting code violations.</p> <p>In 2017, a process began to prepare a procedure for the management of reports, which governs the receipt, analysis and processing of reports sent or forwarded by anyone, about alleged illegal or irregular events and conduct in violation of the law or internal regulations including the Group's code of conduct, with respect to the operations and organisation of FS S.p.A. and/or its subsidiaries. The parent is also required to report to the Supervisory Body, set up as per Legislative decree no. 231/2001, as provided for in its organisational model. It reports on any fraudulent violations or evasion of the rules established in the model. Specifically, the management procedure for reports to be sent to the Supervisory Body is attached to the general part of the model, together with a standard report template. Reports can be sent to the Supervisory Body by post or email. There is a dedicated email address for this purpose.</p> <p>The confidentiality of the reporting party is ensured within the legal context of the Supervisory Body.</p>

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GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>ETHICS AND INTEGRITY</b>			
<b>102-17</b>	Mechanisms for advice and concerns about ethics		Furthermore, it is guaranteed that the parent will take no retaliatory action in direct or indirect response to the report, which could affect the reporting party's relationship with the parent.
<b>GOVERNANCE</b>			
<b>102-18</b>	Governance structure	✓	Governance model Business integrity Sustainability governance model
<b>102-19</b>	Delegating authority	✓	Governance model Sustainability governance model
<b>102-20</b>	Executive-level responsibility for economic, environmental, and social topics		<p>Ferrovie dello Stato Italiane S.p.A. directs and coordinates the Group operating companies' policies and business strategies. It also ensures governance processes made up of departments to define strategic lines and promote consensus on decisions. Specifically, the Group Strategy, Planning, Verification and Sustainability Department is responsible for developing and updating the Group companies' Environmental Management Systems Governance Model and preparing the Sustainability Report.</p> <p>The "Group Brand Strategy and Communications Department" is responsible for social and cultural initiatives, in collaboration with the "Group Strategy, Planning, Verification and Sustainability Department".</p> <p>FS S.p.A. manages institutional affairs with the government, viewed in the broadest sense (central government, ministries, regions and public administrations in general).</p>



GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>GOVERNANCE</b>			
<b>102-21</b> Consulting stakeholders on economic, environmental, and social topics	✓		Dialogue with stakeholders
<b>102-22</b>  Composition of the highest governance body and its committees	✓		Governance model Business integrity  The Board of Directors is responsible for managing the parent and carrying out all operations necessary to achieve the purpose of the business. The Chairwoman has been given specific powers by the board for external and institutional affairs in collaboration with the CEO and the coordination of internal audit activities; The CEO and General Manager have all the powers to manage the parent, except for those assigned to the Chairwoman and those that the BoD has exclusively retained. The CEO also ensures that the organisational and accounting system is consistent with the nature and size of the business.
<b>102-23</b> Chair of the highest governance body	✓		The BoD has given the Chairwoman specific powers relating to external and institutional affairs in collaboration with the CEO and the coordination of internal audit activities, within the limits of article 2381 of the Italian Civil Code. The Chairwoman and CEO have separate powers of representation of FS S.p.A. pursuant to article 13 of the company by-laws.
<b>102-24</b>  Nominating and selecting the highest governance body	✓	✓	Governance model  2017 Annual Report (prg. "Report on corporate governance and ownership structure - Board of Directors of FS S.p.A.")
<b>102-25</b> Conflicts of interest	✓		Governance model Business integrity  With regard to directors' interests, in addition to the provisions of article 2391 of the Italian Civil code the rules set out in the Group code of conduct are also important. Specifically, the code of conduct of Ferrovie dello Stato Italiane Group prevents the Group's employees, when performing their duties, and the directors of each company from taking decisions or operating against the Group's interests or breaching their official duties. Any situation in conflict with this provision shall be reported to the relevant managers or the Ethics Committee. The code of conduct for listed companies (specifically article 3/principles, application

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GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>GOVERNANCE</b>			
<b>102-25</b> Conflicts of interest	✓		criteria and comments) is used as a point of reference by FS's BoD in order to assess the independence of non-executive members.
<b>102-26</b> Role of the highest governance body in setting purpose, values, and strategy	✓		Governance model
<b>102-27</b> Collective knowledge of the highest governance body	✓		Sustainability governance model  Reference is made to the by-laws or the legislation that directly applies to the parent with respect to the measures adopted to ensure that the highest governance body is aware of economic, environmental and social issues (e.g., reports from the CEO on the exercise of powers in the performance of duties, Group activities and atypical or unusual transactions; prior information from the CEO on all transactions that are financially strategic and/or significant; periodic reporting on the implementation of the business plan; periodic reporting, at least half yearly, by the board's committees).
<b>102-28</b> Evaluating the highest governance body's performance			On 4 July 2016, based on the proposal of the Internal Audit, Risk Control and Corporate Governance Committee and making reference to the code of conduct and best practices for listed companies, the BoD resolved to adopt a self-assessment methodology, which includes a questionnaire.
<b>102-29</b> Identifying and managing economic, environmental, and social impacts	✓		Governance model Sustainability governance model  Members of the Board of Directors and the Sustainability Committee were also involved in the definition and assessment of the Group's materiality matrix.  Projects with a significant impact on the Group's performance are brought to the BoD's attention, which analyses the related risks and opportunities. In this regard, the BoD retained exclusive responsibility for economic and strategic decisions as per the meeting of 1 December 2015.

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>GOVERNANCE</b>			
<b>102-30</b>	Effectiveness of risk management processes	✓	<p>Business integrity</p> <p>With respect to the internal control and risk management system, the Board of Directors is responsible for the following duties, which it carries out subject to the Audit, Risk Control and Corporate Governance Committee's approval:</p> <ul style="list-style-type: none"> <li>– defining the guidelines for the internal control and risk management system so that the main risks related to Ferrovie dello Stato Italiane S.p.A. and the companies it controls are properly identified and adequately measured, managed and monitored;</li> <li>– identifying the degree of compatibility of the above risks with business management that is in line with the parent's strategic goals and financial risk appetite;</li> <li>– assessing, at least annually, the adequacy of the internal control and risk management system in view of the characteristics of the business characteristics and the existing risk profile, as well as the efficiency of system;</li> <li>– approving, at least annually, the work plan prepared by the head of the Internal Audit Department, after consulting the Board of Statutory Auditors;</li> <li>– assessing, after consulting the Board of Statutory Auditors, the results as described by the independent auditors in the management letter, if any, and the report on the key audit matters that have arisen during the statutory audit.</li> </ul>
<b>102-31</b>	Review of economic, environmental, and social topics		The Internal Audit, Risk Control and Corporate Governance Committee reports at least twice a year on its activities and on the adequacy of the internal control and risk management system; Furthermore, the Sustainability Committee meets periodically during the year as needed and when asked to do so by the CEO and General Manager of FS S.p.A., who acts as Chairwoman.
<b>102-32</b>	Highest governance body's role in sustainability reporting		The Board of Directors approves the Sustainability Report.
<b>102-33</b>	Communicating critical concerns		Notwithstanding the role of management in the design and functioning of controls, the head of the Internal Audit Department is responsible for reporting any critical issues to the highest governance body. Accordingly, the head of the Internal Audit Department periodically reports on the progress of operational activities carried out and indicates any findings requiring immediate attention. The head of the parent's Internal Audit Department promptly informs the BoD Chairwoman, CEO, the Chairwoman of FS






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GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>GOVERNANCE</b>			
<b>102-33</b>	<b>Communicating critical concerns</b>		<p>S.p.A.'s Board of Statutory Auditors and for issues regarding the parent, the Chairwoman of FS S.p.A.'s Supervisory Body, about serious findings regarding irregularities and fraudulent acts. Reporting to the highest governance body is also carried out by the Supervisory Body of FS S.p.A. pursuant to Legislative decree no. 231/2001. Similar flows of information are handled by the heads of the Internal Audit Departments with regard to the management and control and supervisory bodies of the companies, in addition to being handed by the Supervisory Body pursuant to Legislative decree no 231/2001 to the highest governance body of the respective companies. Furthermore, the Internal Audit Departments maintain flows of information with the main company structures involved in internal control and risk management systems<sup>1</sup>, in compliance with the internal regulatory framework and to support the skills assessments of each company. The management of the main subsidiaries consolidated on a line-by-line basis must communicate the results of the assessments carried out by the Internal Audit departments, from which acts, facts, omissions or other serious circumstances emerge, which could amount to violations of legislation or regulations by management of the companies or their subsidiaries (CEO, Chairwoman, BoD, Board of Statutory Auditors) to the Chairwoman and CEO of FS S.p.A.<sup>2</sup>.</p> <p><sup>1</sup> E.g. Human resources and organisation, the Risk manager, the Manager in charge of financial reporting and the legal advisor.  <sup>2</sup> Providing information to the head of the Internal Audit Department and Audit Committee, where present, of the subsidiary.</p>
<b>102-34</b>	<b>Nature and total number of critical concerns</b>		<p>In performing the 2017 audit activities, the parent's Internal Audit Department discovered 60 critical concerns, following which the respective management identified corrective action plans, indicated the employee(s)/manager(s) responsible for the execution thereof and the timeframe for their completion. The critical concerns that emerged and the implementation status of the action plans are included in the periodic reports by the Internal Audit Department of FS S.p.A. written for the highest governance body. The internal audit work assesses the effective status of the design and operation of the internal control and risk management system, in relation to the real or potential effects and are classified in relation to "criticality" and by the priority of the respective action plan.</p>

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GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>GOVERNANCE</b>			
<b>102-34</b>	Nature and total number of critical concerns		Approximately 50% of the corrective actions identified for the critical concerns had been completed by year end.
<b>102-35</b>	Remuneration policies	✓	People, our capital - Remuneration and pensions system, 2017 Annual Report (prg. "Report on corporate governance and ownership - Board of Directors of FS S.p.A. - Directors' remuneration")
<b>102-36</b>	Process for determining remuneration	✓	People, our capital - Remuneration and pensions system, 2017 Annual Report (prg. "Report on corporate governance and ownership - Board of Directors of FS S.p.A. - Directors' remuneration")
<b>102-37</b>	Stakeholders' involvement in remuneration		To date, no stakeholder involvement mechanism is in place with respect to compensation policies.
<b>102-38</b>	Annual total compensation ratio		The ratio of the annual remuneration of the highest-paid individual compared to the median annual compensation of all employees is 19.22.
<b>102-39</b>	Percentage increase in annual total compensation ratio		The year-on-year percentage change in the annual compensation of the highest-paid individual was -0.077%; The year-on-year percentage change in the median annual compensation of other personnel was +2.20%.
<b>STAKEHOLDER ENGAGEMENT</b>			
<b>102-40</b>	List of stakeholder Groups	✓	Dialogue with stakeholders
<b>102-41</b> 	Collective bargaining agreements	✓	People, our capital - Remuneration and pensions system People, our capital - relationships with trade unions
<b>102-42</b>	Identifying and selecting stakeholders		The criteria used to identify stakeholders are as follows: responsibility, influence, proximity, representation, strategy.
<b>102-43</b>	Approach to stakeholder engagement	✓	Dialogue with stakeholders Putting customers first - we take care of our customers
<b>102-44</b>	Key topics and concerns arising from involvement activities	✓	Dialogue with stakeholders Putting customers first - we take care of our customers

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>REPORTING METHOD</b>			
<b>102-45</b>	Entities included in the consolidated financial statements	✓	Methodology 2017 Annual Report (prg. "Annexes-Consolidation scope and Group's equity investments")
<b>102-46</b>	Defining report content and topic boundaries	✓	Methodology
<b>102-47</b>	List of material topics	✓	Methodology
<b>102-48</b>	Restatements of information	✓	Methodology  Any restatements/reclassifications are individually indicated in this document.
<b>102-49</b>	Changes in reporting	✓	Methodology  Any restatements/reclassifications are individually indicated in this document.
<b>102-50</b>	Reporting period		2017
<b>102-51</b>	Date of most recent previous report	✓	Methodology
<b>102-52</b>	Reporting cycle		Sustainability reports are annual.
<b>102-53</b>	Contact details for questions regarding the report	✓	Email: <a href="mailto:rapportotosostenibilita@fsitaliane.it">rapportotosostenibilita@fsitaliane.it</a> Fax: 06 644102077
<b>102-54</b>	Claims of reporting in accordance with the <i>GRI Standards</i>	✓	Methodology
<b>102-55</b>	GRI content index		GRI content index
<b>102-56</b>	External assurance		Independent auditors' report  The Report is also subject to a limited assurance engagement in accordance with the criteria indicated by ISAE 3000 (Revised) by KPMG S.p.A as auditor of Ferrovie dello Stato Italiane Group's consolidated financial statements.

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 103: MANAGEMENT APPROACH</b>			
<b>103-1</b> Explanation of material aspects and related perimeters	✓		Methodology GRI content index
<b>103-2</b>   Information of managerial approach and associated characteristics	✓		The Group's vision Sustainability policy and governance Environmental commitment Putting customers first Sustainability of the supply chain People, our capital Focus on the community
<b>103-3</b> Evaluation of managerial approach	✓	✓	Sustainability policy and governance Environmental commitment Putting customers first Sustainability of the supply chain People, our capital Focus on the community 2017 Annual Report (prg. "Report on corporate governance and the ownership structure: Human rights policies")
<b>GRI 200: ECONOMIC TOPICS</b>			
<b>GRI 201: ECONOMIC PERFORMANCE</b>			
<b>201-1</b>   Direct economic value generated and distributed	✓		Strategy for the creation of shared value- Generation and Distribution of Economic Value Performance indicators
<b>201-2</b>   Financial implications and other risks and opportunities due to climate change		✓	2017 Annual Report (prg. "Risk factors") To date, Group management has not estimated the possible financial impact of climate change.
<b>201-3</b> Defined benefit plan obligations and other retirement plans	✓	✓	People, our capital - Remuneration and pensions 2017 Annual Report (prg. "Notes to the consolidated financial statements - Post-employment benefits and other employee benefits")
<b>201-4</b> Financial assistance received from government			Performance indicators
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>			
<b>203-1</b>    Infrastructure investments and services supported	✓		Creation of shared value Environmental commitment - Design and construction of new railway infrastructure
<b>203-2</b>    Significant indirect economic impacts	✓		Creation of shared value Environmental commitment - Carbon footprint Environmental commitment - Design and construction of new railway infrastructure







GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
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### GRI 200: ECONOMIC TOPICS

#### GRI 204: PROCUREMENT PRACTICES

<b>204-1</b>	Proportion of spending on local suppliers	✓		Sustainability of the supply chain - Supplier assessment
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#### GRI 205: ANTI-CORRUPTION

<b>205-1</b>	Operations assessed for risks related to corruption	✓		Business integrity
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<b>205-2</b>	Communication and training about anti-corruption policies and procedures	✓		Business integrity Performance indicators
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<b>205-3</b>	Confirmed incidents of corruption and actions taken	✓		Business integrity  In 2017, two disciplinary measures were taken following cases of corruption (one dismissal for just cause and one ten-day suspension).
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#### GRI 206: ANTI-COMPETITIVE BEHAVIOUR

<b>206-1</b>	Legal action for anti-competitive behaviour, anti-trust, and monopoly practices		✓	2017 Annual Report (prg. "Regulatory Work by the Transport Regulation Authority (ART)" and prg. "Other information")
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### GRI 300: ENVIRONMENTAL TOPICS

#### GRI 301: MATERIALS








<b>301-1</b>	Materials used by weight or volume	✓		Performance indicators
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<b>301-2</b>	Recycled input materials used	✓		Performance indicators
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#### GRI 302: ENERGY

<b>302-1</b>	Energy consumption within the organisation	✓		Environmental commitment - Energy efficiency Performance indicators
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<b>302-2</b>	Energy consumption outside of the organization	✓		Performance indicators
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GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 300: ENVIRONMENTAL TOPICS</b>			
<b>GRI 302: ENERGY</b>			
<b>302-3</b>  	Energy intensity	✓	Environmental commitment - Energy efficiency Performance indicators
<b>302-4</b>  	Reduction of energy consumption	✓	Environmental commitment - Energy efficiency
<b>302-5</b>  	Reductions in energy requirements of products and services	✓	Environmental commitment - Energy efficiency Sustainability policies and governance - our commitments - FS Italiane Group's first Green Bonds
<b>GRI 303: WATER</b>			
<b>303-1</b>	Water extraction by source	✓	Environmental commitment - Other environmental impacts - Water consumption Performance indicators
<b>303-2</b>	Water sources significantly affected by extraction of water		In 2017, there was no significant extraction of water from sources in protected areas, i.e., there was no extraction of water exceeding 5% of total water volumes.
<b>303-3</b> 	Water recycled and reused	✓	Company highlights  Immaterial indicator. Quantities are currently insignificant. Specific initiatives to recycle used water are being implemented.
<b>GRI 305: EMISSIONS</b>			
<b>305-1</b> 	Direct emissions (Scope 1)	✓	Environmental commitment - Carbon footprint Performance indicators
<b>305-2</b> 	Indirect emissions (Scope 2)	✓	Environmental commitment - Carbon footprint Performance indicators
<b>305-3</b> 	Other indirect emissions (Scope 3)		Performance indicators

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 300: ENVIRONMENTAL TOPICS</b>			
<b>GRI 305: EMISSIONS</b>			
<b>305-4</b> 	Emissions intensity index	✓	Environmental commitment - Carbon footprint Performance indicators
<b>305-5</b> 	Reduction of emissions	✓	Environmental commitment - Carbon footprint
<b>305-6</b> 	Emissions of ozone-depleting substances (ODS)		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 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.
<b>305-7</b> 	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	✓	Environmental commitment - Carbon footprint Performance indicators
<b>GRI 306: EFFLUENTS AND WASTE</b>			
<b>306-1</b>	Water discharge by quality and destination	✓	Performance indicators
<b>306-2</b>	Waste by type and disposal method	✓	Environmental commitment - Waste management Performance indicators
<b>306-3</b>	Significant spills		There were no significant spills in 2017.
<b>306-4</b>	Transport of hazardous waste	✓	Performance indicators  The Group does not import or treat hazardous waste, it only transports it. Furthermore, the attached tables show waste transported within Italy. The rest is waste transported in accordance with the Basel convention (97% of hazardous waste transported is covered by the Basel Convention).
<b>306-5</b>	Water bodies affected by water discharges and/or runoff		The indicator is not applicable as the Group does not discharge wastewater into bodies of water in protected areas
<b>GRI 307: COMPLIANCE</b>			
<b>307-1</b>	Non-compliance with environmental laws and regulations		In 2017, no significant administrative sanctions or legal fines were imposed for violation of environmental regulations or laws.

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
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**GRI 300: ENVIRONMENTAL TOPICS**

**GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT**


<b>308-1</b>	New suppliers that were screened using environmental criteria	✓	Sustainability of the supply chain - Supplier assessment
<b>308-2</b>	Negative environmental impacts in the supply chain and actions taken	✓	Sustainability of the supply chain - Supplier assessment  In 2017, there were no significant negative events caused by real or potential environmental impacts related to the Group's supply chain.





**GRI 400: SOCIAL TOPICS**














**GRI 401: EMPLOYMENT**


<b>401-1</b>  	New employee hires and employee turnover	✓	People, our capital - Who we are Performance indicators
<b>401-2</b> 	Benefits provided to full-time employees that are not provided to temporary or part-time employees		The indicator is not applicable as the Group provides open-ended contracts to 99.9% of its workforce. 1.5% of open-ended contracts are part time. In any case, there are no differences in the benefits received by temporary or full time employees.
<b>401-3</b>  	Parental leave	✓	People, our capital - relationships with trade unions  All employees may take parental leave. There were 14 exceptions, in which the employees left at the end or during the term of parental leave (12 resignations, 1 mutual termination and 1 fixed-term contract expiry). With reference to parental leave taken in 2016, 99.4% of employees were still in service in 2017.

**GRI 402: LABOUR RELATIONS**

<b>402-1</b> 	Minimum notice periods regarding operational changes		People, our capital - relationships with trade unions
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GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 400: SOCIAL TOPICS</b>			
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>403-1</b>  <b>Workers representation in formal joint management-worker health and safety committees</b>			A health and safety committee has not yet been set up.
<b>403-2</b>  <b>Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</b>	✓		<p>People, our capital - Health and safety            People, our capital - relationships with trade unions</p> <p>All data refer to INAIL statistics which, to calculate the days lost due to injury, consider that compensation is paid for all calendar days from the third day of absence. INAIL's seriousness index does not provide for a breakdown of data by gender.</p> <p>In 2016, the last year of available data, the frequency of occupational diseases reported (frequency of occupational diseases = number of occupational diseases reported/average workforce x 1000) was 3.1 (scope: RFI, Trenitalia, Italferr, Ferservizi, FS, Italcertifer e FS Sistemi Urbani, Mercitalia Logistics) slightly up on 2016, when it was 2.7. Disease prevention measures include an important scheme of regular health check-ups by Group doctors in accordance with the occupational health and safety and train traffic safety legislation. Information on employees who underwent at least one medical check-up in 2017 is not yet available (in 2016, 50,312 employees underwent at least one medical check-up).</p>
<b>403-3</b>  <b>Workers with high incidence or high risk of diseases related to their occupation</b>	✓		People, our capital - Health and safety
<b>403-4</b>  <b>Health and safety topics covered in formal agreements with trade unions</b>			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.

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 400: SOCIAL TOPICS</b>			
<b>GRI 404: TRAINING AND EDUCATION</b>			
<b>404-1</b>  	Average hours of training per year per employee	✓	People, our capital - We invest in the skills of our people Performance indicators
<b>404-2</b> 	Programs for upgrading employee skills and transition assistance programs	✓	People, our capital - We invest in the skills of our people People, our capital - Remuneration and pensions
<b>404-3</b>  	Percentage of employees receiving regular performance and career development reviews	✓	People, our capital - Selection and assessment Performance indicators
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>			
<b>405-1</b>  	Diversity of governance bodies and employees	✓	Governance model People, our capital - Who we are People, our capital - Moving welfare Performance indicators 2017 Annual Report (prg. "Report on corporate governance and ownership structure – FS Italiane S.p.A.'s Board of Directors – Composition and appointment")  The Group is compliant with current regulations regarding protected groups of people.
<b>405-2</b>   	Ratio of basic salary and remuneration of women to men	✓	People, our capital - Remuneration and pensions
<b>GRI 406: NON-DISCRIMINATION</b>			
<b>406-1</b>  	Incidents of discrimination and corrective actions taken		During the year, there were no incidents of discrimination (related to race, nationality, political opinions, religion, gender, age, ability, sexual orientation and personal or social conditions) involving internal and/or external stakeholders.
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
<b>407-1</b> 	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		All Group contracts require the full acceptance of the Code of Conduct. There are no suppliers or activities in which the right to freedom of association and collective bargaining is exposed to significant risk.

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 400: SOCIAL TOPICS</b>			
<b>GRI 408: CHILD LABOUR</b>			
<b>408-1</b>  <b>8 DECENT WORK AND ECONOMIC GROWTH</b> Operations and suppliers at significant risk for incidents of child labour			All Group contracts require the full acceptance of the Code of Conduct. There are no suppliers or activities with significant risk of child labour.
<b>GRI 409: FORCED OR COMPULSORY LABOUR</b>			
<b>409-1</b> Operations and suppliers at significant risk for incidents of forced or compulsory labour			All Group contracts require the full acceptance of the Code of Conduct. There are no suppliers or activities with significant risk of forced labour.
<b>GRI 410: SECURITY PRACTICES</b>			
<b>410-1</b> Security personnel trained in human rights policies or procedures			<p>No specific training is provided relating to human rights. Any action in this respect may be included in training on prevention promoting the health of employees and, hence, relating to occupational safety training.</p> <p>The Group joined the UN's Global Compact ("GC") network, undertaking to comply with the 10 human rights, labour, environmental and anti-corruption principles and include them in its business. These principles integrate and reinforce the Group principles previously established in the Group's code of conduct (which guides the Group in relationships with stakeholders), the 231 model and the anti-corruption policy and anti-bribery and corruption management system guidelines.</p> <p>Specifically, by signing the Global Compact, the Group has formally undertaken to the following regarding human rights:</p> <ul style="list-style-type: none"> <li>- uphold and comply with international human rights provisions;</li> <li>- ensure that it is not complicit in human rights abuses.</li> </ul>
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES</b>			
<b>411-1</b> Incidents of violations involving rights of indigenous peoples			<p>There were no violations of the rights of indigenous people.</p> <p>The Group joined the UN's Global Compact ("GC") network, undertaking to comply with the 10 human rights, labour, environmental and anti-corruption principles and include them in its business. These principles integrate and reinforce the Group principles previously established in the Group's code of conduct (which guides the Group in relationships with stakeholders), the 231 model and the anti-corruption policy and anti-bribery and corruption management system guidelines.</p>

(continued...)





GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 400: SOCIAL TOPICS</b>			
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES</b>			
<b>411-1</b> Incidents of violations involving rights of indigenous peoples			<p>In particular, with respect to human rights, by signing the Global Compact, the Group has formally undertaken to:</p> <ul style="list-style-type: none"> <li>– uphold and comply with international human rights provisions;</li> <li>– ensure that it is not complicit in human rights abuses.</li> </ul>
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>			
<b>412-1</b> Operations that have been subject to human rights reviews or impact assessments			To date, no human rights assessments have been conducted.
<b>412-2</b> Employee training on human rights policies and procedures			<p>No specific training is provided in relation to human rights.</p> <p>The Group joined the UN's Global Compact ("GC") network, undertaking to comply with the 10 human rights, labour, environmental and anti-corruption principles and include them in its business. These principles integrate and reinforce the Group principles previously established in the Group's code of conduct (which guides the Group in relationships with stakeholders), the 231 model and the anti-corruption policy and anti-bribery and corruption management system guidelines.</p> <p>Specifically by signing the Global Compact, the Group has formally undertaken to the following regarding human rights:</p> <ul style="list-style-type: none"> <li>– uphold and comply with international human rights provisions;</li> <li>– ensure that it is not complicit in human rights abuses.</li> </ul>
<b>412-3</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening			<p>FS Italiane Group makes its purchases in accordance with EU Directives, as implemented by the Public Procurement Code, and its own "Regulation for Negotiations with Group companies".</p> <p>Suppliers are screened 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 screening criteria).</p> <p>The standard contractual clauses include requirements that the contractor must comply with:</p> <ul style="list-style-type: none"> <li>labour and social security laws, with the application of national labour agreements;</li> <li>– occupational safety and hygiene obligations;</li> <li>– the standards in the "Group code of conduct".</li> </ul>

(continued...)

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 400: SOCIAL TOPICS</b>			
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>			
<b>412-3</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening			To date, no agreements and/or contracts have been formalised with the inclusion of specific human rights clauses or that are subject to the evaluation of the effective implementation of human rights protection policies. The Group joined the UN's Global Compact ("GC") network, undertaking to comply with the 10 human rights, labour environmental and anti-corruption principles and integrate them in its business
<b>GRI 413: LOCAL COMMUNITIES</b>			
<b>413-1</b> Operations with local community engagement, impact assessments, and development programs	✓		Dialogue with stakeholders Environmental commitment - Design and construction of new railway infrastructure
<b>413-2</b> Operations with significant actual and potential negative impacts on local communities	✓		Environmental commitment - Design and construction of new railway infrastructure
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT</b>			
<b>414-1</b>   New suppliers that were screened using social criteria	✓		Sustainability of the supply chain - Supplier assessment  All Group contracts require the full acceptance of the code of conduct.
<b>414-2</b>   Negative social impacts in the supply chain and actions taken	✓		Sustainability of the supply chain - Supplier assessment  In 2017, there were no significant negative events caused by real or potential impacts related to employment policies concerning the Group's supply chain.
<b>GRI 415: PUBLIC POLICY</b>			
<b>415-1</b> Political contributions			The Group does not provide direct or indirect contributions, in any form, to political parties, movements, committees and political and trade unions organisations or their representatives, except for those due to specific regulations. Relationships with political parties, movements, committees and political and trade unions organisations are managed exclusively by formally designated company departments (article 4.6 of the Group's Code of Conduct).

GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 400: SOCIAL TOPICS</b>			
<b>GRI 416: CUSTOMER HEALTH AND SAFETY</b>			
<b>416-1</b>	Assessment of the health and safety impacts of product and service categories	✓	Putting customers first - Travel safety
<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	✓	Putting customers first - Travel safety
<b>GRI 418: CUSTOMER PRIVACY</b>			
<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	✓	<p>With regard to customers' privacy and data, in 2017, Trenitalia received a report from a customer and two notes from the Data Protection Authority. For additional details:</p> <ul style="list-style-type: none"> <li>- On 24 November 2017, the after-sales department of the Long Haul Passenger Division received a request from a customer to delete their ID and password, as it believed that they may have been stolen;</li> <li>- On 13 January 2017, a letter from the Data Protection Authority highlighted that, following a report from a client, it had become aware that the Trenitalia ticket offices in Rome had been recording the details of IDs, presumably by making a copy for the refund of amounts stated on the credit receipts issued by the self-service ticket machines. Trenitalia carried out the appropriate checks and provided feedback to the Data Protection Authority, noting that in accordance with its regulations, refunds do not require a copy of IDs. In the specific case highlighted by the customer, it was possible that to provide customer care and avoid long waiting times at the ticket window, the ticket office operator had carried out the purchase by inserting the necessary data after the fact to save time. However, no copies of IDs were found at the ticket office;</li> <li>- On 19 January 2017 a letter from the Data Protection Authority described a report from a customer who complained that they had logged onto the Trenitalia app and seen the personal data of other users. The appropriate checks were carried out and on 27 January 2017 feedback was provided to the Data Protection Authority. Trenitalia intervened to resolve the problem with the system.</li> </ul>



GRI INDICATORS/SDGs	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCES/COMMENTS
<b>GRI 400: SOCIAL TOPICS</b>			
<b>GRI 419: SOCIOECONOMIC COMPLIANCE</b>			
<b>419-1</b> <b>Non-compliance with laws and regulations in the social and economic area</b>			<p>Putting customers first - we take care of our customers</p> <p>Performance indicators</p> <p>2017 Annual Report (prg. "ART (Transport Authority regulations)" and prg. "Other information")</p> <p>The most significant types of disputes in 2017, with regard to potential costs, for the main Group companies are detailed below:</p> <ul style="list-style-type: none"> <li>- claims for promotions;</li> <li>- claims for subordinated employment contracts against Group companies;</li> <li>- joint obligations;</li> <li>- conversion of temporary employment and/or by journey contracts in the shipping sector into open-ended contracts.</li> <li>- asbestos;</li> <li>- dispute regarding Post-employment benefits recalculation;</li> <li>- dispute regarding Level 2 contracts;</li> <li>- dispute regarding employment of former station managers;</li> <li>- dispute regarding "Rest period pursuant to Regulation (EC) no. 561/2006".</li> </ul>



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