



2015 Sustainability Report



Registered office	Piazza della Croce Rossa, 1 - 00161 Rome (Italy)
Share capital	€ 36,340,432,802 fully paid-up
Rea (Administrative Economic Register) of Rome	no. 962805
Registered with the Chamber of Commerce of Rome	under no. 06359501001
Tax Code and VAT	no. 06359501001
Contact number	+39 06 44101
Webpage	www.fsitaliane.it

Corporate bodies

Board of Directors

	In office until 27 November 2015	Appointed on 27 November 2015 ¹
CHAIRMAN	Marcello Messori	Gioia Maria Ghezzi
CEO	Michele Mario Elia	Renato Mazzoncini ²
DIRECTORS	Daniela Carosio Vittorio Belingardi Clusoni Giuliano Frosini Gioia Maria Ghezzi Simonetta Giordani Federico Lovadina Vanda Ternau	Daniela Carosio Giuliano Frosini Simonetta Giordani Federico Lovadina Vanda Ternau

Board of Statutory Auditors

CHAIRMAN	Alessandra dal Verme	
STANDING STATUTORY AUDITORS	Tiziano Onesti Claudia Cattani	Roberto Ascoli ³
ALTERNATE STATUTORY AUDITORS	Paolo Castaldi ⁴ Cinzia Simeone	

Court of Auditors' Magistrate appointed to audit Ferrovie dello Stato Italiane SpA

Ernesto Basile	Angelo Canale ⁵
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Manager in charge of the Company's financial reports

Roberto Mannozi

Independent auditors

KPMG SpA⁶

1. As per the Shareholders' Meeting resolution passed on the same date
2. Appointed by the Board of Directors on 1 December 2015 also with functions and mandate of General Manager
3. He took over as Standing Statutory Auditor on 11 March 2016 in place of Paolo Castaldi. The latter took over as Alternate Statutory Auditor on the same day
4. He took over as Standing Statutory Auditor in place of Tiziano Onesti from 21 December 2015 to 11 March 2016
5. Appointed as Court of Auditors' Magistrate delegate for the supervision of FS SpA as of 15 April 2015
6. For 2014-2022 period

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Letter to stakeholders

G4-1 / G4-2

In 2015, we confirmed our position as one of the most important industrial companies in Italy, improving our efforts to achieve increasingly sustainable mobility. However, our goals are even more ambitious: we want the FS Italiane Group to become a real mobility integrator, evolving from its current but still major role as the backbone of Italy's transport sector. This is shown by the figures and the transactions that characterise our operations and which are briefly summarised below. For the FS Italiane Group, 2015 was still affected by the disruptions that marked the second half of 2014, including the increase in the cost of electrical energy for traction, the reduction in the grants for freight universal services and the decrease in High Speed/High Capacity tolls.

However, profit for the year amounts to €464 million, up by €161 million on the previous year (+53.1%). Conversely, the negative impacts on the Group's operations affected margins in particular, causing a decrease in both gross operating profit and operating profit which amount to €139 million (-6.6%) and €15 million (-2.3%), respectively.

The Group's expenditure for investments in the year amounts to €5,497 million, €2,453 million of which was self-financed and €3,044 million raised through Government grants, growing significantly (+29.0%) on the previous year and confirming the positive trend recorded in the past few years.

Specifically, in 2015, the Transport sector recorded a profit of €226 million, up by €134 million on 2014, or a significant percentage increase of 145.7%. Railway production also performed well: it registered 43.6 billion passenger-km (+2.6% on 2014), 22.8 billion of which on regional transport (+2.8% on 2014) and 20.8 billion on long haul journeys (+2.4% on 2014), especially thanks to High Speed trains. Indeed, during the year, *Freccia* trains carried approximately 48 million passengers, up by 6% on 2014.



This figure confirms the steady trend experienced in the past few years, clearly reflecting the great revolution in the travelling habits of millions of Italians introduced by High Speed trains. From now on, one of the main goal is to extend this revolution to regional and freight transport, improving the efficiency, effectiveness and quality of two fundamental sectors for Italy's mobility.

The profit for the year will be reinvested in the next business plan to improve the services necessary to change the FS Italiane Group from a railway transport company to a mobility company.

Punctuality also remained good in 2015, with 93% of long haul passenger trains and 94.5% of High Speed trains on time.

Customer satisfaction increased in terms of comfort, cleanliness, punctuality, on board information and security, with 76.4% of interviewees expressing an overall positive opinion about their journey. With respect to road local public transport, the urban and suburban services provided by the FS Italiane Group companies covered approximately 100 million bus-km.

Bearing in mind that improvements also require an increased attention to stakeholders' needs, the third edition of the Stakeholders' panel of FS Italiane Group was held on 20 October 2015. Approximately 50 people, including representatives of companies, public administrations, research institutes, businessmen, universities, police forces, consumer and trade associations and resident users, participated in the meeting which resulted in the drawing up of 18 proposals, most of which are being implemented.

Again, in order to be open and receptive, the FS Italiane Group organised, in collaboration with Legambiente, the 26th edition of the Green train which, as it was the year of the Expo, was obviously dedicated to food.

However, the impacts of our services are our greatest contribution to the environment. For example, those who chose to travel between Rome and Milan using *Frecciarossa* trains saved approximately one million tonnes of CO₂, 10 tonnes of PM₁₀, 6000 tonnes of NO_x and 500 tonnes of non-methane hydrocarbons, which would have been released into the atmosphere had cars been used.

Social activities include, in particular, those related to Sale Blu located in the main terminals which enable people with reduced mobility to access railway services. The "In viaggio con il diritto al cibo" (Travelling and the right to food) initiative was launched by ActionAid during the Expo to inform and increase people's awareness of the problems linked to global hunger and the fair distribution of resources. Furthermore, the solidarity campaign "Questa porta non è mai chiusa" (This door is always open) was launched in collaboration with Rome's Caritas to support the restoration and the purchase of new furniture for the "Don Luigi Di Liegro" shelter at Stazione Termini.

Finally, in 2015, the Ferrovie dello Stato Italiane Group also succeeded in considerably improving the performance of safety in the workplace, cutting accidents by more than 15% on 2014 and the frequency rate by 13%, compared to the 2% target.

This is only a short summary of that described in detail in this report, which confirms the Group's and its employees' real commitment to increasing Italy's sustainable development and public mobility.

The Chairman
Gioia Maria Ghezzi

The CEO
Renato Mazzoncini



The Group's sustainability in short

G4-2 / G4-9

Business sustainability

Results of operations

Gross operating
profit/revenue / **23.01%**

Profit
for the year / **464**
€ million

ROS
(operating
profit/revenue) / **7.50%**

Investments
of the year / **5,497**
€ million



Passenger and freight traffic

Rail traffic - Passengers / **43.6** billion Passengers-km (LH+LPT)
 Train-km **283** million

Road traffic - Passengers / **2.2** billion Passengers-km
 Bus-km **117** million

Rail traffic - Freight / **23.4** billion Tonnes-km
 Train-km **46.7** million

Our customers

Customer satisfaction - (overall journey) / **91.4%** National and international transport % satisfaction
 Freight transport / **70.9%** % satisfaction
 Regional transport / **76.1%** % satisfaction

Service quality - Punctuality / **93.0%** Long haul transport 0-15 minutes

Travel safety - Investments in maintenance / **891** € million Routine

Focus on the *Freccia* trains / **93.2%** 0-15 minutes

Non-routine / **1,146** € million

Our suppliers

Economic value of core supplies / **3.5** € billion

Environmental respect and protection

Environmental performance

Energy / Total primary energy consumption
38.38
Gj million

Emissions / Total greenhouse gas emissions
2.12
tCO₂ million

Companies ISO14001-certified / **14**

Sustainability in the Group

Stakeholders

Proposals implemented / **28**

Proposals accepted since 2013 / **65**

Proposals rejected / **7**



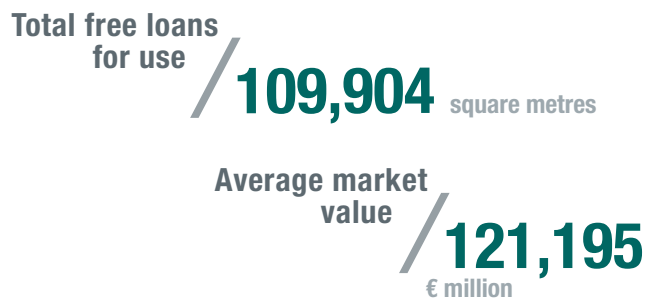
Our people

Workforce



Our role in the community

Re-use of assets



The Group's profile

Fondazione FS



Methodology

G4-2 / G4-3 / G4-13 / G4-18 / G4-19 / G4-20 / G4-21 / G4-22 / G4-23 / G4-29 / G4-32 / G4-33

The information in the 2015 Sustainability Report is compared with the previous two years¹. Any differences with the information published in previous Sustainability Reports are due to the fine-tuning of the recording methods. Indeed, since 2011, an IT solution (SuPM – Sustainability Performance Management) has been adopted for the data collection process. To date, it comprises 18 operating Group companies.

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 figures²: they refer to Ferrovie dello Stato Italiane and the subsidiaries, as per the consolidated

financial statements; the information about the breakdowns required by the G4 (e.g., turnover, personnel allocation, remuneration, training, etc.) generally refers to a scope that accounts for approximately 87% of the Group's total workforce³;

- Environmental figures: Ferrovie dello Stato Italiane, Ferservizi, RFI, Terminali Italia, Blufferies, Italferr⁴, Trenitalia, Serfer, TX Logistik, Grandi Stazioni, Centostazioni, FS Sistemi Urbani, Netinera group, FS Logistica, Busitalia - Sita Nord, Umbria Mobilità Esercizio⁵, Ataf Gestioni and Busitalia Veneto⁶; this scope includes the Parent⁷, 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 "G4 Sustainability Reporting Guidelines" issued by the Global Reporting Initiative (GRI)⁸ in 2013, using the comprehensive reporting option in order to reflect the most recent evolutions in sustainability reporting. The main purpose of the report is to inform stakeholders about the progress made in terms of economic, environmental and social sustainability using a triple bottom line format. The department heads have provided the data and information published herein except where they have been taken from other official sources⁹. The Board of Directors of Ferrovie dello Stato Italiane SpA examined the 2015 Sustainability Report during its meeting on 29 July 2016.

1. The publication is annual. The 2014 report was published in August 2015.

2. The figures in the chapter on *Human capital* refer to the reporting year.

3. The scope includes Ferrovie dello Stato, RFI, Trenitalia, Ferservizi, Italferr, FS Logistica, FS Jit, FS Sistemi Urbani and Terminali Italia. Where specific information refers to a slightly different scope, this is noted in the relevant paragraph.

4. In the reporting, the environmental impacts of Italferr's sites were separated from the environmental impacts of other Group activities: this choice was made on the basis of an analysis of environmental data for sites which showed how the trends are immaterial for the purposes of assessing the environmental efficiency of sites. Indeed, the trends reflect the environmental performance of the sites, which, given their nature, do not present continuous or regular volumes.

5. Umbria Mobilità Esercizio was merged into Busitalia - Sita Nord with effect from 1 December 2015; in this Report, it is considered as if it were still a subsidiary.

6. Busitalia Veneto was incorporated on 20 January 2015. Busitalia - Sita Nord and APS Holding hold an investment of 55% and 45% therein, respectively. This company comprises the "Veneto business unit" of Busitalia - Sita Nord and the "LPT business unit" of APS Holding.

7. In this Report, Parent means Ferrovie dello Stato Italiane (FS SpA).

8. Global Reporting Initiative (GRI): an independent institution that develops and promotes guidelines for the preparation of Sustainability Reports. The guidelines are followed on a voluntary basis.

9. For additional details, in certain cases, reference should be made to the Group's 2015 Annual Report.



This Report covers the economic, social and environmental activities which are deemed most relevant to the stakeholders and the Group, as described below. The *Additional information* section attached to this Report provides further details.

The Group is committed to achieving the Sustainable Development Goals (SDGs) launched by the United Na-

tions Organisations on 25 September. The beginning of each chapter shows the symbols of the goal we intend to achieve.

The information provided in the general disclosure¹⁰ section is not included in the materiality analysis and is entirely reported.

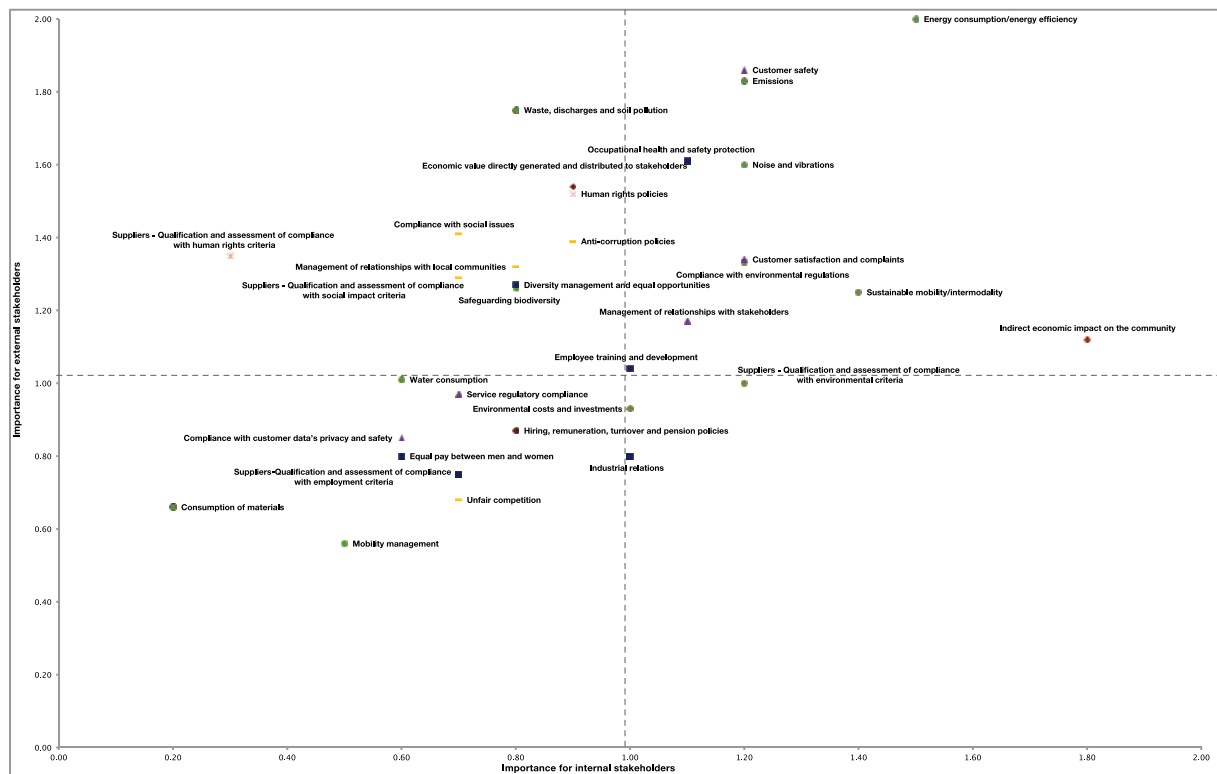
See the *Additional information* section for more details.

10. Section of the GRI-G4 which includes: The Group's profile, Corporate Governance, Strategy and analysis and Stakeholder engagement.

Materiality matrix

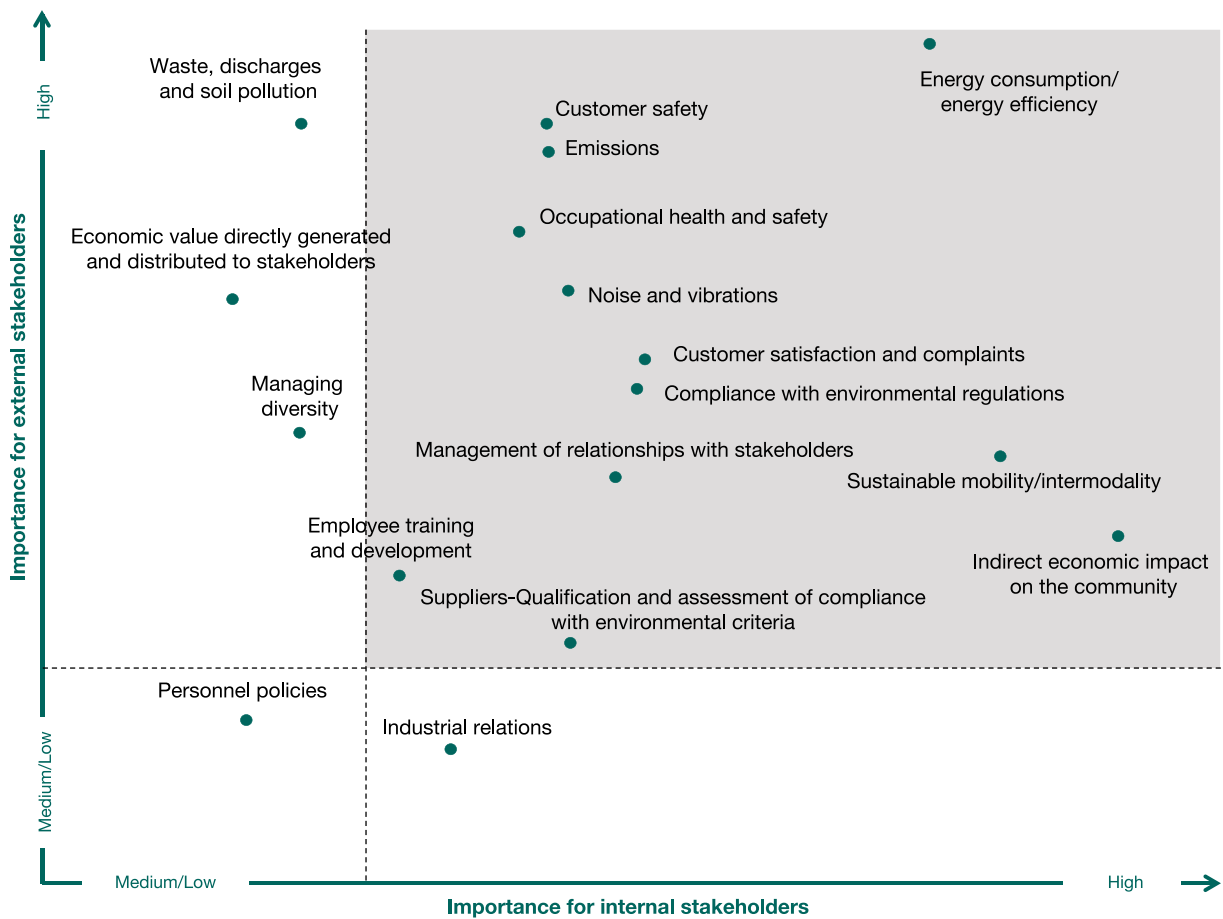
In order to comply with the materiality principle of the GRI-G4 guidelines, the most significant issues for the Group and the stakeholders were identified, i.e., those aspects that may have significant economic, social and environmental impacts on the Group and those that are deemed particularly important for the stakeholders as they influence their expectations and decisions.

This is reflected in the matrix below where 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 placed by stakeholders on the selected aspects.



Topic	
Environment	●
Economic	◆
Social - Community	—
Social - Human rights	✕
Social - Labour	■
Social - Product	▲

The upper right corner shows the most significant aspects covered by this Report (major information is also provided for the other aspects which are however deemed important for the Group). The picture shows the aspects covered by this Report.



See the *Additional information* section for more details.

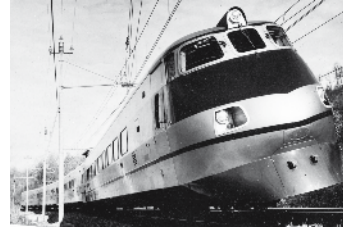
The Group's profile

Our history



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



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 250 km/h, the Pendolino is a milestone in the path towards Italy's HS rails.

Ferrovie dello Stato becomes a company limited by shares.



1905

1927

1936

1953

1976

1989

1992

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



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



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.



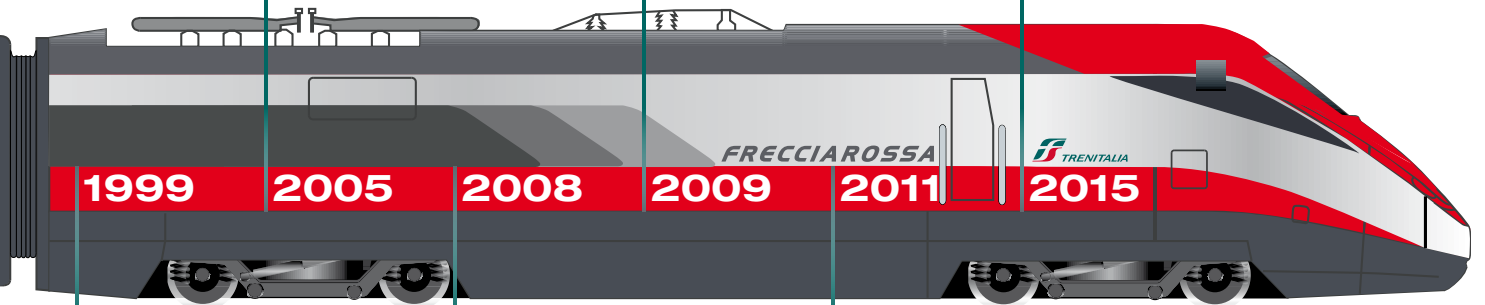


The new HS Rome-Naples line is completed, and is the first to adopt the innovative ERTMS/ETCS. Engineers arrive from around the world, including Japan, the US, Russia and China, to study the Italian system, which boasts safe, quiet railway transport at 300 km/h.

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.



Frecciarossa 1000, the ultra High Speed train of the future, is rolled out: 390,7 km/h.



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: 362 km/h.



FS SpA acquires the Arriva Deutschland Group, now known as Netinera, Germany third largest operator in the passenger transport service sector.

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



Fondazione FS Italiane

Fondazione FS Italiane was established in March 2013 to enhance and preserve the historical and technical heritage, a symbol of the industrial development process which contributed to reinforcing and developing Italy. It is supported by Ferrovie dello Stato Italiane, Rete Ferroviaria Italiana ("RFI") and Trenitalia.

Since December 2015, the Minister for Cultural Heritage and Activities and Tourism has been an "institutional member" of Fondazione FS.

It is mainly active in the following fields:

- Railway tourism: management and enhancement of historic trains and related sites;
- National railway museum and Napoli Pietrarsa congress centre: museum and library management;
- Archives, audio-visual centre and library: library, archive and audio-visual management.

The figures of Fondazione FS are given below.



FONDAZIONE FS ITALIANE IN FIGURES

Historic trains	<ul style="list-style-type: none"> • 343 historic trains, of which 159 in operation and other 22 rented from Trenitalia
Events on historic trains organised in 2015	<ul style="list-style-type: none"> • 166 journeys • 45,000 passengers (+60% on 2014) • 5 lines were reopened for tourism as part of the "Binari senza tempo" (timeless rails) project, with 86 journeys and 32,000 passengers
Library	<ul style="list-style-type: none"> • 50,000 volumes
Archives	<ul style="list-style-type: none"> • 12,000 plans and blueprints of the network and the stations • 7,000 rolls of architectural drawings of stations and railway buildings • 7,000 rolls of technical drawings of historic locomotives and rolling stock • 10,000 photographs of trains, traction vehicles, carriages and wagons
Audio-visual material	<ul style="list-style-type: none"> • 500,000 black and white and colour film and digital photographs • 5,000 video cassettes • 3,000 films
Depots for rolling stock and related associations	<ul style="list-style-type: none"> • 13 hubs throughout Italy • 13 related associations
Museo Nazionale Ferroviario di Pietrarsa	<ul style="list-style-type: none"> • 36,000 m² (14,000 m² of which indoors) • 55 historic trains • 38,000 visitors (+92% on 2014) • 4,000 parking places of which 1,000 indoors • 10 large events, including: the <i>Stati Generali del Turismo Sostenibile</i> (general meeting on sustainable tourism), the "Pietrarsa Express", a historic train running from Naples to the Museum and the exhibition on Leonardo da Vinci's works and inventions • Trecentotreni model (18x2 m)

For additional information, reference should be made to the website www.fondazionefs.it.



The business model

G4-4 / G4-7 / G4-9 / G4-13 / G4-17 / G4-20 / G4-21

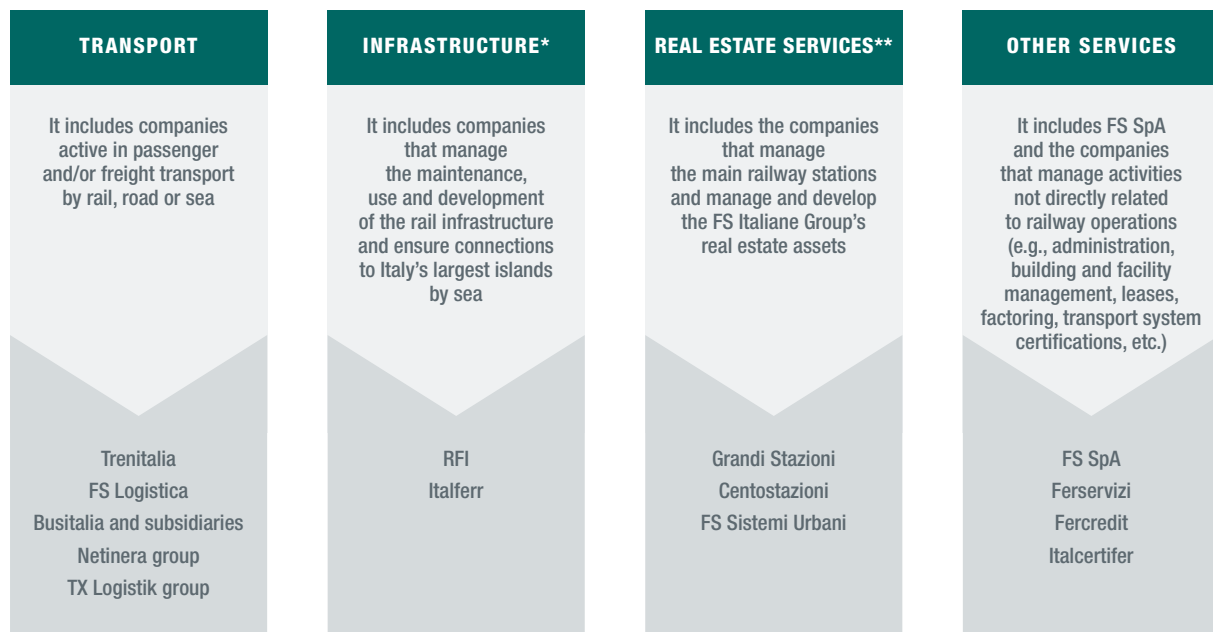
The Group's current organisational structure derives from a spin-off process (launched in 2000) which led to the current multi-company structure headed by a Parent, FS SpA, whose business purpose is to:

- build and manage railway transport infrastructures;
- carry out freight and passenger transport activities, mainly by rail, including the promotion, implementation and management of initiatives and services in the field of transport;
- directly or indirectly carry out any other activity that is instrumental, complementary or connected to the

above, expressly including customer services and activities aimed at enhancing the value of its assets used in the performance of the activities covered by its by-laws.

As expressly required by the by-laws, activities are mainly, though not exclusively, carried out through subsidiaries and associates.

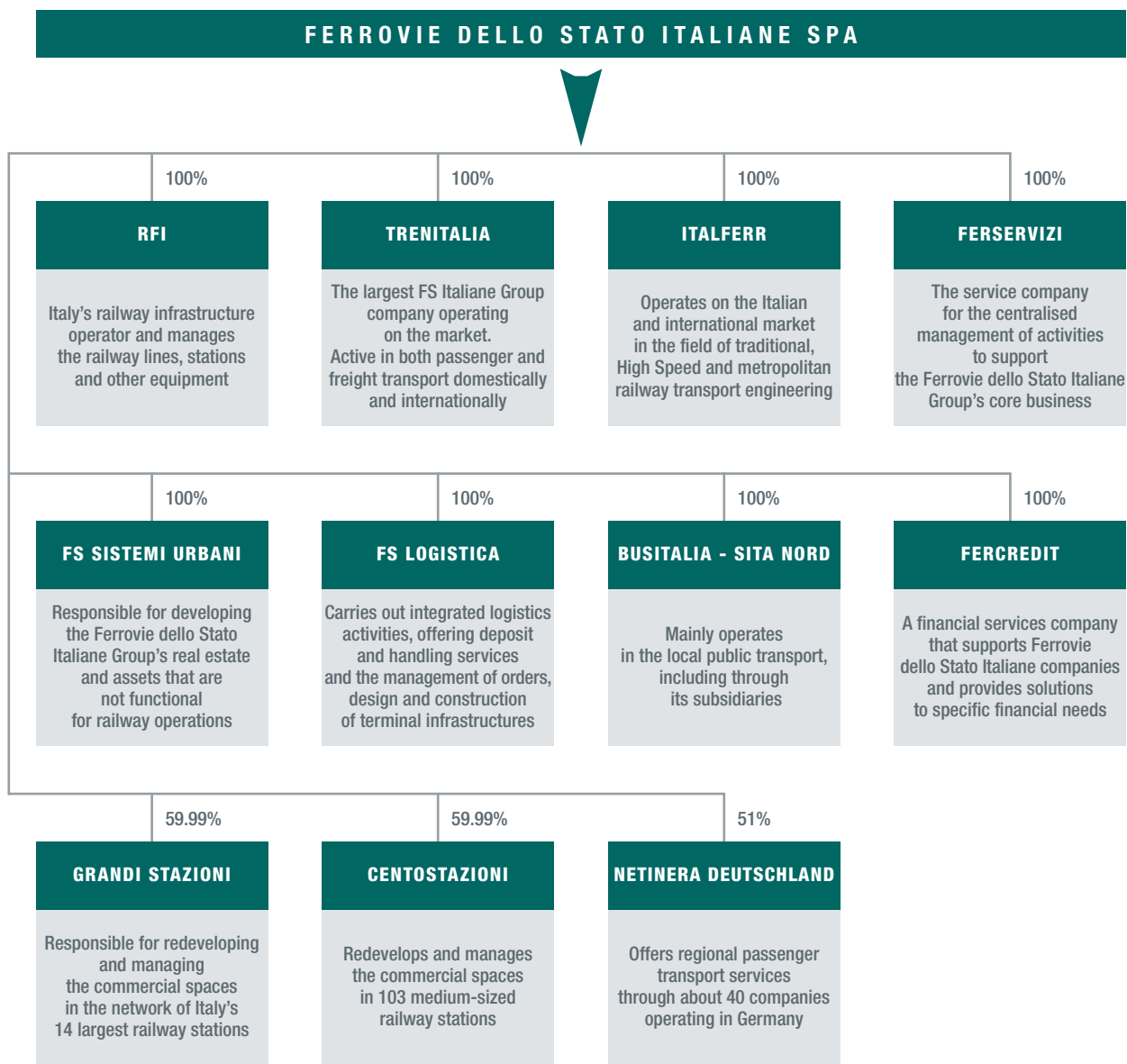
The Ferrovie dello Stato Italiane Group is organised into four operating segments: Transport, Infrastructure, Real Estate Services and Other Services. The Parent heads the companies operating in the segments.



* The Infrastructure segment includes Brenner Basis Tunnel (BBT), Tunnel Railway del Brennero (TFB) and Tunnel Euralpin Lyon Turin (TELT). Their core business is the construction of tunnels linking Italy-Austria and Italy-France

** FS SpA also contributes to segment results to the extent of real estate management activities. In addition to providing support/consultancy services to Group companies, this company also enhances/sells land and buildings

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 targets.



In 2015, there were no significant changes in FS SpA's size, structure or ownership structure (the latter consisting of ownership of FS SpA shares and the amount of subscribed capital).

Non-recurring transactions involving the Group's main companies are described in the Group's *2015 Annual Report (Ferrovie dello Stato Italiane Group's consolidated financial statements at 31 December 2015, Notes to the consolidated financial statements)*.

The transport segment and the reference market

G4-4 / G4-6 / G4-8 / G4-17

The Ferrovie dello Stato Italiane Group carries out and manages works and services in passenger and freight railway transport and road transport for its customers. It is mainly active in Italy, although its presence in foreign markets has increased over the past few years. Economic strengthening and the expansion in the domestic and international markets through an ambitious mobility and logistic project in an increasingly competitive scenario are the Group's next challenges.

Domestic market

RFI is the national railway infrastructure operator¹¹. Specifically, it ensures the construction, management and maintenance of the railway infrastructure (lines, plants and stations), including the safe operation of traffic, control-command and signalling. RFI operates with an open approach to the domestic and foreign markets and under free competition, ensuring fair conditions to access the network. Furthermore, it leases commercial spaces at stations and the immediately adjacent areas, along the lines and railway bridges. However, the real estate complexes of 14 of the main and busiest network stations and of 103 large and medium/large city stations are managed by Grandi Stazioni and Centostazioni, respectively.

The main activities include:

- maintenance and operation of the infrastructure;
- offering the railway companies' trains access to the network;
- technological and infrastructural upgrades to the network and High Speed/High Capacity investments;
- development and application of technologies and systems for infrastructure growth.

RFI NETWORK IN OPERATION



11. In accordance with the responsibilities assigned to RFI by segment regulations, starting from the Concession act (see Ministerial Decree no. 138T of 31 October 2000 and Legislative Decree no. 112 of 15 July 2015, implementing Directive 2012/34/EU of the European Parliament and Council of 21 November 2012 in Italy – the so-called “Recast directive”).



THE NETWORK IN FIGURES*

Operating railway lines	km	16,724
Types		
Double-track lines	km	7,563
Single-track lines	km	9,161
Power		
Electrical lines	km	11,941
Diesel fuel lines	km	4,783
Total track length	km	24,286
Traditional line	km	22,936
HS line**	km	1,350
Railway plant		
Stations with active passenger services		2,087
Ferrying facilities		3
Total production volumes in 2015	million (train-km)	340

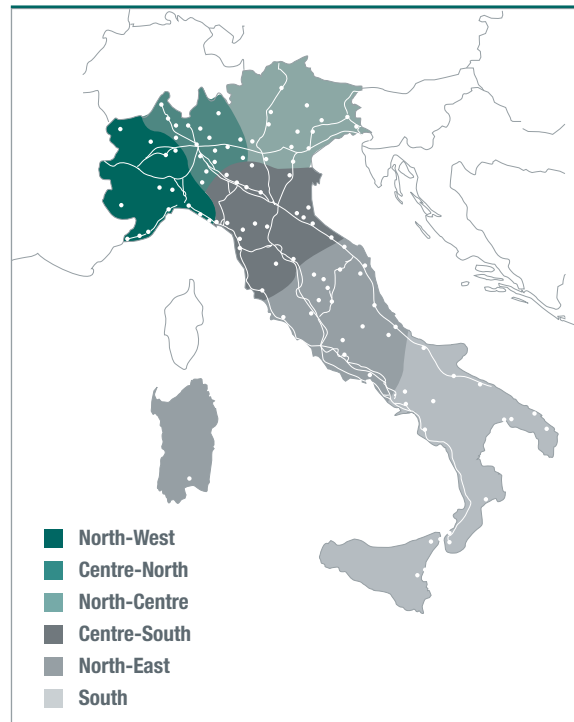
* Data updated to 31 December 2015

** Referring to sections equipped with ERTMS (European Rail Traffic Management System) and the related connections to other service locations

GRANDI STAZIONI NETWORK



CENTOSTAZIONI NETWORK



Trenitalia, the main Italian company managing passenger and freight railway transport, operates through three divisions:

- **Long Haul Passenger Division**, offering long haul railway transport services for passengers, including on sections of corridors forming the European network;
- **Regional Passenger Division**, which provides metropolitan, regional and inter-regional railway mobility services under the service contracts that it agreed with the Regions and the Autonomous Provinces;
- **Freight Division** which, together with other Group companies, designs, produces, manages, sells and develops railway transport services for freight.

Busitalia - Sita Nord is the Group's local public road transport company. In this segment, either directly or through its subsidiaries, it offers urban and suburban connections in Veneto (through Busitalia Veneto), Tuscany (including through Ataf Gestioni) and Umbria¹². Furthermore, through its subsidiary, Busitalia Rail Service, it provides railway line replacement services throughout Italy on Trenitalia's behalf.

FS Logistica is active on the domestic market with its business units. Its core business is focused on large institutional customers and multi-modal transport and logistics services for consumer goods.

FS Sistemi Urbani is responsible for developing the Group's assets which are not functional to railway operations and for providing integrated urban services with a business-oriented approach, as well as streamlining and improving the functioning and service offered to the public. Specifically, it studies, promotes, implements and manages projects to develop and enhance real estate assets and develops projects that strengthen services that are important in terms of their economic and social impact. The subsidiary Metropark, provides parking and people integrated mobility solutions through the management of 75 car parks near major railway stations.

12. In November 2015, Umbria Mobilità Esercizio (already wholly owned by Busitalia) was merged into Busitalia - Sita Nord.

International market

The Ferrovie dello Stato Italiane Group is increasingly committed to expanding its transport business abroad. The main services offered abroad are engineering, passenger transport and freight logistics.

RFI's commitment on foreign markets, in partnership with infrastructure managers in other countries in activities sponsored by the European Union, mainly consist in the development of a European integrated railway area, strengthening its network along the main traffic corridors included in TEN-T (Trans European Stations-Transport) networks connecting to Italy's and Europe's air, port and interport hubs. Specifically, in Italy, it promotes railway investments and works to ensure the upgrading, efficiency, extension and interoperability of the four core corridors of the TEN-T related to Italy¹³. Moreover, in collaboration with the infrastructure managers of neighbouring countries, it carries out projects and works for the cross-border sections of the Mediterranean corridor and the Scandinavian-Mediterranean corridor¹⁴ and participates in the governance and management and operational activities of the four rail freight corridors related to Italy¹⁵.

In the field of passenger transport, **Trenitalia** connects the main Italian cities to Austria, France, Germany and Switzerland with its international *Eurocity* and *Euronight* trains. Specifically, in France, it expanded its range of connections with several destinations of the French riviera through the subsidiary Thello¹⁶.

The **Netinera** group operated in rail and road transport on the German local public service market, and also offered a few transborder services from Germany to the Czech Republic and Poland, in addition to freight services.

In the freight transport and logistics sector, **Trenitalia** 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.



Furthermore, Trenitalia has recently obtained the safety certification in France and Austria necessary to offer its services directly or in partnership with other companies. Specifically, in Austria, the aim is to increase its presence in the Eastern route to operate in a crucial point on the way to Poland, Russia and South-Eastern European countries such as Hungary, Romania, Bulgaria and Turkey.

Grandi Stazioni operates abroad through Grandi Stazioni Ceska Republika Sro, a company responsible for the redevelopment and commercial management of two railway stations in the Czech Republic.

Italferr handles the design, management and oversight of works, tenders and project management for large infrastructural investments in several countries around the world (Europe, Middle East, Africa, Turkey, Iran, Asia, India and the Americas). For additional information about the projects carried out, reference should be made to www.italferr.it/ifer/Progetti-e-Studi#.

13. Corridors: Baltic-Adriatic, Scandinavian-Mediterranean, Rhine-Alps and Mediterranean.

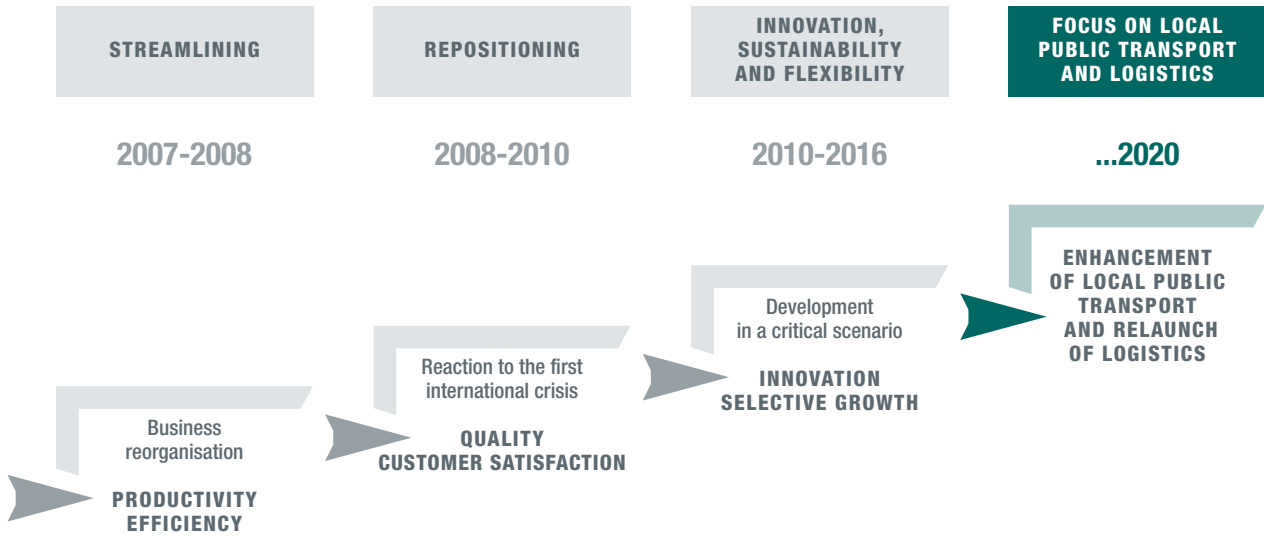
14. The Turin-Lyon section between Italy and France, the Brenner Tunnel between Fortezza and Innsbruck and the Trieste-Divaca between Italy and Slovenia.

15. Similar to TEN-T corridors, freight corridors are defined, together with the measures ensuring interoperability and commercial development, by European Regulation 913/2010.

16. Subsidiary of Trenitalia with an investment of 66.67%.

Strategy and objectives

G4-1 / G4-2



The strategic objectives that will guide the operations of FS Italiane Group companies in the next few years are aimed at defining policies and implementing actions to enhance local public transport and relaunch the logistic and freight transport business.

In the passenger transport segment, FS Italiane Group intends to turn from a simple provider of railway and road transport to a comprehensive mobility player, taking care of passengers from departure to arrival thanks to the central role played by intermodality. This is essential in providing customers with an added value offer and in ensuring profitable business management.

Even where no Group company is directly present, Ferrovie dello Stato Italiane will act as an integrator of the various modes of transport and related players to contribute to the implementation of a real integrated intermodal mobility network throughout Italy.

To this end, the infrastructural efforts and the investment ability will also be focused on this strategic target in order to lay the foundations for an increasingly comprehensive intermodal offer (updating the railway infrastructure at interchanges in large urban areas, hub and spoke services, integrated contract centres, single tickets, integrated tariffs, etc.).

In the freight transport and logistic segment, the Group is working to complete the internal reorganisation of its companies operating in various ways in the segment by 2016. Meanwhile, resources are being focused, the strengths of the various companies are being enhanced and the market and business strategies are being redefined to create a European player acting as a single interface to customers, while ensuring an economic return. This requires an investment effort to provide the future player with the best possible resources to make it competitive.



Sustainability in the Group



Our approach to sustainability

G4-1 / G4-2 / G4-56 / G4-15 / G4-EC2 / G4-EC7

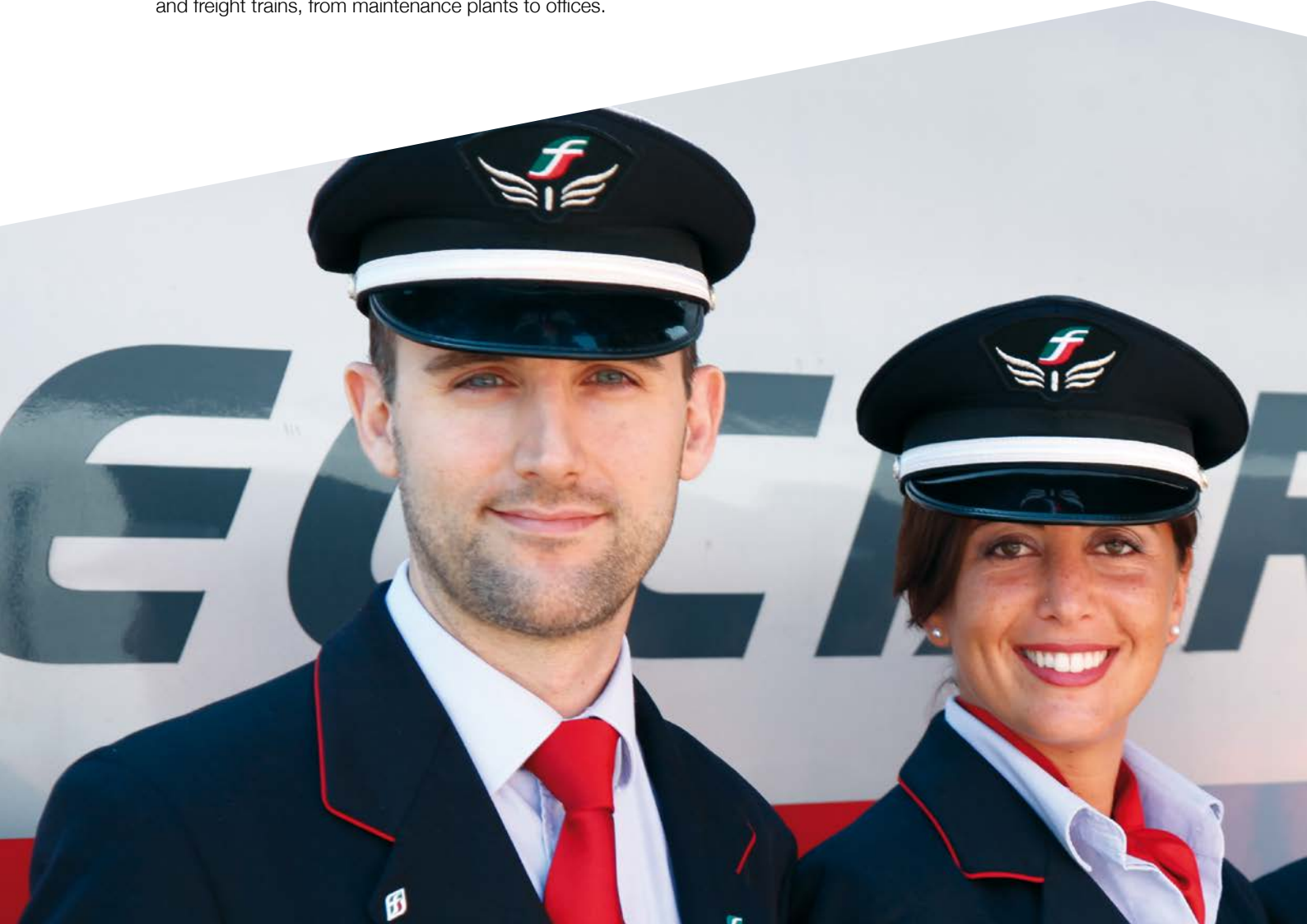
The Group's mission

"Build and manage transport-related works and services, mainly in the railway segment, and contribute to developing a large sustainable logistic and mobility project, with an offer aimed at improving quality at the lowest cost for citizens".

All FS Italiane Group's activities reflect the focus on sustainability: from the design to the construction and maintenance of works and vehicles, from infrastructure and station management to the movement of passenger and freight trains, from maintenance plants to offices.

Our commitment

The Code of Ethics is a charter of fundamental rights and responsibilities whereby the FS Italiane Group establishes its responsibilities and commitments to internal and external stakeholders. Specific attention is attached to transparency in company operations, which must always respect the environment and society, in order to create long-lasting value for the business and its stakeholders.





INTERNATIONAL UNION
OF RAILWAYS

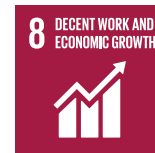
The Code of Ethics is approved by the Group companies' Boards of Directors and applies to their corporate bodies, managers, employees, freelancers, business partners, suppliers and all other parties involved in transactions with the Group.

In line with its mission, in 2011, the Group signed the "UIC Declaration on Sustainable Mobility & Transport", endorsing the ten principles set out in the Global Compact Programme of the United Nations, related to human rights, labour, environment and anti-corruption.

Furthermore, the Group supports the 17 Sustainable Development Goals (SDGs) launched by the United Nations Organisation on 25 September to promote a common agenda for development between now and 2030. Specifically, the Group's contribution consists of the following goals:



SUSTAINABLE DEVELOPMENT GOALS



Policies

Our approach to sustainability includes explicit commitments, stated also in company policies and the Code of Ethics, to the Company's stakeholders:



Stakeholders

G4-16 / G4-24 / G4-25 / G4-26 / G4-27 / G4-SO1 / G4-PR7

The Ferrovie dello Stato Italiane Group operates under the firm belief that a company's success hinges on its ability to meet its stakeholders' needs. In this respect, the Group organises a panel in which stakeholders are invited to discuss proposed improvements to the Group's economic, environmental and social sustainability.

In the three panels organised to date, FS Italiane Group's stakeholder community numbered 200. Stakeholders were identified based on their ability to influence the Group's operations, products and services and, conversely, considering the Group's influence on them. The stakeholder categories are indicated below:

FERROVIE DELLO STATO ITALIANE GROUP STAKEHOLDER MAP



The stakeholder panel

The panel was organised on 20 October 2015 and covered 10 issues related to five strategic areas, identified during one of the two previous editions and selected after consulting with the stakeholders:

TABLE	ISSUES
Environment	<ul style="list-style-type: none"> • New communication model • Participation in construction sites
Long haul passenger mobility	<ul style="list-style-type: none"> • On board crew report • Restaurant services
Local public transport passenger mobility	<ul style="list-style-type: none"> • Perceptual continuity at interchanges • Integrated regional transport
Stations	<ul style="list-style-type: none"> • Service and structure accessibility • “Light makes you see better and feel safer” initiative
Community	<ul style="list-style-type: none"> • Re-use of assets • Welcome and inclusion

The 50 stakeholders invited put forward 18 proposed improvements.

As described in detail in the Group website under the *Commitment* section, from 2013 to date, the Group has received 65 proposals, of which 28 have already been implemented, 30 are being implemented and 7 have been denied.

The Group's commitments undertaken after the 2015 panel relate to: modal integration, on board services, accessibility and safety at stations, welcome and re-use of assets, new infrastructures and local community involvement. Specifically, with a view to promoting LPT, the Group has been working for some time on the integration of the information about the various means of transport¹⁷. With respect to travel quality, Trenitalia's fleet is being renewed, a special maintenance team was set up for on board air conditioning systems and the possibility of online purchasing of restaurant and bar products is being considered. In relation to station services, in 2016, safety measures will involve at least 12 small/medium-size stations and other measures will be carried out to install a wi-fi system¹⁸. In terms of re-use of assets, RFI will publish a list of the lines no longer in use to promote recovery initiatives throughout Italy, while with respect to social inclusion, the Group is working to ensure integration and a consistent approach for all station stakeholders by formalising the Help Center's central role.

Finally, in relation to construction sites, the Group is committed to identifying participation schemes that entail the public's active engagement, thereby contributing to designs that have a positive impact on the area.

Other forms of dialogue

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

Each year, the Group promotes a number of initiatives to inform, advise, discuss and partner with the various stakeholders.

In 2015, the Ferrovie dello Stato Italiane Group took part in activities with the following associations: Confindustria and its local branches, Agens/Federtrasporto, Feder-turismo, Anie, Assonime and Accredia.

In addition, it met with the Conference of Regions and Autonomous Provinces, the Unified Government and Regions Conference, the relevant Ministries and, in particular, the Ministry of Infrastructure and Transport with respect to inspections.

17. For example, completion of the design for the Rome Fiumicino airport, signing of a testing agreement at the Bologna station, in-depth analyses of the integration of information at stations and urban bus terminals.

18. The installation of a wi-fi system has already been completed at the following stations: Milan Centrale, Milan Porta Garibaldi, Rho Fiera Expo Milan 2015, Rome Termini, Rome Tiburtina and Turin Porta Susa.



In Europe, the Ferrovie dello Stato Italiane Group:

- has taken part in activities relating to its business with EU institutions (Parliament, the EU Commission and Council);
- has collaborated with the CER (Community of European Railway and Infrastructure Companies) association;
- has participated in work groups organised by the UIC (International Union of Railways)¹⁹;
- has participated in work groups organised by the European Railway Agency;
- has defended its positions with Confindustria (the Italian association of industrialists) in Brussels;
- has collaborated with the ENVI (Environment, Public Health and Food Safety) Committee and the Parliament's TRAN (Transport and Tourism) Committee.

The Ferrovie dello Stato Italiane Group has reinstated its position contrary to the liberalisation of megatrucks before the European Union, focusing on the possible negative effects of a modal shift that goes against that set out in the White Paper, from environmentally-friendly modes of transport to more polluting and invasive ones. The proposal led to an agreement between the Parlia-

ment and the Council during the Italian Presidency semester in line with the interests of the railway sector. The case was formally closed in the first half of 2015.

During the COP 21 held in Paris from 30 November to 12 December 2015, Ferrovie dello Stato Italiane organised a special Thello train between Milan and Paris. During the event, it signed the UIC Railway Climate Responsibility Pledge with other railway companies around the world, undertaking to reduce the carbon footprint and support more balanced and sustainable transport.

The Ferrovie dello Stato Italiane Group is registered with UPA, an association of advertisers, which represents the interests of the most important industrial, commercial and service companies investing in advertising. As a member of UPA, the Group also automatically subscribes to the Institute of Advertising Self-Discipline. There were no non-conformities in advertising in 2015. No form of financial assistance and no benefits are granted to the aforementioned associations other than the membership fees. The Group does not pay any direct or indirect contributions to political parties, movements, committees or organisations or trade unions.

19. Ferrovie dello Stato Italiane's CEO is UIC's deputy chairman.



Management systems

G4-15 / G4-56 / G4-PR1

Ferrovie dello Stato Italiane and the Group's main operating companies completed the implementation and certification of their Environmental Management Systems (EMS)/Integrated Management Systems (IMS), a process that began in 2010. To date, only Grandi Stazioni remains to be certified. However, the latter company continued to develop its EMS and completed the pre-certification activities related to the main network stations (Rome Termini, Milan Centrale and Venice Santa Lucia).

As part of the ongoing improvement of environmental issue management, the Group intends to certify all the company's processes and operating sites in accordance with UNI EN ISO 14001. To this end, during the year, the Parent formalised its active role in promoting, guiding, coordinating and facilitating the adoption of a consistent management approach to environmental issues within the Group by:

- updating the Group companies' Environmental Management Systems Governance Model²⁰;
- issuing a guideline on asset management²¹, introducing tools for the environmental management of the Group companies' real estate assets, regardless of whether they are or are not included in the EMS scope;
- defining environmental targets for the main Group companies.

For more information about the scope of operating Group companies' management systems, see the table in the *Additional information* section.



Target

Certify all processes and all operating sites

20. Issued as per the Group's measure no. 183/AD of 22 December 2014.

21. This document was issued on 28 April 2015 in addition to the 30 environmental guidelines prepared by the Parent.

Corporate governance

The governance system

G4-7 / G4-34 / G4-35 / G4-37 / G4-38 / G4-40 / G4-41 / G4-44 / G4-45 / G4-56 / G4-LA12

The corporate governance structure of FS SpA and its main subsidiaries is organised according to the traditional system in which the shareholder appoints a Board of Directors (responsible for management and currently comprised of seven directors) and a Board of Statutory Auditors (responsible for controls and currently comprised of three standing auditors and two alternate auditors). The shareholder also appoints an audit company²² to carry out the legally-required audit.

Furthermore, the Court of Auditors' Magistrate appointed to audit the financial management of Ferrovie dello Stato Italiane, pursuant to article 12 of Law no. 259/1958, attends the meetings of the BoD and the Board of Statutory Auditors.

In accordance with the by-laws, the Board of Directors:

- appoints a CEO;
- may assign proxies to the Chairman, with the shareholder's approval, with respect to issues that may be delegated by law;
- sets up committees, where necessary, to provide consultation and make proposals;
- appoints the Manager in charge of financial reporting;
- appoints the general manager.

The following chart represents FS SpA's corporate governance structure.

For additional information, reference should be made to the *2015 Annual Report (Directors' report, Corporate governance)*.

22.KPMG SpA 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. 39/2010 (article 16 and subsequent articles), after FS SpA became an "entity of public interest" by issuing the listed bond in 2013, the engagement lasts for nine years (2014-2022).

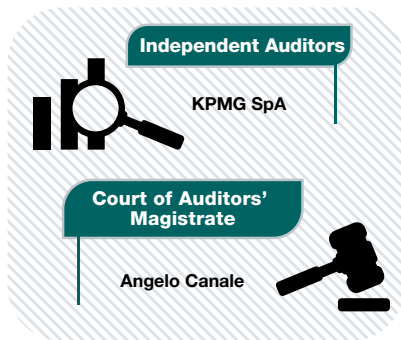
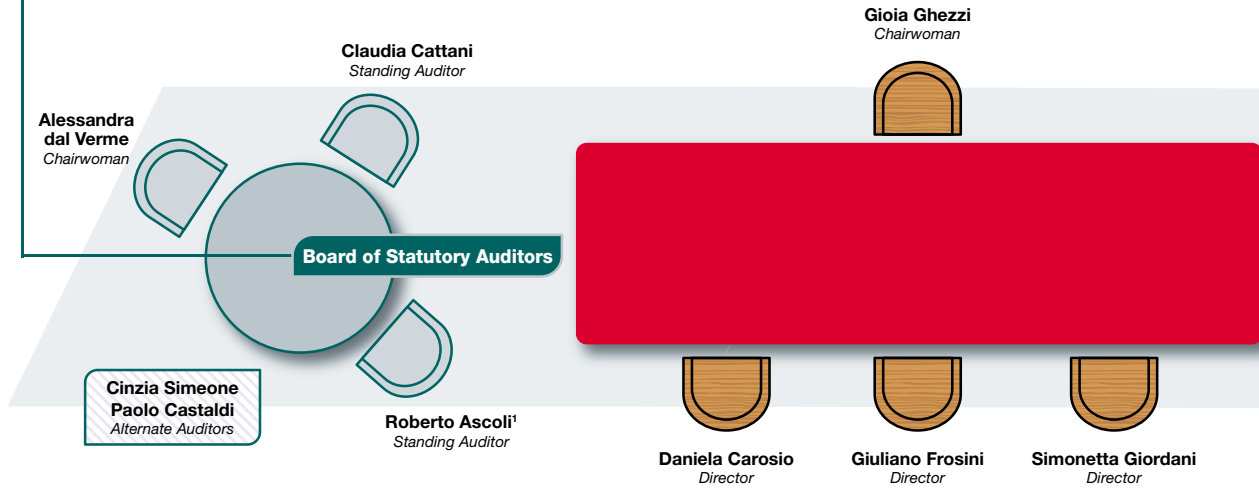




FS SpA's corporate governance structure

Board of Statutory Auditors

Systematically monitors that the corporate governance principles endorsed pursuant to the Italian Civil Code are applied, compliance with the law, the by-laws and the principles of correct administration



Audit, Risk Control and Corporate Governance

Supports the board's internal control and risk management assessments, the Company's and the Group's corporate governance and social responsibility, by presenting proposals and providing advisory activities

Ethics Committee

The body responsible for advising and setting guidelines within the framework of the principles and rules of the Ferrovie dello Stato Italiane Group's Code of Ethics. It facilitates the integration of ethical criteria in the decision-making processes, checking that the actions are consistent with established conduct, reviewing the company procedures in the light of the aforementioned Code

Anti-trust Committee

It supports Ferrovie dello Stato Italiane's CEO to promote the spread of information about competition legislation and monitoring that it is applied

Group IT System and Information Security Committee

It guides the Ferrovie dello Stato Italiane Group's information security strategies, makes proposals to Group companies for critical business processes, evaluates and approves proposals for the regulation of evaluations and certifications with respect to the security of information and IT systems

1. Appointed on 11 March 2016 to replace Tiziano Onesti who resigned on 21 December 2015

Shareholders' meeting
Is attended by the Sole Shareholder, the Ministry of the Economy and Finance

Shareholders' Meeting



Board of Directors

Appointed by the Shareholder on 27 November 2015, it consists of 7 directors and has exclusive powers for the Group's economic and strategic issues and the appointment of the administrative and control bodies of main subsidiaries

Renato Mazzoncini
CEO and General Manager

Board of Directors

231 Supervisory Body

Carlo Piergallini
Chairman

Stefano Crociata

Manager in charge of financial reporting

Roberto Mannozi

Federico Lovadina
Director

Wanda Ternau
Director



Central Departments²

- International and Institutional Affairs
- Administration, FS and Tax
- Internal Audit
- External Communications and the Media
- Finance, Control and Equity
- General Counsel, Corporate Affairs and Compliance
- International Markets
- Company Protection
- Human Resources and Organisation
- Strategies, Planning and Systems

Remuneration and Appointment Committee

Responsible for presenting proposals and providing advisory services to the Board of Directors with respect to, *inter alia*, the CEO's and the Chairman's remuneration, any "co-options" and periodic checks that the Directors of FS SpA meet the relevant requirements

Investment Committee

Provides guidelines on investments and divestments, directing the Ferrovie dello Stato Italiane Group's planning process, expressing fairness opinions on investment and divestment plans and monitors the development of the Investment Plan and proposes any corrective action to be taken

Group Equal Opportunities Committee

Promotes initiatives and actions to offer women workers more favourable terms and better opportunities, including in order to reconcile private and work life

SoD (Segregation of Duties) Committee

Responsible for advising and setting SoD activities and for defining, approving and overseeing the Group's SoD risk matrix. It also analyses and monitors the implementation of the appropriate actions to manage/resolve SoD risks detected throughout the Group companies' staff processes

Board Committees³

Other Committees⁴

2. FS SpA's organisational structure is updated to May 2016

3. Set up to advise and make proposals within the BoD

4. Appointed by FS SpA's CEO. They direct, advise and support the latter's activities

The internal control and risk management system

G4-34 / G4-38 / G4-41 / G4-42 / G4-45 / G4-46 / G4-S03 / G4-S04 / G4-S05

Internal Auditing

The main Group companies have internal audit departments (Ferrovie dello Stato Italiane, Trenitalia, RFI, Ferservizi, Fercredit and Grandi Stazioni), which report to their respective BoD Chairpeople²³. If an Audit Committee has been set up, the audit department reports to it, where provided for by the relevant company's internal audit regulations.

In the Group, internal auditing is an independent and objective activity for assurance and advisory purposes. The approach is aimed at assessing and improving control processes, risk management and corporate governance.

The Group's internal audit departments, within their jurisdiction, assess the adequacy of the internal control system in relation to company objectives pursued on the basis of three pillars:

- effective, efficient operations;
- protecting company assets;
- compliance with laws, regulations (both inside and outside the company) and contracts.

The Central Audit Department provides the Parent and the subsidiaries with audit services, concurrently when the latter have a similar department (or are served by a similar one) or exclusively in the remaining cases.

The Central Audit Department Manager has functional coordination over the entire internal audit professional family for logical purposes and to achieve economies of scale at Group level.

The Central Internal Audit Department provides the subsidiaries' internal audit departments with planning guidelines, defines the Group's internal audit guidelines, policies and methodologies and promotes the consistency of ICS assessments, the infragroup reach of expertise and professional updates. Furthermore, it also reports to the Group's management on internal audit plans and the results of all internal audit departments. It is exclusively and centrally responsible for investigations into suspected fraud.

It also ensures operational technical support to the supervisory body of FS SpA and of subsidiaries with no internal control department, in order to carry out the duties and tasks assigned (checking the adequacy of and compliance with organisational models, writing minutes of meetings, filing documents, examining information flows from management, examining reports, preparing reports to the company bodies, etc.).

The subsidiaries' internal audit departments ensure the same operating service to the relevant supervisory bodies.

In all the Group's companies, although to differing extents, the internal auditors monitor risks of corruption.

This monitoring is carried out through:

- a risk assessment to define and update the management and organisational models pursuant to Legislative Decree no. 231/2001;
- checking the adequacy of and compliance with the management and organisational models at the request of supervisory bodies, pursuant to Legislative Decree no. 231/2001;
- the management of reports received about events in violation of the principles of the code of ethics and the regulations referred to in the management and organisational models pursuant to Legislative Decree no. 231/2001;
- assurance activities to identify any indications of fraud²⁴.

In 2015, around 400 man/days were dedicated to training/raising the awareness of the anti-corruption policies and procedures implemented at Group level.

23.Fercredit's internal audit department reports to the company's BoD.

24.Carried out by CIA (Certified Internal Auditor), CCSA (Certification in Control Self-Assessment) and CFE (Certified Fraud Examiner) certified resources.



The Group companies' internal audit departments completed a total of 196 audits for 2015²⁵, 94 of which were used in the assessment of the internal control system. Of these, 15 concerned safety in the workplace and protection of the environment. The remaining 79 related to other aspects and are considered useful in assessing how to prevent potential acts of corruption²⁶. Many of the activities performed were carried out upon the request of the relevant supervisory bodies, or were considered significantly relevant by these bodies.

Risk management

The "Group's risk management model" was first formalised with Group measure no. 169/AD of 21 January 2014 and defines the steps, method and roles in the assessment and management of risks.

The risk management process provides for the mapping of processes and related targets, the identification and assessment of risks and related controls and the proposal of any improvement action to contain risks. The Group adopts the Control Risk Self Assessment (CRSA) risk management method, which actively involves the process owners who carry out activities as well as their closest collaborators. The process owners are the risk owners: they identify the events related to the risk areas and classify them in the categories

defined in the risk glossary, check that procedures, provisions and all other internal organisational aspects adequately mitigate the risks and limit their impact. They also propose or prepare, if these measures are inadequate, effective correction and improvement action to contain risks. The department contact person and Risk Officer support the process owners in their activities. With Group measure no. 178/AD of 6 October 2014, the model provided for the appointment of a Risk Officer for the main Group companies, reporting directly to the CEO.

With Organisational provision no. 116/AD FS of 22 January 2015, the Group model was strengthened with the creation of the risk management structure, reporting directly to the CEO of Ferrovie dello Stato Italiane. The structure's mission is to ensure the implementation of an integrated enterprise risk management model to support the optimisation of controls to improve Company and Group performance. In 2015, the Company decided to strengthen the existing model to implement an integrated enterprise risk management model that enables the identification, classification, measurement, assessment and ongoing monitoring of strategic and process risks.

25. Each year, all Group companies can be audited by their individual internal audit departments or by the Parent.

26. No disciplinary measures were taken in 2015 following audits.

Supervisory bodies and organisational models pursuant to Legislative Decree no. 231/2001

All FS Italiane Group companies (except for few minor or newly-set up companies) adopted programmes to prevent the crimes covered by Legislative Decree no. 231/2001 and have defined the organisational, management and control models, appointing supervisory bodies to assess, over time, the adequacy of and compliance with said models.

The supervisory bodies are set up as boards²⁷. Their chairpeople, who are not part of the Group, are chosen among professionals with proven experience and expertise, while one of the two other members is a manager of the company's or the Parent's internal audit department.

For bodies renewed after July 2014, the third member is independent of the Group and has legal expertise, or belongs to the Board of Statutory Auditors.

In order to maximise these bodies' independence, their members cannot hold similar positions in subsidiaries or parents or, in any case, have economic relationships with such companies. Furthermore, their term of office is misaligned with respect to that of the relevant Board of Directors.

The main duties of the Group's Supervisory bodies are as follows:

- monitoring the Group's activities at a risk of crime (i.e., those at risk of the crimes covered by Legislative Decree no. 231/2001);
- assessing the existing controls in respect of the need to prevent crimes;
- proposing changes to the organisational models, as deemed necessary;
- checking compliance with the provisions of the organisational models or those issued as part of their implementation;
- managing information provided by management;
- managing reports to be sent to the Body;
- preparing reports to the company bodies.

At the end of 2015, the management and organisational models adopted by Group companies were all updated, having implemented the risks of corruption crimes pursuant to Legislative Decree no. 231/2011, those related to the public administration (article 25), and those among private parties (article 25 *ter*).

During the year, no crimes or behaviour violating that set out in Legislative Decree no. 231/2001 were reported to Ferrovie dello Stato Italiane's Supervisory body.

Manager in charge of financial reporting

Since 2007, upon the specific request of the shareholder, the Ministry of the Economy and Finance, in order to increasingly align the Parent's corporate governance system with those adopted by companies listed on financial markets, the Parent appointed a Manager in charge of financial reporting pursuant to Law no. 262 of 28 December 2005 "Provisions to protect assets and govern financial markets" for companies listed on financial markets. Consequently, on 27 April 2007, Ferrovie dello Stato Italiane's shareholder amended article 16 "Manager in charge of financial reporting" of the by-laws for this purpose.

Following the issue of the bond (July 2013), FS SpA's status changed to an issuer of listed financial instruments and the position of Manager in charge of financial reporting became legally required as the company fell completely within the scope of application of article 154 *bis* of the Consolidated Finance Act²⁸.

Considering the Group's organisational and operational complexity and to strengthen and improve the efficiency of the application of this legislation, since the beginning, Ferrovie dello Stato Italiane's BoD has encouraged the appointment of managers in charge of financial reporting within its main subsidiaries as well²⁹. In accordance with the law, the Manager in charge of financial reporting contributes to the definition of the internal control system with respect to financial reporting. To this end, the manager prepares administrative and accounting procedures for the preparation of the periodic accounting documents, certifying, along with the CEO, in a specific report on the separate and consolidated financial statements, that they are adequate and were effectively applied during the reporting period. Furthermore, the Manager in charge of financial reporting must certify any disclosure to the market containing accounting data in accordance with article 154 *bis*.2 of the Consolidated Finance Act. For additional information and for a description of the Control model for financial reporting (the so-called 262 Model), which supports the issue of the above legally-required disclosures, reference should be made to the *2015 Annual Report* (see the *Directors' report, Corporate governance*).

27. Bodies consisting of one person from outside the Group have been appointed in the "small" companies (in accordance with Confindustria guidelines for the creation of organisational, management and control models).

28. Consolidated Finance Act

29. RFI, Trenitalia, Grandi Stazioni, Centostazioni, FS Logistica and Busitalia - Sita Nord. Furthermore, in 2015, following the issue of the Regulation for FS SpA's Manager in charge of financial reporting, which sets specific quantitative thresholds regulating the appointment of managers in charge of financial reporting at subsidiaries, this role was also introduced at Ferservizi SpA.

Planning and management control system

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

- the planning and management control system supports the Group's long-term planning process, the annual operational implementation of strategies (budgeting process), the calculation of actual results and the analysis of such results;
- the Central Strategies, Planning and Systems Department (CSPSD) defines the Group's business and market strategies and the related planning, monitoring and strategic control process.

More specifically, the CSPSD compiles the Plan for the Parent and the FS Italiane Group – normally every five years – by coordinating the development and consolidation of proposals/Plans submitted by the individual structures/Group companies, for subsequent definition by the CEO, who monitors plan implementation.

The Central Finance, Control and Assets Department (CFCAD) defines the guidelines for the preparation of the annual budget and management control process for the Group.

In particular, the CFCAD prepares FS SpA's budget, supports subsidiaries in the preparation of their budgets and consolidates the Group's budget, with the exception of investments, which fall under the CSPSD's scope of responsibility.

Management control activities cover nearly all aspects of FS SpA's and the Group's operations, encompassing various types of controls:

- strategic control, to check whether the strategies are implemented on the basis of guidelines arising from the planning process and whether results reflect the expectations in the strategic plans;
- management control, to check whether short-term targets have been reached and, accordingly, monitor the achievement of budget targets;
- operational control, to monitor operations and the efficiency of processes.

Control activities are carried out at month's end, analysing the discrepancies between budget and actual figures in order to check, specifically at the end of each quarter, whether the measures implemented by the departments/companies comply with the plan, identify the reasons for the above discrepancies in order to take corrective actions and assess managers' performance in accordance with the management by objectives model.

Compliance

G4-EN29 / G4-PR9 / G4-S05 / G4-S07 / G4-S08

Investigations and legal proceedings

Legal proceedings relating to unfair competition, anti-trust violations and monopoly practices include the following:

- Anti-Trust Authority proceedings: A/443 - NTV/Access obstacles to the high-speed passenger railway transport market;
- Anti-Trust Authority proceedings: A/436 - Arenaways/ Access obstacles to the passenger railway transport market.

No significant administrative or legal fines were imposed for violation of regulations or laws and no legal actions were commenced for corruption nor were violations of local residents' rights committed.

For additional information on investigations and legal proceedings, refer to the Group's *2015 Annual Report (Directors' report, Litigation and disputes)*.

Business sustainability



Results of operations

Highlights

G4-2

WHAT WE HAVE ACCOMPLISHED

Profit for the year

over **460** € million / equal to **53%** at 2014 year end

Economic value distributed to stakeholders

approximately **7** € billion / equal to approximately **79%** of the economic value generated

Investments in research and development

64 € million / in favour of traffic safety

Investments in favour of mobility

approximately **5.5** € billion / equal to approximately **+29%** up on 2014

WHAT WE AIM TO DO

**Improve
performance**

also in terms

of **economic value
distributed**

Implement

an even more **challenging
investment plan,**

confirming
the Group's **driving role**
in Italy's economic
development



Economic highlights

G4-EC1

In 2015, the Ferrovie dello Stato Italiane Group reported a profit of €464 million, up by over 53% on the profit for 2014 of €303 million. Indeed, the Group successfully managed the significant changes in legislation (which characterised 2014 and had considerable adverse effects on certain results of operations for 2015), returning to profit levels in line with those for 2013.

Specifically, gross operating profit, despite being largely positive at €1,975 million, decreased by €139 million on 2014 (-6.6%). This is mainly due to the above changes in legislation that had a negative effect of approximately €173 million. However, the Group's revenue increased, mainly from the transport services offered on the market, thanks to the measures implemented by Group management.

Operating profit is also largely positive at €644 million, but decreased by €15 million or 2.3% from the €659 million reported in 2014. The reduction is mainly due to greater amortisation/depreciation and accruals, offset by smaller impairment losses (over €240 million), recognised in the previous year following the change in the legal framework. The impairment losses mainly related to the assets of Trenitalia's freight business unit and FS Logistica's real estate assets.



FERROVIE DELLO STATO ITALIANE GROUP CONSOLIDATED FINANCIAL STATEMENTS FIGURES

	2015	2014	2013
Revenue	8,585	8,390	8,329
Operating costs	6,610	6,276	6,296*
Gross operating profit	1,975	2,114	2,033*
Operating profit	644	659	822*
Profit for the year	464	303	460

In millions of Euros

* 2013 figures have been reclassified for comparative purposes

Revenue amounts to €8,585 million, up by €195 million on 2014, due to the €147 million and €48 million increase in revenue from sales and services and other income, respectively. The growth in revenue from sales and services was influenced by the rise in revenue from transport services (+€154 million, +2.5%) and in infrastructure services (+€11 million, +0.9%), offset by the decline in other revenue from services (-€18 million, -6.9%). Other income increased due to the rise in both revenue from real estate management (+€18 million, +7.3%) and other income (+€30 million, +7.3%).



Operating costs are up by €334 million on 2014 (+5.3%), with a negative impact on gross operating profit (-€139 million, -6.6%).

GENERATION AND DISTRIBUTION OF ECONOMIC VALUE

	2015	2014*	2013*
Directly generated economic value	8,709	8,524	8,424
Revenue from sales and services	7,881	7,734	7,597
Other income (including financial income)	828	790	827
Economic value distributed	6,879	6,628	6,746
Operating costs for the purchase of raw materials, consumables, supplies and goods, services and the use of third party assets	2,614	2,296	2,328
Wages and salaries paid to employees, including social security charges, post-employment benefits and other costs	3,934	3,918	3,910
Remuneration to lenders, including dividends distributed, dividends in arrears, interest on loans and other forms of debt	231	245	329
Taxes (excluding deferred taxes)	100	169	179
Economic value withheld	1,830	1,896	1,678

In millions of Euros

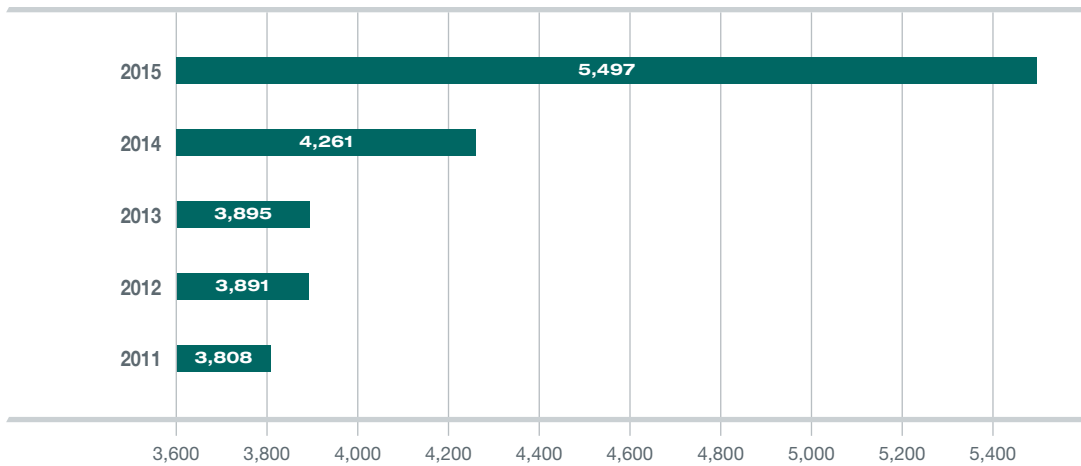
* 2013-2014 figures have been reclassified for comparative purposes

Investments

G4-EC4 / G4-EC7

While Europe's largest economies have seen a collapse in gross fixed investments from 2008 to date, the FS Italiane Group has been able to continue the actions scheduled in its Investment Plan, remaining the main supporter of development in the transport and logistics sector. The Group's Investment Plan is aimed at expanding the country's infrastructures and keeping them efficient while also providing increasingly higher quality transport services.

FERROVIE DELLO STATO ITALIANE GROUP INVESTMENTS



In millions of Euros

The FS Italiane Group's technical investments in 2015 came to €5,236³⁰ million, up by a considerable 32% on the amount recognised in 2014 following new works involving the infrastructure network and the projects for the acquisition/renewal of rail and road vehicles.

Specifically, RFI invested €3,553 million in infrastructure (€3,408 million for the traditional/HC network and €145 million for the HS/HC Turin-Milan-Naples network), while Trenitalia invested €1,432 million in railway transport services and other Group companies invested €251 million.

30. All the works, supplies and services performed or acquired to support the Group's business processes, which increase the companies' assets, even if they are leased or are obtained via SPVs. They exclude the acquisition of companies or business units and investments (in companies or joint ventures), routine maintenance on rolling stock and any other financial investments.

RFI invested as follows in the traditional, high capacity network:

- 58% to maintain the efficiency of infrastructure and technologies;
- 42% for the construction of works for large infrastructure development projects (strengthening of corridors, metropolitan areas and regional basins).

Approximately 9% of all investments in the traditional, high capacity network went to cutting-edge technologies.

The HS/HC Turin-Milan-Naples network invested €145 million and, at the end of 2015, the entire project showed total progress of roughly 94%.

Trenitalia invested €1,432 million, roughly 85% of which to purchase rolling stock, approximately 6% to recondition material that was already operating and the remaining 9% to technologically update vehicles and IT systems and to maintain and develop maintenance plants.

Other Group companies invested a total of roughly €251 million in Italy and abroad. Approximately 32% related to Grandi Stazioni and Centostazioni to redevelop, relaunch and take full advantage of the main train stations, redesigned as large urban service centres, roughly 18% related to the Netinera Deutschland group to purchase road and railway transport vehicles and industrial plants in Germany, about 15% related to road transport companies in Italy and, finally, roughly 5% related to Bluferries, Cemat and Serfer, which operate in the freight service sector. The remaining expenditure was mainly allocated to the enhancement/redevelopment of real estate properties and installing IT tools to support business processes.

Group spending for research and development in 2015 came to €64 million, and nearly entirely related to RFI. Approximately 70% went to traffic safety technologies, 29% for studies and tests on new parts and systems and the remaining 1% for innovative diagnostics.

Significant financial assistance received from Government

	Total
Operations	
Government Programme Contract	975.6
Other Government grants	5.0
EU funds	0.2
From local public bodies	15.9
Investments	
Governments grants	2,385.2
From local public bodies	39.7
EU funds	(26.1)
Total	3,395.5

In millions of Euros

For additional information, reference should be made to the 2015 Annual Report (Directors' report, Investments).

Customers

Highlights

G4-2

WHAT WE HAVE ACCOMPLISHED

Training courses

for service personnel

in collaboration

with **associations for people with reduced mobility**

Launch of **new Frecciarossa train routes**

Venice-Padua-Rome-Naples-Salerno and Milan-Bari

We have increased the number of stations equipped with lifts to board trains

83 new energy-efficient buses joined the fleet
 of which **7** electric and **36** Euro6-type

Launch of the **new Frecciarossa 1000** train

18 trains rolled out in 2015

Improved average index of **punctuality** and **regularity**

thanks to the works on railway operations and maintenance

Installation of security systems at approximately **30 railway stations**

WHAT WE AIM TO DO

**Initiatives
for passengers
with reduced mobility**

more Sale Blu;
online reservations, etc.

Increased
the **Frecciarossa 1000**
train fleet and connections

76
new Euro 6 buses / to join the fleet

See the *Additional information* section for more details.



Transport: mobility services

G4-8 / G4-PR3

Passenger and freight transport

After a long period of recession, Italy's economy began to grow again in 2015, leading to an increase in the overall demand for mobility and indicating a scenario of recovery in the transport sector.

Against this background, the FS Italiane Group confirmed its position as Italy's largest supplier of mobility services, strengthening its good performance of the past two years. Indeed, in 2015, passenger and freight transport volumes carried by Group companies continued to grow. The Group's railway sector rose 2.6% and 0.8% in the passenger and freight transport segment, respectively, including international activities.

Passenger volumes of FS Italiane Group companies topped 43.6 billion passenger-km³¹ (+2.6% on 2014), of which 22.8 billion related to regional transport (+2.8% on 2014) and 20.8 billion to long haul services (+2.4% on 2014).

The demand met for long haul services continued to increase (+5.2% on 2014), also thanks to the success of Expo 2015. Production was approximately 80.8 million train-km³², up by 2.6% on the previous year (55 million train-km related to market services and the residual 25.8 million train-km to universal services).

In this segment, the *Freccia* trains expanded their coverage in Italy and improved service quality in terms of frequency, speed, comfort and on board services and experienced an increase in passengers (+6% on 2014, approximately 48 million passengers). The latest-generation *Frecciarossa 1000* train was rolled out. Traffic volumes also increased for Thello services between Italy and France, thanks to greater choices, with day connections between Milan and Marseille through Genoa-Montecarlo.

Traffic for the other component of the long haul passenger service (universal service) decreased considerably (-6.6% on 2014). This is mainly due to the services on the Milan-Ventimiglia section carried out by Thello.

In the regional transport segment, the Group continued to work on increasing synergies between railway and road services in order to provide a more efficient service that meets passengers' mobility needs. Regional railway transport services amount to approximately 22.8 billion passenger-km, up by 2.8% on 2014, of which roughly 16% are provided by the Netinera group in Germany.

With respect to road local public transport, the urban and suburban services provided by the FS Italiane Group companies covered approximately 117 million bus-km in 2015.

Traffic continued to grow also for the freight segment. Based on domestic and international volumes, traffic rose by 0.8% on 2014, exceeding 23 billion tonnes-km³³

Main types of services offered

Trenitalia's commercial offer may be broken down into two main types of services: market services and universal services.

MARKET SERVICES

These are services offered without commercial restrictions and without any Government grants. Market services include most of the long haul connections provided by the Long Haul Passenger Transport Division, particularly those offered on *Frecciarossa*, *Frecciargento*, *Frecciabianca*, *Eurocity* and *Euronight* trains and nearly all the Group's freight transport.

UNIVERSAL SERVICES

These are public transport services offered in exchange for considerations from the Government or Regions under service contracts. They include daytime *Intercity* services and night services, along with regional services (operated by Trenitalia in Italy and the Netinera group in Germany), whose characteristics (frequency, fares, performance levels and stops) are all defined by the public sector customers (Government and Regions).

31. This is the measurement unit used for passenger transport. It is equal to the sum of the length (in km) of the journey travelled by each passenger considered.

32. This measurement unit is used in the railway sector to indicate the total distance travelled by trains on a railway infrastructure. It is calculated as the sum of the length (in km) of the journey travelled by each train considered.

33. This is the measurement unit used for freight transport. It is calculated as the product of the weight transported (in tonnes) and the kilometres travelled by each load considered.

Passenger transport

LONG HAUL RAILWAY TRANSPORT

Frecciarossa

The *Frecciarossa* are trains that mainly travel on the High Speed network. The benefits of the *Frecciarossa* service also extend beyond the Turin-Salerno HS infrastructure reaching, for example, Padua, Venice, Rimini, Ancona, Pescara, Foggia and Bari.

They operate on the following lines:

- Turin-Milan-Reggio Emilia HS-Bologna-Florence-Rome-Naples-Salerno
- Venice-Padua-Bologna-Florence-Rome-Naples-Salerno
- Milan-Reggio Emilia HS-Bologna-Rimini-Ancona-Pescara-Foggia-Bari

Frecciargento

The *Frecciargento* are trains with flexible structures, which enable them to travel at faster speeds than traditional rolling stock. They are used on both traditional and High Speed lines.

In 2015, the *Frecciargento* trains operated on the following lines:

- Trieste/Udine-Venice-Padua-Bologna-Florence-Rome/Fiumicino airport;
- Bolzano/Brescia-Verona-Bologna-Florence-Rome;
- Rome-Caserta-Benevento-Foggia-Barletta-Bari-Brindisi-Lecce;
- Rome-Naples-Salerno-Paola-Lamezia Terme-Villa San Giovanni-Reggio Calabria.

Frecciabianca

The *Frecciabianca* trains travel on the traditional network and mainly connect the medium and large urban centres to the High Speed network.

The main lines served in 2015 were:

- the line from Turin and Milan to Venice, Udine and Trieste;
- the line linking Turin, Milan and Venice to Ancona, Pescara, Bari, Lecce and Taranto;
- the Northern Tyrrhenian line connecting Turin, Milan and Genoa with Pisa and Rome;
- the line between Rome and Reggio Calabria;
- the line between Rome and Ravenna.



Intercity

Daytime *Intercity* trains travel on the traditional lines and connect large and medium cities, helping create an efficient interchange system with local transport trains and with High Speed trains.

Intercity train services connect Milan and Naples, Trieste and Rome and Rome and Salerno; Milan with Grosseto, La Spezia, Livorno, Lecce, Reggio Calabria, Terni and Ventimiglia; Rome with Ancona, Bari, Florence, Palermo, Siracusa, Perugia, Reggio Calabria, Taranto and Ventimiglia; Naples with Sestri; Turin with Genoa and Salerno; Bologna with Pescara, Bari, Lecce and Taranto; Reggio Calabria with Taranto; and Trieste with Venice.

Night trains

Night-time *Intercity* trains are dedicated to long hauls between Northern Italy, Central Italy and the South. They connect Milan with Lecce, Siracusa, Palermo and Salerno; Turin with Lecce, Reggio Calabria and Salerno; and Rome with Bolzano, Lecce, Siracusa, Palermo and Trieste.

International services

The international *Eurocity* and *Euronight* trains connect the main Italian cities with major centres in Austria, Germany, Switzerland and France. Daytime services connect Milan with Zurich, Basel, Bern, Lucerne and Geneva and Venice with Lucerne and Geneva. The *Euronight* trains connect Rome and Milan with Munich and Rome, Milan and Venice with Vienna. In addition, through the French Thello partnership, the *Eurocity* trains carry passengers to Nice and Marseilles, as well as other cities along the French Riviera from Milan, Genoa and other stations in Liguria, while night services from Venice and Milan carry passengers to Dijon and Paris.



REGIONAL RAILWAY TRANSPORT

Trenitalia's regional railway transport offer is defined in the service contracts that it agreed with the Government, the Regions and the Autonomous Provinces, which plan and schedule service quantities and quality and provide for a penalty and reward mechanism. Furthermore, through the Netinera group, the FS Italiane Group offers regional transport services throughout Germany, which it commercially manages through similar service contracts with PTAs (Public Transport Authorities) as its customers. Netinera mainly operates in Northern and Southern Germany³⁴. Vlexx, a company that is wholly owned by Die Länderbahn AG, in turn wholly owned by the holding company Netinera Deutschland, has operated in the Mainz area since December 2014. Netinera also operates in Lower Saxony through the subsidiary OHE AG providing various regional railway transport services under the brands Metronom and Erixx.

ROAD PASSENGER TRANSPORT

Busitalia - Sita Nord offers, directly or through subsidiaries, urban and suburban local public transport (LPT) services in Veneto, Tuscany and Umbria. Specifically, in Tuscany, it operates in Florence, Arezzo, Siena, Alto Mugello, Mugello, Val di Sieve, Casentino, Valdarno³⁵, in Veneto, in the provinces of Padua and Rovigo, in Umbria, where it provides urban and suburban services in Perugia, Terni, Assisi, Foligno, Orvieto and Spoleto and railway connections between Perugia and Terni and waterway services on the Trasimeno lake.

The rental sector³⁶ is another significant business line, located in Tuscany only. Furthermore, Busitalia - Sita Nord supports Trenitalia in the organisation of replacement services for railway routes where needed. At international level, through the Netinera group, the FS Italiane Group offers LPT services in Germany as well, mainly between Hannover, Hamburg and Bremen, in the southern part of the region of Brandenburg and in some areas of the southern Länder through the subsidiary Die Länderbahn.

Freight transport

Through its corporate branches, the FS Italiane Group operates as a railway company for transport services sold on the freight and logistics market in Italy and abroad (through the subsidiary TX Logistik³⁷ and the Netinera group).

The offer revolves around the following areas:

- national and international intermodal traffic, ensuring railway connections from and to the main ports and interports;
- national and international traditional traffic, ensuring traffic between a grid of Italian hubs and systems and the European network.

Trenitalia covers the main product sectors on this market with specific specialised structures:

- chemicals, steel and automotive, raw materials and consumer goods and intermodal services.

34. The most significant Netinera brands are: Metronom and Erixx, which operate in Northern Germany, Länderbahn together with Alex, Vogtlandbahn and Vlexx, which operate in Southern Germany, and ODEG, which operates in Eastern Germany.

35. The company is active in six different Scarl companies (Italian consortium companies limited by quotas) which manage LPT services in the provinces of Florence, Arezzo and Siena.

36. The company provides bus rental services with drivers for Italian and international tourism.

37. An European leader in railway freight transport, operating mainly along Europe's North-South axis with integrated logistics services in Austria, Denmark, Germany, Norway, the Netherlands, Sweden and Switzerland.

Infrastructure sector: mobility services

G4-8 / G4-PR3

RFI is responsible for assigning railway infrastructure capacity. Its market is made up of railway companies and applicant entities. The latter include, in addition to the railway companies, Regions and Autonomous Provinces, "natural persons or legal entities with a public service or commercial interest in acquiring infrastructure capacity in order to provide railway transport services, which do not conduct intermediation (article 3.b of Legislative Decree no. 188/2003)". RFI reaches agreements providing for:

- timetables and services to be governed with the contract for infrastructure use, for no longer than the validity period of the service schedule;
- infrastructure capacity, expressed in general terms or in total, generic volumes, to be governed under a long-term Framework Agreement.

With specific reference to the service schedule for 1 January 2015 - 12 December 2015, the market shows:

- 39 railway companies with valid railway operation licences issued by the Ministry of Infrastructure and Transport (three of which were valid for traffic originating/ending in Italy)³⁸;
- one railway company with a European railway licence issued by the German authority (TX Logistik);
- 33 railway companies (among those listed above) that performed transport services after signing infrastructure use contracts;
- 41 infrastructure use contracts, broken down as follows³⁹:
 - 19 for passenger traffic;
 - 21 for freight traffic;
 - one for technical train traffic in order to test the rolling stock.

Between 13 December 2015 and 31 December 2015, the market changed as follows:

- the railway companies operating transport services decreased from 33 to 32 due to the signing of the contract for infrastructure use;
- the contracts for infrastructure use decreased from 41 to 39⁴⁰, broken down as follows:
 - 18 for passenger traffic;
 - 18 for freight traffic;
 - three for technical train traffic in order to test the rolling stock.

With respect to the Framework Agreements/Memoranda of Understanding, at 31 December 2015, nine are valid, broken down as follows:

- two agreed with Regions:
 - one Framework Agreement signed with the Lazio Regional Authority;
 - one Framework Agreement signed with the Emilia-Romagna Regional Authority;
- one Framework Agreement signed with the Autonomous Province of Bolzano;
- one Framework Agreement for freight services signed with Trieste Marine Terminal SpA (an entity with a commercial interest);
- one Framework Agreement for freight services signed with Lotras Srl (an entity with a commercial interest);
- four Framework Agreements signed with companies:
 - one with Nuovo Trasporto Viaggiatori SpA (for HS/HC passenger service);
 - two with Trenitalia SpA (one for passenger service on the HS/HC network and one for freight service);
 - one with Cemat SpA (for freight service).

Total production in 2015 on the network managed by RFI came to approximately 340 million train-km, up by 3.0% on the previous year. The portion of total traffic managed by third parties operators rose by roughly 8% on 2014.

38.Source: Ministry of Infrastructure and Transport – General Railway Transport (www.mit.gov.it/mit/site.php).

39.The difference between the number of contracts (41) and the number of railway companies party to such contracts (33) is due to the fact that the railway company Trenitalia has six contracts (freight, long haul passenger transport (market service), long haul passenger transport (universal service), long haul passenger transport on the HS network, regional passenger transport and technical trains) and the railway companies Sangritana, Serfer and Ferrovie Udine Cividale have each signed two contracts (which differ depending on the type of service).

40.The difference between the number of contracts (39) and the number of railway companies party to such contracts (32) is due to the fact that the railway company Trenitalia has six contracts and the railway companies Serfer and Ferrovie Udine Cividale have each signed two contracts.

Service quality

G4-15 / G4-PR1 / G4-PR4 / G4-PR5 / G4-PR8 / G4-PR9

Trenitalia

PASSENGER TRANSPORT

The Group devotes significant attention to offering passengers quality travel experiences, by monitoring three main aspects:

- the quality levels that are promised and provided (as per the long haul Service charter and the 20 regional Service charters⁴¹);
- perceived quality;
- customer complaints.

Promised and provided quality: Customer Care

In relation to long haul passenger transport services, in 2015, Trenitalia identified the following targets for the main quality factors. Significant results were reported in percentage points with respect to the targets to be met, in terms of cleanliness of long haul trains (+8.0), punctuality of universal service trains⁴² (+4.0), cleanliness of the *Freccia* train segment (+3.9) and automatic ticketing machines operation (+3.8). The *Freccia* trains did not meet the punctuality targets, while the universal service trains failed to meet the cleanliness target.

QUALITY INDICATORS FOR ALL LONG HAUL TRAINS*

QUALITY FACTORS	INDICATORS	2014 TARGET	2015 TARGET	2015 ACTUAL	2015 DIFFERENCE (% POINTS)	NOTES
Punctuality	Trains arriving within 15' of the scheduled time	93.00%	93.00%	93.02%	0.02	The delay is measured at the train's final destination station**
Service regularity	Regular trains, net of trains that were limited, cancelled or arrived over 120' late	99.00%	99.00%	99.46%	0.46	All trains are considered, excluding those that were affected by external events, disruptions to the line or strikes
Cleanliness	Effectiveness of on board cleaning	80.00%	80.00%	88.00%	8.00	Customer satisfaction with cleanliness during travel***
Ticketing services	Functioning automatic ticketing machines	95.00%	95.00%	98.85%	3.85	Percentage out of total automatic ticketing machines
	Sales service accessibility: purchases using new channels (excluding ticketing offices at stations and travel agencies)	35.00%	35.00%	37.71%	2.71	Weight of purchases using innovative systems out of total turnover from Trenitalia's long haul services

* The "Information hotlines" indicator has no longer been monitored since the 2015 charter

** Percentage recorded by RFI's computer system, excluding delays caused by exceptional events, strikes or other railway companies (standard B – Ministerial Decree no. 146T/2000)

*** An independent research institute surveys Trenitalia's customer satisfaction: customers are considered as satisfied if they report a positive score of ≥ 6 on a scale of one to nine

41.Trenitalia publishes the Service charter to express its principles and commitments to improving the services it offers. The regional Service charter is available at trenitalia.com.

42.Service contract with the Government.

QUALITY INDICATORS FOR THE FRECCIE

QUALITY FACTORS	INDICATORS	2014 TARGET	2015 TARGET	2015 ACTUAL	2015 DIFFERENCE (% POINTS)	NOTES
Punctuality	Trains arriving within 15' of the scheduled time	94.00%	94.00%	93.19%	-0.81	The delay is measured at the train's final destination station*
Service regularity	Regular trains, net of trains that were limited, cancelled or arrived over 120' late	99.40%	99.40%	99.68%	0.28	All trains are considered, excluding those that were affected by external events, disruptions to the line or strikes
Cleanliness	Effectiveness of on board cleaning	87.00%	88.00%	91.93%	3.93	Customer satisfaction with cleanliness during travel**

* Percentage recorded by RFI's computer system, excluding delays caused by exceptional events, strikes or other railway companies (standard B - Ministerial Decree no. 146T/2000)

** An independent research institute surveys Trenitalia's customer satisfaction: customers are considered as satisfied if they report a positive score of ≥ 6 on a scale of one to nine

QUALITY TARGETS FOR TRAINS OPERATING UNDER SERVICE CONTRACTS WITH THE GOVERNMENT

QUALITY FACTORS	INDICATORS	2014 TARGET	2015 TARGET	2015 ACTUAL	2015 DIFFERENCE (% POINTS)	NOTES
Punctuality	Punctuality within 30'	91.00%	91.00%	94.97%	3.97	Number of trains with delays of less than 30 minutes/ number of trains operated x 100
	Punctuality within 60'	96.00%	96.00%	98.03%	2.03	Number of trains with delays of less than 60 minutes/ number of trains operated x 100 (Standard B)
Service regularity	Regular trains, net of trains that were limited, cancelled or arrived over 120' late	98.20%	98.20%	99.10%	0.90	100% (number of cancelled trains + number of limited trains + number of trains arrived over 120 minutes late)/ number of scheduled trains x 100 (Standard B)
Cleanliness	Effectiveness of on board cleaning	88.00%	88.00%	85.42%	-2.58	Cleanliness (QME)* = 100% - % Non-conformity

* Average quality provided

Service quality includes an efficient and accessible sales network that allows customers to choose from among different purchase options. In 2015, Trenitalia's traditional sales network comprised approximately 320 ticketing offices, 1,900 self-service machines, 6,200 travel agencies, 69,000 points of sale belonging to external distribution networks and 11,100 companies which joined the Corporate Travel B2B programme⁴³. In addition to traditional sales channels, innovative solutions were introduced, including Trenitalia's website *trenitalia.com*, Trenitalia's app and the mobile version of Trenitalia's website (*mobile.trenitalia.com*), both optimised for smartphones. On these channels payments can be made by credit card or paypal. Furthermore, the main stations offer customer service desks that provide customers with information and assistance as well as last minute reservation changes.

Specific attention has also been devoted to the quality of services for people with reduced mobility. To this end, the most effective solutions have been identified to ensure people with reduced mobility can access stations and trains. These include Trenitalia's PostoBlu service for passengers with disabilities and reduced mobility which entails seat assignment and booking when they request assistance at RFI's Sale Blu or call centres, allowing passengers to pay for and pick up their tickets later using the available sales channels.

RFI's assistance network for people with reduced mobility also includes over 273 stations throughout the entire country, identified on the basis of their accessibility characteristics, whether there are trains equipped for people with reduced mobility and the actual demand for these assistance services from station users. The 14 Sale Blu serve as the contact for meeting the travel requirements of all passengers with disabilities and reduced mobility, and they are located at master stations⁴⁴ in the Sale Blu network.

The Sale Blu network is responsible for ensuring passengers enjoy the free services created specifically for them:

- information on assistance services available at stations;
- booking the assistance services;
- wheel chairs;
- an escort at the station and to the train;
- an escort until the passengers leave the station or board another train;
- boarding and disembarking using lifts for passengers in wheel chairs;
- transport of carry-on luggage at the station, upon request.

In 2015, during the six months of the Expo, a temporary Sala Blu was set up at the Rho Fiera Milan Expo 2015 station for passengers with reduced mobility arriving/departing the Expo site, in addition to the Milan Centrale Sala Blu which provided 2,086 assistance services.

In 2015, approximately 300,000 assistance services were provided, up by 18% on 2014, confirming the upward trend recorded in the past few years.

Perceived quality: customer satisfaction

Customers' perceived quality throughout the various stages of a journey is measured through periodic customer satisfaction surveys.

For long haul transport, these periodic surveys refer to journeys in Italy by passengers aged 14 and up.

Each survey takes place once every two months and entails 5,000 interviews with a sample of selected passengers using a probability-based procedure. For regional transport, the periodic surveys cover the same target, but the travel range is shorter (local/regional). Again in this case, the sample is created using a probability-based procedure. Surveys increased in 2015 from a three to two-month frequency. In 2015, 21,000 surveys were conducted. Furthermore, in-depth surveys covered the passengers of the top 35 regional railway lines, for a total of 7,000 interviews.

The survey method used for both types of journeys (long haul and local/regional) consists of two stages:

- interviews by contacting people at the station before they depart on a train;
- telephone interviews using operators and CATI (Computer Assisted Telephone Interview), through callbacks to interviewees two/three days after initial contact.

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.

43. A programme reserved to companies which enable them to buy railway tickets with deferred payment.

44. Turin Porta Nuova, Milan Centrale, Genoa Piazza Principe, Verona Porta Nuova, Venice Santa Lucia, Trieste Centrale, Bologna Centrale, Florence Santa Maria Novella, Rome Termini, Ancona, Naples Centrale, Bari Centrale, Reggio Calabria Centrale and Messina Centrale.

LONG HAUL TRANSPORT

The analysis of customer satisfaction results substantially confirms the scores of 2014. Indeed, also in 2015, 91.4% of the passengers interviewed expressed an overall favourable judgement of long haul services, throughout the various stages of a journey.

On board trains, customer satisfaction remains substantially stable overall for 92.7% of passengers interviewed in 2015, compared to 92.1% in 2014.

Despite the overall stable picture, the main increases relate to the level of cleanliness (+1.9%) and comfort (+1.4%⁴⁵).

NATIONAL AND INTERNATIONAL TRANSPORT: CUSTOMER SATISFACTION

The various stages in a journey	2015	2014	2013	2015 vs 2014
	% points			
Preparation for the journey	95.8%	96.9%	95.5%	▼ -1.1
Arrival at the station	86.6%	87.1%	84.9%	► -0.5
Time at stations	85.7%	88.4%	88.5%	▼ -2.7
Time on board the train	92.7%	92.1%	89.3%	▲ 0.6
Leaving the station	87.9%	88.4%	85.5%	► -0.5
Information	96.2%	96.5%	95.2%	► -0.3
Overall score	91.4%	91.4%	90.0%	► 0.0

Time on board the train	2015	2014	2013	2015 vs 2014
	% points			
Comfort	92.2%	90.8%	88.8%	▲ 1.4
Cleanliness	88.0%	86.1%	83.0%	▲ 1.9
Punctuality	82.7%	83.5%	81.1%	▼ -0.8
On board information	91.7%	90.3%	88.6%	▲ 1.4
Personnel	96.0%	95.6%	94.2%	► 0.4
Overall score	92.7%	92.1%	89.3%	▲ 0.6

45. The increases are mainly due to the satisfaction level expressed by the *Intercity* service customers, with cleanliness and comfort up by 5.0% and 3.1%, respectively.

REGIONAL TRANSPORT

In 2015, all indicators related to customer satisfaction with regional transport performed well with an increase in the overall score of “The various stages in a journey” (+2.0%) and the “Time on board the train” (+2.4%) indicators. Specifically, the rise in the latter indicator is mainly driven by the increase in satisfaction with the following aspects of the service: “information” (+2.7%), “personnel” (+4.3%), “cleanliness” (+3.8%) and “punctuality” (+3.2%). The increase in the latter is mainly due to improvement works on railway operations and maintenance.

REGIONAL TRANSPORT: CUSTOMER SATISFACTION

The various stages in a journey	2015	2014	2013	2015 vs 2014
	% points			
Preparation for the journey	93.6%	92.7%	91.0%	▲ 0.9
Arrival at the station	81.1%	77.6%	75.1%	▲ 3.5
Time at stations	80.6%	79.5%	79.7%	▲ 1.1
Time on board the train	76.4%	74.0%	72.6%	▲ 2.4
Leaving the station	79.9%	74.7%	74.7%	▲ 5.2
Information	93.9%	89.4%	90.8%	▲ 4.5
Overall score	76.1%	74.1%	73.8%	▲ 2.0

Time on board the train	2015	2014	2013	2015 vs 2014
	% points			
Comfort	75.7%	73.8%	71.1%	▲ 1.9
Cleanliness	62.6%	58.8%	54.8%	▲ 3.8
Punctuality	66.7%	63.5%	62.6%	▲ 3.2
On board information	74.4%	71.7%	67.1%	▲ 2.7
Personnel	89.4%	85.1%	84.6%	▲ 4.3
Overall score	76.4%	74.0%	72.6%	▲ 2.4

COMPLAINTS MANAGEMENT

The management of complaints is a valid tool for interaction with customers because it enables the Group to monitor and analyse inefficiencies reported by customers and improve performance⁴⁶.

Complaints are managed using an IT platform that has been integrated with other ways of reaching out to customers (e.g., ticketing offices and assistance centres for customers in the station, the website, the call centre, snail mail and e-mail). Currently, the most frequently used is the website, through which most reports arrive.

Long-haul lines

In 2015, Trenitalia received a total of 41,587 complaints related to long haul transport, up 24% on the previous year. The increase is mainly due to complaints related to market services, which rose 42% on 2014 and, to a lesser extent, to universal services.

COMPLAINTS AND INEFFICIENCIES - NATIONAL AND INTERNATIONAL TRANSPORT

	2015	2014	2013	2015 vs 2014	
				% points	
Total complaints*	41,587	33,463	34,698	▲	24%
Total inefficiencies**	44,129	34,058	42,429	▲	30%

* Complaints are a form of written communication whereby customers report critical issues and can explain the inefficiencies. A complaint can correspond to more than one inefficiency

** See previous note

The increases were driven by the rise in the percentage of complaints related to timetable and fares (+5.20%) and website malfunctioning (+4%) which, together with punctuality, are the most frequent reasons for complaints in absolute value. Conversely, complaints about commercial legislation and punctuality are down by 3.50% and 2.80%, respectively.



46. Trenitalia uses an organisation spread throughout Italy consisting of local offices to manage complaints and a network of focal points to resolve the issues that customers report.



ANALYSIS OF COMPLAINTS - % INEFFICIENCIES NATIONAL AND INTERNATIONAL TRANSPORT*

	2015	2014	2013	2015 vs 2014
	% points			
Punctuality	18.9%	21.7%	22.8%	▼ -2.8
Regularity**	3.8%	5.0%	4.3%	▼ -1.2
Commercial legislation	9.0%	12.5%	11.3%	▼ -3.5
Comfort and cleanliness	7.8%	7.9%	8.1%	▶ -0.1
Post-sales legislation	9.0%	6.8%	6.8%	▲ 2.2
Trenitalia website	20.5%	16.5%	20.3%	▲ 4.0
Sales using traditional channels	3.2%	4.3%	3.2%	▼ -1.1
Timetable and fares	15.4%	10.2%	9.7%	▲ 5.2
Information	4.9%	5.5%	4.3%	▼ -0.6
Call centre	2.0%	1.6%	1.6%	▶ 0.4
Safety of people and things	0.7%	1.0%	1.0%	▶ -0.3
Other (on board/ground assistance, additional services, services for the disabled, etc.)	4.6%	7.0%	6.6%	▼ -2.4

* 2014 and 2013 figures were recalculated compared to those published in the previous reports for the purposes of better comparison with regional transport figures

** Percentage of service regularity inefficiencies. Complaints about service regularity include reports from customers relating to cancelled trains, strikes, the type or number of carriages differing from the expected type or number

Again in 2015, Fair settlement⁴⁷ remained the most appropriate tool for rapidly and effectively resolving disputes with customers (444 cases were handled). Customer satisfaction, expressed by their acceptance of the settlement offer, reached 93% of total cases.

47. Fair settlement is a procedure whereby a representative of one of the consumer groups that have signed a protocol and a Trenitalia representative discuss a customer's challenges and evaluate whether a satisfying offer can be made to the customer in order to settle the complaint amicably.

Regional transport

The 13% decrease in the number of complaints relating to regional services/trains continued, in line with the trend seen in the previous year.

COMPLAINTS AND INEFFICIENCIES - REGIONAL TRANSPORT

	2015	2014	2013	2015 vs 2014
	% points			
Total complaints	19,670	22,711	25,328	▼ -13%
Total inefficiencies	21,149	24,611	27,112	▼ -14%

The main decreases relate to punctuality (-3.72%) and service regularity (-6.32%), in line with the positive performance recorded in 2015, the performance obtained following works on railway operations and maintenance.

ANALYSIS OF COMPLAINTS - % INEFFICIENCIES REGIONAL TRANSPORT*

	2015	2014	2013	2015 vs 2014
	% points			
Punctuality	18.2%	21.9%	24.8%	▼ -3.7
Regularity**	12.1%	18.4%	17.9%	▼ -6.3
Commercial legislation	13.7%	12.8%	9.6%	▲ 0.9
Comfort and cleanliness	10.4%	8.6%	11.3%	▲ 1.7
Post-sales legislation	4.7%	3.5%	2.5%	▲ 1.2
Trenitalia website	3.5%	2.6%	2.8%	▲ 0.8
Sales using traditional channels	12.6%	10.3%	10.8%	▲ 2.3
Timetable and fares	6.1%	4.0%	3.7%	▲ 2.1
Information	4.9%	5.3%	5.8%	▶ -0.4
Call centre	0.3%	0.2%	0.1%	▶ 0.1
Safety of people and things	1.4%	1.3%	1.3%	▶ 0.1
Other (on board/ground assistance, additional services, services for the disabled, etc.)	12.3%	11.1%	9.3%	▲ 1.2

* 2014 and 2013 figures were recalculated compared to those published in the previous reports for the purposes of better comparison with long haul transport figures

** Percentage of service regularity inefficiencies. Complaints about service regularity include reports from customers relating to cancelled trains, strikes, the type or number of carriages differing from the expected type or number

FREIGHT TRANSPORT

Trenitalia offers business-to-business services, which are based on logic that differs from that of the passenger transport sector.

The customer satisfaction drivers not only relate to each corporate customer's specific nature, but they also relate to changing market scenarios and economic conditions. In particular, in the field of freight transport, Trenitalia's operating context is highly competitive both for alternative means of transport (e.g., by road or ship) and in terms of numerous other railway companies which have operated in Italy for years.

Perceived quality: customer satisfaction

The customer satisfaction survey is based on a sample of over 130 corporate companies that make up most of its turnover.

The survey was conducted by telephone via CATI (Computer Assisted Telephone Interviews) based on a structured questionnaire.

The purpose of the survey is to obtain a score, on a scale of one to ten, of the main characteristics of the service, such as operational aspects, sales structure availability, information provided and administrative management. Suggestions for potential areas of service improvement are also gathered.

In 2015, 70.9% of the companies interviewed were satisfied overall with the service offered in the year, down 3.8% on the previous year.

The analysis of companies' satisfaction of the macro-categories of the service provided shows an overall positive assessment of the "sales structure", despite the 2.8% decrease in satisfied customers, "complete and timely information provided" (+3.2%) and "invoice and administrative management" (+3.6%).

CUSTOMER SATISFACTION - FREIGHT TRANSPORT

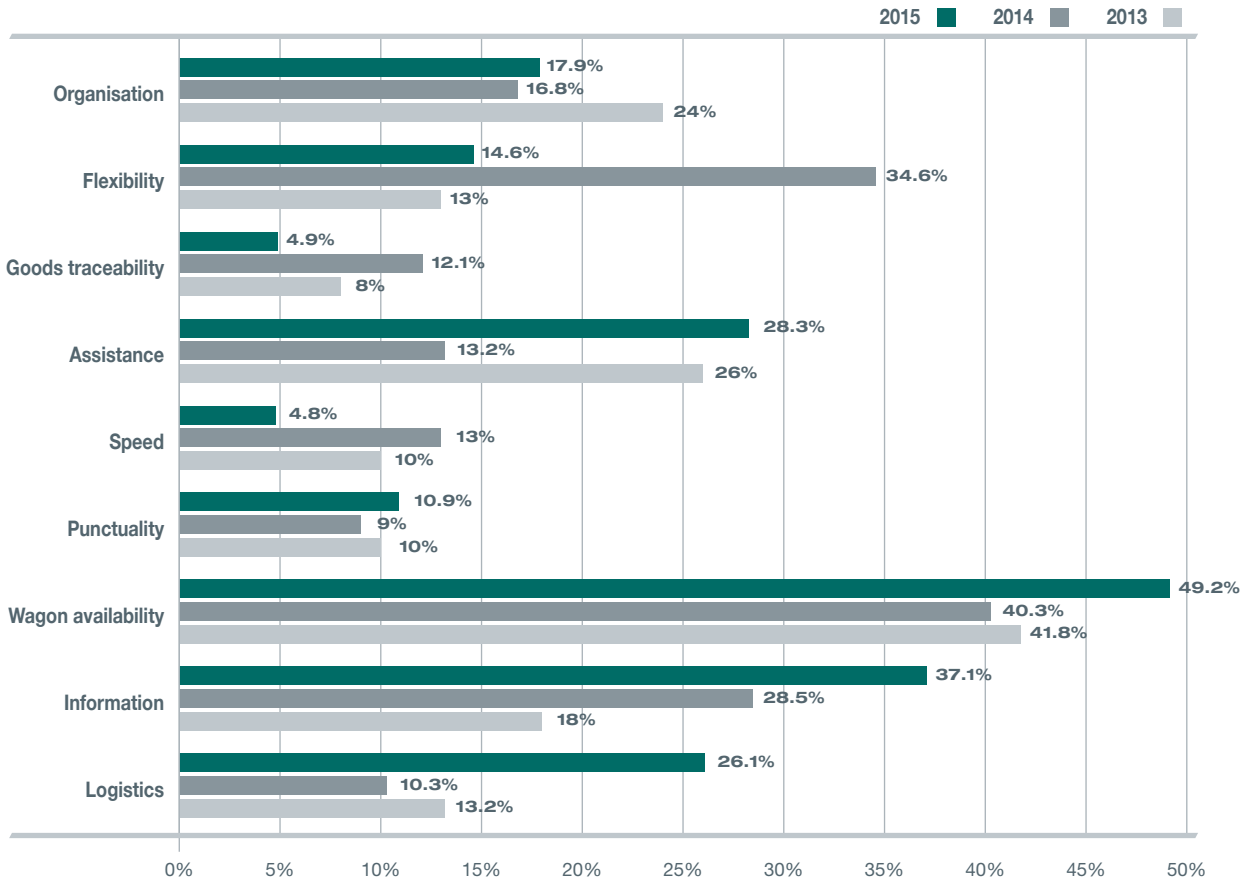
	Average score (scale of 1-10)			Satisfaction %			2015 vs 2014
	2015	2014	2013	2015	2014	2013	% points
Sales structures	6.8	6.9	7.0	83.1%	85.9%	90.0%	▼ -2.8
Complete and timely information provided	6.9	6.6	6.4	88.2%	85.0%	75.1%	▲ 3.2
Operational aspects of the service	5.8	6.0	5.9	62.3%	64.2%	67.1%	▼ -1.9
Invoice and administrative management	6.9	6.7	6.8	86.4%	82.8%	88.6%	▲ 3.6
Overall score	6.3	6.4	6.4	70.9%	74.7%	81.8%	▼ -3.8

The "operational aspects of the service" score remains critical, with 62.3% of customers reporting satisfaction. However, within this macro category, the scores were higher for the "security of transported freight in terms of damage and theft" (satisfaction level of 86.1%) and availability of private wagons and on lease (satisfaction level of 72.1%).

Analysis of customers' suggestions

In general, the companies interviewed requested greater availability of wagons or more suitable wagons (49.2%), the provision of better communication and information (37.1%) and customer support (28.3%) and improved logistics (26.1%).

ANALYSIS OF CUSTOMERS' SUGGESTIONS



Loyalty was very satisfactory with 93.6% of the companies interviewed showing a propensity to use the service again, confirming the upward trend of the past few years (+4.6%).

MANAGEMENT OF COMPLAINTS

In 2015, 75 complaints were received and responses were provided for 91% of them in fewer than 30 days.

COMPLAINTS - FREIGHT TRANSPORT

	2015	2014	2013	2015 vs 2014
Total complaints	75	100	84	▼ -25%
Percentage of complaints with response times under 30 days	91%	95%	96%	▼ -4%

The performance of customer complaints between 2015 and 2014 remains in line with the previous years, with the two following exceptions:

- the increase in complaints related to information (+4%), mainly due to malfunctioning in the web-based "Track & Trace" transport monitoring system;
- the increase in "other" complaints (+6%) reflects the implementation of the New SIM information system, rolled out in 2015.

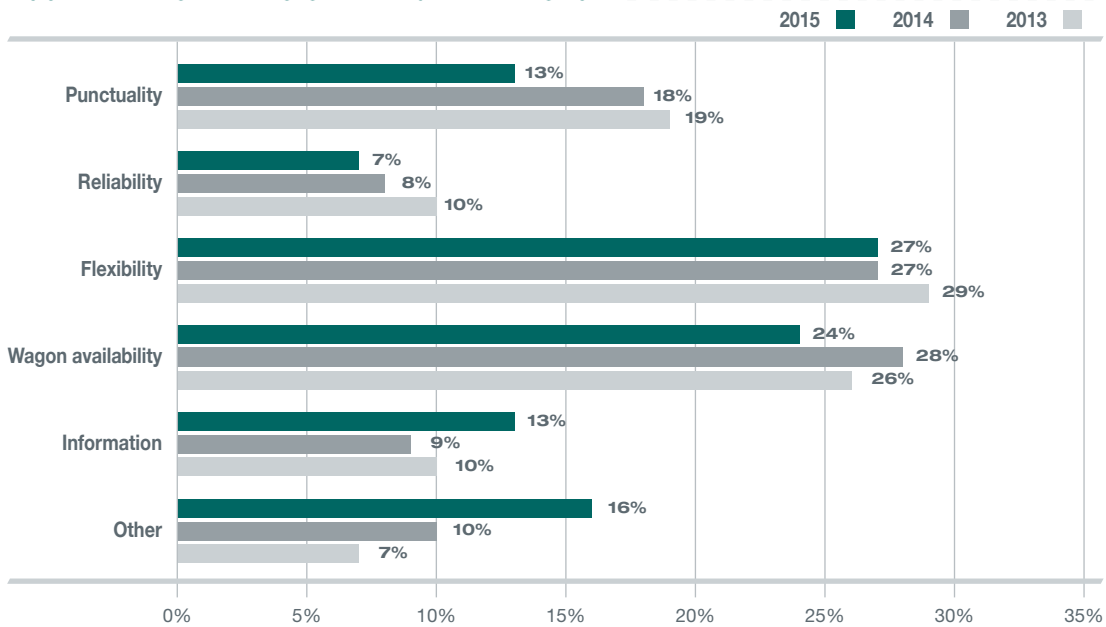
Changes in the other categories confirm prior year trends. Indeed, complaints related to reliability (i.e., compliance with the transport plan, without cancellations) and flexibility (i.e., the ability to respond to non-recurring events) show a natural fluctuation (especially considering the small number of complaints). Most complaints relate to flexibility as well as wagon availability, accounting for 27% and 24% of total complaints, respectively. Conversely, complaints about punctuality decreased by 5% to 13%.





Complaints analysis – Freight transport

COMPLAINTS ANALYSIS - FREIGHT TRANSPORT



Claims for compensation are subject to more complex procedures compared to customers' requests, requiring more extensive processing time. In 2015, 209 claims for compensation were received, 99 of which were allowed.

Rete Ferroviaria Italiana (“RFI”)

PROMISED QUALITY: 2015 SERVICE CHARTER SERVICE QUALITY OBJECTIVES

The Service charter is the tool that RFI uses to express its commitments in the reporting period and quality targets it aims to achieve in the year⁴⁸.

Quality factors are described in the tables below together with objectives achieved, which were measured based on customer satisfaction surveys or internal or third party monitoring.

QUALITY FACTORS

All the objectives set out in the 2015 Service charter were achieved. Specifically, the results show an overall upward trend equal to or above 90%. Only security and the integration between stations and other means of transport were slightly below (88.8% and 88.7%, respectively).

See the *Additional information* section more details about customer satisfaction survey techniques.

TRAIN OPERATION, NETWORK SAFETY AND EFFICIENCY

The safety quality sector⁴⁹ is an essential parameter in assessing the quality of train operation by railway companies.

Since 2015 the objective declared in the Service charter was aligned to the national reference value for the “company as a whole” railway risk category, while, in the previous editions of the Service charter, the company had committed not to exceed the average annual incident rate of Italy, France, Germany and Great Britain⁵⁰.

QUALITY FACTOR	INDICATOR	PARAMETER*	2015 TARGET	2015 RESULT
Safety	Level of railway operation safety	Number of FWSI** due to significant accidents/trains x km	Do not exceed the NRV assigned to Italy in respect to the “company as a whole” railway risk category	Achieved

* Monitoring conducted internally by specific company positions and/or externally by third parties, including public authorities and accredited bodies

** FWSI - Fatalities and Weighted Serious Injuries - ERA (European Railway Agency) terminology

48. Quality factors are contained in the regulation and applied based on the company’s characteristics: Prime Ministerial Decree of 30 December 1998 “Reference framework for the preparation of the Service charter (Mobility charter)”.

49. Safety is analysed in accordance with Legislative Decree no. 162/2007 and is measured based on the 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).

50. Meanwhile, the parameter was brought into line with that used to assess the NRV and reflects the ratio between the total number of “fatalities and weighted serious injuries” (FWSI) per year and the total kilometres travelled by trains on the network in the year.

**ENVIRONMENTAL SUSTAINABILITY
OF SERVICES AND OPERATIONS**

The commitments were met.

QUALITY FACTOR	INDICATOR	PARAMETER*	2015 TARGET	2015 RESULT
Focus on the environment	Actions to implement "RFI's environmental policy": renewal of the ISO 9001, ISO 14001, BS OHSAS 18001 certifications for the integrated safety management system (ISMS)	Commitment	Implementation	Met
	Actions to implement "RFI's environmental policy": adoption of information systems to support waste management and traceability for suppliers' validation and centralised control of loading and unloading logs	Commitment	Implementation	Met

* Monitoring conducted internally by specific company positions and/or externally by third parties, including public authorities and accredited bodies



CONNECTION AND EXCHANGE WITH OTHER MEANS OF TRANSPORT

Stations' interconnection with means of transport other than trains is a particularly important quality factor. Integration is pursued by installing signs directing to services outside the station (car and bike parks, footpaths to bus stops, etc.) and by constructing new large stations and redeveloping existing ones, as much as possible. This is the case of the stations included in the 500 stazioni project aimed at redeveloping and improving accessibility:

the many measures covered by the plan include, *inter alia*, the promotion of initiatives supporting bike/train exchange and facilitating bike passengers, in collaboration with FIAB⁵¹.

Results grew considerably (+2.6%) with respect to both the indicator showing parking lots near the station and customer satisfaction for the quality of the connection with public means of transport.

QUALITY FACTOR	INDICATOR	PARAMETER*	2015 TARGET	2015 RESULT	2015 VS 2014
Modal integration	Quality of the station's connection to public urban/suburban means of transport	Percentage of satisfied people	85%	88.7%	2.6%
	Ease and convenience of arriving in the station	Percentage of satisfied people	90%	94.7%	1.9%
	Authorised parking near the station	Percentage of stations with this service	85%	90.3%	2.6%

* Customer satisfaction survey

CONDITIONS, USABILITY AND COMFORT AT STATIONS

The Service charter is mainly focused on passengers' perceived quality of the conditions, usability and comfort at stations, which is assessed based on the surveys carried out annually at the stations that, together, cover almost 95% of the network's passengers. With respect to comfort, cleanliness and the offer of commercial services, targets and results are broken down by the various station classes (*platinum*, *gold* and *silver*).

The most significant results refer to the increase in the percentage of passengers satisfied with the lighting of underpasses, overpasses and raised walkways at *platinum* (+3.5%) and *silver* (+3.7%) stations, and the cleanliness of *silver* stations (+2.3%). The increase in *silver* stations is due to the improvement measures implemented as part of the 500 stazioni project⁵².

51.Federazione Italiana Amici della Bicicletta Onlus.

52.The project focuses on the redevelopment of busy small stations, giving priority to those of the metropolitan areas with local public transport services.

QUALITY FACTOR	INDICATOR	PARAMETER*	STATION CLASS	2015 TARGET*	2015 RESULT	2015 VS 2014
Travel comfort in station areas	Comfort during time at stations as a whole	Percentage of satisfied people	Platinum	90%	99.3%	1.8%
			Gold	85%	96.6%	0.8%
			Silver	85%	93.4%	1.6%
	Lighting in underpasses, overpasses and raised walkways	Percentage of satisfied people	Platinum	90%	96.9%	3.5%
			Gold	85%	94.1%	1.3%
			Silver	80%	90.6%	3.7%
Cleanliness	Cleanliness of spaces in the station	Percentage of satisfied people	Platinum	90%	99.2%	1.8%
			Gold	90%	97.3%	1.1%
			Silver	85%	96.1%	2.3%
Additional ground services	Commercial services as a whole	Percentage of satisfied people	Platinum	90%	99.6%	0.4%
			Gold	90%	98.9%	0.6%
			Silver	90%	98.3%	0.6%

* Customer satisfaction survey

With respect to security – i.e., the safety of areas, passengers and workers – the percentage of satisfied people is calculated through customer satisfaction surveys and the indicator of the number of thefts committed against passengers in all the network's stations, except for those that took place in shops. Also in this case, both targets were achieved.

QUALITY FACTOR	INDICATOR	PARAMETER*	2015 TARGET	2015 RESULT	2015 VS 2014
Security at stations	Level of safety of people and security of things at stations	Number of thefts suffered by passengers in the year*	Do not exceed the average value of the three years considered	Achieved	–
	Overall security at the station	Percentage of satisfied people**	80%	88.8	1.9%

* Polfer monitoring

** Customer satisfaction survey

PUBLIC INFORMATION

The quality of public information about train operation is managed directly by RFI in all the network's stations and is measured based on passengers' opinions on sound and visual messages. In 2015, the percentage of satisfied people rose for both information about nor-

mal operating conditions (+3.0%) and in critical operation situations (+5.6%). The improvement is due to investments in new technologies and management and organisational measures for local transport passengers.

QUALITY FACTOR	INDICATOR	PARAMETER*	2015 TARGET	2015 RESULT	2015 VS 2014
Information on train operation provided at stations	In normal operating conditions	Percentage of satisfied people	90%	97.5%	3.0%
	In critical operation situations	Percentage of satisfied people	80%	90.2%	5.6%

* Customer satisfaction survey



SERVICES FOR PASSENGERS WITH DISABILITY AND REDUCED MOBILITY

The commitment to provide all passengers with access to railway services is monitored through indicators of passengers' level of satisfaction with assistance services to passengers with reduced mobility (PRM). Since 2014 an indicator on barriers that limit the travel autonomy of PRM has been introduced. In 2015, this indicator was extended to a wider range of interventions related to the physical accessibility of stations and, furthermore, another indicator was developed to monitor progressive implementation of a dedicated online information service⁵³.

QUALITY FACTOR	INDICATOR	PARAMETER	2015 TARGET	2015 RESULT	2015 VS 2014
Assistance at stations for passengers with reduced mobility	Overall level of satisfaction with the assistance service provided by the Sale Blu network	Percentage of satisfied people ¹	90%	98.5%	0.2%
	Actions to improve the assistance service: Increase in the number of stations included in the Sale Blu network	No. of stations ²	At least 5	Achieved ³	–
	Actions to improve the assistance service: Increase in the number of stations included in the Sale Blu network equipped with lifts	No. of stations ²	At least 5	Achieved ⁴	–
Accessibility of spaces in stations	Actions to improve accessibility: Works to improve accessibility in stations (platforms, lifts, escalators)	No. of works ²	At least 60	Achieved	–
	Actions to improve accessibility: Launch of an online information service on the Group's website about accessibility facilities at individual stations	Commitment ²	Implementation	Met	–

1. Customer satisfaction survey

2. Internal monitoring

3. Cecina, Pisa San Rossore, Caltanissetta Xirbi, Roma Aurelia, Elmas Aeroporto

4. Milano Rogaredo, Rapallo, Desenzano del Garda-Sirmione, Novi Ligure, Molfetta, Cecina, Caltanissetta Xirbi, Pisa San Rossore

53. *Infoaccessibilità stazioni* provides information about the accessibility of large and medium/large stations.

CLASSES

In order to organise works and the commercial management of stations consistently and in line with the specific need of customers and the local area, the 2,087 stations with services for passengers are:

Class	Number of stations
Platinum*	19
Gold	102
Silver	860
Bronze	1,106

* Bari Centrale, Bologna Centrale and Bologna HS, Florence Santa Maria Novella, Genoa Piazza Principe and Genoa underground, Milan Centrale, Milan Porta Garibaldi and commuter rail, Naples Centrale and Porta Garibaldi, Padua, Palermo Centrale, Pisa Centrale, Rome Termini, Rome Tiburtina, Turin Porta Nuova, Venice Santa Lucia, Verona Porta Nuova

See the *Additional information* section for more details.

COMPLAINTS MANAGEMENT

Passengers' and the public's complaints are an invaluable tool in understanding customers' perception of the services provided as well as an important one in guiding Group actions to improve quality and prevent or resolve any critical issues⁵⁴.

In 2015, complaints received rose 2.5%.



COMPLAINTS AND INEFFICIENCIES - STATIONS

	2015	2014*	2013	2015 vs 2014
Total complaints received**	3,325	3,244	3,264	▲ 2.5%
Total inefficiencies	3,611	3,597	3,595	▶ 0.4%

* 2014 figures were revised, compared those published in the previous report

** Each individual complaint can correspond to more than one inefficiency

54. The complaints management process is supported by the IT system ITINERE-RFI. Since 2012, an online tool, has been active, "RFI answers", available on www.rfi.it.

The analysis of inefficiencies reported in 2015 shows an increase in those related to built environment (accounting for 9% of total claims received in 2015, up from 6% in 2014).

ANALYSIS OF INEFFICIENCIES - STATIONS

	2015	2014	2013	2015 vs 2014
	punti %			
Comfort at the station	20%	20%	22%	▶ 0.0
Cleanliness at the station	9%	8%	7%	▲ +0.6
Built environment and services for the disabled	9%	6%	5%	▲ +3.4
Public information	32%	33%	40%	▼ -1.5
Safety at the station	13%	14%	13%	▼ -1.3
Other	18%	18%	13%	▶ -0.4



Busitalia - Sita Nord

Quality offered: customer care

When it publishes the Service charter each year, the Group reiterates the fundamental principles on which it bases its offer (equal rights, service continuity, participation, efficiency and effectiveness), together with the rights awarded to the transport service customers. In Tuscany, the Service charters are published with the name and all the data of the companies that belong to the Tuscan consortium companies that are limited by quotas (referred to as "Scarl" in Italy), including Autolinee Chianti Valdarno Scarl and Autolinee Mugello Valdisieve Scarl. Busitalia - Sita Nord heads these consortium companies. The Service charters of the two consortium companies are published on the www.acvbus.it and www.amvbus.it websites and the institutional website www.fsbusitalia.it.

Perceived quality: customer satisfaction

At the end of November 2015, customer satisfaction surveys⁵⁵ were conducted in the areas in Tuscany where Busitalia - Sita Nord operates. The user basin consists of all customers and the sample was stratified by basin and line, with random extraction. An anonymous questionnaire was used to collect data, and was mainly distributed on board buses.

In addition to data on behaviour, the survey gathered data on customers' perception of the service provided, using a series of indicators to be scored from one to ten⁵⁶.

1,055 customers of the suburban services directly offered by Busitalia - Sita Nord were interviewed in November. The social demographic group is shown in the table below:

SOCIAL DEMOGRAPHIC GROUP

SOCIAL DEMOGRAPHIC GROUP	AGE <= 25	USE OF THE SERVICE AT LEAST THREE DAYS PER WEEK	USE OF MONTHLY PASS	USE OF QUARTERLY PASS	USE OF SINGLE TICKET
Suburban service in Tuscany	47.5%	70.5%	26.2%	20.1%	24.5%

The categories of the service provided show the following percentage of satisfaction. They were grouped into macro-factors and calculated net of omitted responses and considering a score of 6/10 or higher as satisfied.

	Satisfaction %
Safety	89.2%
Driver's professionalism and courtesy	86.5%
Level of commercial service	79.6%
Travel comfort on board and along the route	76.1%
Passenger information	67.2%
Focus on the environment	65.2%
Modal integration	62.7%
Cleanliness of vehicles and structures	61.9%
Service regularity and punctuality	58.9%
Overall score*	80.8%

* "What is your overall opinion of ACV-AMV (Scarl Autolinee Chianti Valdarno and Scarl Autolinee Mugello Valdisieve) service, from 1 (completely dissatisfied) to 10 (completely satisfied)?"

55.By Mediatica SpA.

56.The question asked was: "Please rate the following service aspects from 1 (completely dissatisfied) to 10 (completely satisfied)".

COMPLAINTS MANAGEMENT

In 2015, 356 complaints/reports⁵⁷ were received in relation to Busitalia in Tuscany, 55% of which via e-mail.

CLASSIFICATION OF COMPLAINTS RECEIVED*

	2015 result	2014 result	2013 result	2015 vs 2014
	% points			
Service regularity	29.2%	26.3%	28.2%	2.9
Punctuality	18.7%	22.5%	23.0%	-3.8
Passenger information	6.8%	4.7%	6.8%	2.1
Company-passenger relationship	14.5%	16.3%	13.5%	-1.8
Travel comfort	15.6%	16.5%	14.0%	-0.9
Tickets	4.0%	5.4%	4.9%	-1.4
Service weakness	5.5%	4.4%	3.7%	1.1
Safety	3.7%	2.0%	1.6%	1.7
Other	2.0%	1.2%	2.7%	0.8

* The 2015 figure includes reported inefficiencies directly relating to Busitalia - Sita Nord that were received in the year. The percentages are in proportion to total reported aspects

There was an increase in complaints about service regularity, mainly due to the many construction sites throughout Florence in connection with the construction of the new trolley bus lines on ring roads and key roads to access the city.

The increase in complaints about information is mainly due to customers' increased focus on service updates in respect of temporary road changes, such as deviations and road closure.

Finally, the complaints about the Company-customer relationship decreased, as did those relating to Tickets, thanks to the increase in e-ticketing points of sale.



57. The figure refers to complaints received in Tuscany. The total does not include anonymous reports, which made it impossible to complete the management of the complaint by responding to the customer.

Ataf Gestioni

Quality offered: customer care

The Service charter indicators refer to Scarl Ataf&Li-Nea, the consortium company that manages LPT in the metropolitan Florence area and comprises Ataf Gestioni Srl and Li-Nea SpA⁵⁸.

Ataf&Li-Nea uses a series of factors and the related indicators to track the quality it offers to customers and the quality that they perceive. The company is committed to monitoring these factors, which are detailed below, and to ensuring compliance with the target standards set for the following year.

2015 Service charter – Scarl Ataf&Li-Nea

The following tables show the main indicators published in the Service charter, along with the results achieved⁵⁹.

SAFETY

INDICATOR	UNIT OF MEASURE	2015 RESULT	2015 TARGET	2014 RESULT
Incident rate	(No. of claims / km of service) x 10,000	0.58	Decrease	0.6
Vehicle age	No. of vehicles 15 + years old / total vehicles	7.4%	Decrease	5%
	No. of vehicles between 10 and 15 years old / total vehicles	45.3%	Decrease	51%
	No. of vehicles between 5 and 10 years old / total vehicles	16.3%	Decrease	13%
	No. of vehicles between between 0 and 5 years old / total vehicles	31%	Increase	31%

SERVICE REGULARITY AND PUNCTUALITY

INDICATOR	UNIT OF MEASURE	2015 RESULT	2015 TARGET	2014 RESULT
Reliability	Actual km / scheduled km	95.9%	Maintenance	97.5%
	Shunting vehicles available from 7:00 - 9:00	29	Maintenance	31
Punctuality	No. of trains that arrived between 5 and 15 minutes late / total trains	13.0%	Decrease	10.3%
	No. of trains that arrived between 15 and 30 minutes late / total trains	3.3%	Maintenance	2.0%
	No. of trains more than 30 minutes late / total trains	1.2%	Maintenance	0.6%

58. Ataf Gestioni Srl owns 77.88% of the consortium company Ataf&Li-Nea and Li-Nea SpA owns the remaining 22.12%.

59. The complete list of monitored indicators is published in the Mobility charter, and more specifically in the 7th section "The Company's commitment" available on the website www.ataf.net.



Figures about regularity and punctuality are affected by the many construction sites throughout the city.

COMMERCIAL AND FRONT OFFICE SERVICE LEVEL

INDICATOR	UNIT OF MEASURE	2015 RESULT	2015 TARGET	2014 RESULT
Points of sale	No. POS / towns served	132	Maintenance	138
On-board ticket sales	No. of lines with on-board ticket sales / total lines	100%	Maintenance	100%
Response time (or complaints and requests)	Maximum response time	30 days	Maintenance	30 days

FOCUS ON THE ENVIRONMENT

INDICATOR	UNIT OF MEASURE	2015 RESULT	2015 TARGET	2014 RESULT
Vehicles with a low environmental impact	No. of Euro5 diesel vehicles, EEV, Euro6 / total diesel vehicles	34.2%	Maintenance	49%
	No. of electric vehicles/ total vehicles	2.5%	Maintenance	3.3%

The registration of further buses in 2015 led to a considerable increase in the number of vehicles with a low environmental impact.

Perceived quality: customer satisfaction

In November/December 2015, customer satisfaction surveys were conducted using a sample methodology different from the previous surveys. A large number of lines was analysed, holding face-to-face interviews at three crucial stops of the service in order to cover the entire Ataf universe. The new sample methodology and the road system that was changed considerably given the many construction sites throughout the city in connection with the construction of the new trolley bus lines

make it impossible to compare and consistently read figures compared to those for the previous years. In addition to data on behaviour, the survey gathered data on customers' perception of the service provided, using a series of indicators to be scored from one to ten.

Florence urban transport customer satisfaction results

1,904 customers of the Ataf services were interviewed.

SOCIAL-DEMOGRAPHIC GROUP

SOCIAL-DEMOGRAPHIC GROUP	AGE <= 35	USE OF THE SERVICE AT LEAST THREE DAYS PER WEEK	USE OF ANNUAL PASS	USE OF MONTHLY PASS	USE OF HOURLY TICKET*
Florence urban service	57.1%	76.1%	19.2%	23.2%	15.8%

* 90-minute ticket – On board ticket – Text message ticketing

The categories of the service provided, to be rated on a scale of one to ten, show the following percentage of satisfaction. They were grouped into macro-factors and calculated net of omitted responses and considering a score of 6/10 or higher as satisfied⁶⁰:

Satisfaction (%)	2015 result	No replay
Additional services on board and on the ground	73.4%	8.2%
Safety	72.6%	0.6%
Level of commercial service	71.7%	9.9%
Passenger information	71.4%	13.9%
Personnel's professionalism and courtesy	71.1%	2.6%
Modal integration	66.4%	8.7%
Focus on the environment	66.3%	8.7%
Service regularity and punctuality	65.3%	1.8%
Cleanliness of vehicles and structures	61.5%	1.2%
Travel comfort on board and along the route	61.3%	1.5%
Services for the disabled	59.0%	21.0%
Overall score	80.8%	0.1%

60. "What is your overall opinion of the Scarl's service, from 1 (completely dissatisfied) to 10 (completely satisfied)?"

COMPLAINTS MANAGEMENT

The management of complaints and reports from customers is a crucial tool for monitoring trends on the basis of inefficiencies and identifying solutions to improve the offer through the participation of the structures involved. In 2015, 5,538 complaints/reports were received. Complaints are analysed by type below:

CLASSIFICATION OF COMPLAINTS RECEIVED*

	2015 result	2014 result	2013 result	2015 vs 2014 % points
Service regularity	42.8%	34.6%	24.5%	8.2
Punctuality	7.6%	5.6%	6.1%	2.0
Passenger information	7.6%	8.9%	10.2%	-1.3
Company-passenger relationship	17.9%	19.4%	19.0%	-1.5
Travel comfort	5.2%	4.5%	5.0%	0.7
Tickets	8.7%	16.3%	24.8%	-7.6
Service weakness	3.7%	3.5%	3.4%	0.2
Safety	2.1%	2.5%	2.1%	-0.5
Cleanliness	0.4%	0.3%	0.3%	0.1
Environment	0.3%	0.4%	1.1%	-0.1
Other	3.7%	3.9%	3.7%	-0.2

* The proposed classification consists of a grouping of different aspects relating to the macro-categories used for Busitalia - Sita Nord. The percentages are in proportion to total reported aspects

There was an increase in complaints about service regularity, mainly due to the many construction sites throughout the city.

The decrease in complaints relating to tickets was significant following the use of the new "Carta Agile" card (entirely produced using fully recyclable materials), which entailed the implementation of latest generation ticket punchers, the updating of the software and the user interface for validation, making it more user friendly for customers.

Umbria Mobilità Esercizio

Quality offered: customer care

Below are the indicators that Umbria Mobilità Esercizio Srl⁶¹ uses to monitor the quality of the service that it offers⁶².

TYPE OF SERVICE		2015 RESULT
Urban road LPT service	On-time buses	95.6%
	Buses with delays of >5' to <=10' – for internal reasons	4.3% 0.0%
	Buses with delays of >10' – for internal reasons	0.1% 0.0%
Suburban LPT service	On-time buses	96.6%
	Buses with delays of >5' to <=10' – for internal reasons	3.2% 0.0%
	Buses with delays of >10' – for internal reasons	0.2% 0.0%
Railway service	On-time trains	34.7%
	Trains with delays of >1' to <=5'	35.8%
	Trains with delays of >5' to <=15'	24.8%
	Trains with delays of >15'	4.7%
	km travelled / km scheduled	100%
Waterway service	Ships arriving on time (0'-5') during peak hours	97.8%
	Ships arriving on time (0'-5') at other hours	100%
	Journeys made compared to journeys scheduled	100%

61. On 1 December 2015 the company was merged into Busitalia - Sita Nord.

62. No targets were included in the Service charter. They will be defined for the 2016 edition.

EXTENSION OF THE SALES NETWORK

TYPE OF SERVICE		2015 RESULT
Road LPT service	Resales	1,146
	Resales/km network	0.5
	Resales/towns served	11.4
	Buses with on-board ticket sales with surcharge	100%
Railway service	Resales	58
	Resales/km network	0.4
	Resales/towns served	4.1
	Trains with on-board ticket sales with surcharge	100%
Waterway service	Resales	4*
	Resales/berthing	1

* Including one permanent resale office and three peak season offices; during the peak season, one ticket office is open for each berth

INCIDENT RATE

TYPE OF SERVICE		2015 RESULT
Railway	Incidents suffered	1 per every 608,222 km travelled
Road LPT	Incidents suffered	1 per every 85,078 km travelled
Waterway	Incidents suffered	0
Alternative mobility*	Incidents suffered	1 per every 31,776 km equivalent travelled

* Lifts, stairs, moving walkways, cable railways in Perugia, Orvieto, Spoleto, Cascia and Amelia

FOCUS ON THE ENVIRONMENT

TYPE OF SERVICE		2015 RESULT
Urban road LPT	Vehicle with Euro2 or higher engines	98.1%
Suburban road LPT	Vehicle with Euro2 or higher engines	87.2%
Railway	Electrical traction vehicle combinations	8.2%

COMPLAINTS MANAGEMENT

In 2015, Umbria Mobilità Esercizio received 506 complaints about its services.

The following table details complaints by type⁶³:

CLASSIFICATION OF COMPLAINTS RECEIVED

	2015 result	2014 result
Service regularity	19.0%	29.6%
Punctuality	19.2%	16.4%
Passenger information	0.8%	2.9%
Company-passenger relationship	18.8%	21.3%
Travel comfort	4.9%	7.7%
Tickets	0.8%	6.4%
Safety	1.4%	0.2%
Cleanliness	5.7%	7.0%
Environment	1.4%	1.0%
Other	11.9%	7.5%
Service weakness	16.2%	–

The greatest number of complaints refer to service punctuality, service weakness and regularity (“missed train/bus/ship”, “missed stop”).

The complaints related to service weakness refer to the many reorganisations/reductions in services carried out by the awarding bodies to several areas in the Umbria region. The 16.2% increase in this indicator on 2014 is mainly due to last year's different allocation, whereby “operational changes” were allocated to complaints about Service regularity. Complaints about punctuality rose 2% and mainly refer to the September/October period when schools reopen and the transport service winter schedule becomes operative. Furthermore, complaints about travel comfort fell by 2.7% thanks to the introduction of 20 new buses in 2015 (five urban and 15 sub-urban) and those related to the Company/passenger relationship (“personnel conduct”, “use of mobile phones/smoking” and “driving style”) decreased.

63. The proposed classification consists of a grouping of different aspects relating to the macro-categories used for Busitalia - Sita Nord.



Busitalia Veneto

Quality offered: customer care

Busitalia Veneto was set up in 2015 following the contribution of Busitalia - Sita's Nord Veneto business unit and APS Holding's Mobility business unit. It operates in the following areas where it provides urban and suburban transport services:

2015 SERVICE CHARTER

REGION	SERVICES
Veneto	Suburban service in Padua* and Rovigo area Urban service in Padua and Rovigo

* With respect to the 2015 figures presented herein, the Padua suburban service includes the services previously provided by Busitalia - Sita Nord and APS Holding

Busitalia Veneto's first Service charter was published in 2015⁶⁴.

64.2014 actual figures include Busitalia - Sita Nord's data for the Padua and Rovigo suburban service and the Rovigo urban service, as well as APS Holding's figures, often combined, related to the Padua urban service and the suburban service in the thermal baths area (province of Padua).

2015 Service charter – Busitalia Veneto

The following tables show the main indicators published in the Service charter, along with the results achieved. Punctuality slightly improved in terms of Padua buses late by more than 30 minutes compared with 2014, mainly as a consequence of traffic, and for Rovigo services.

PUNCTUALITY

	2015 result	2015 target	2014 result	2015 variance
	% points			
Padua suburban service				
On-time buses	94.70%	94.80%	94.61%	-0.10
Buses with delays of >15' to <= 30'	4.49%	4.50%	4.77%	-0.01
– for internal reasons (%)	0.02%	0.03%	0.06%	-0.01
Buses with delays of > 30'	0.81%	0.70%	0.62%	0.11
– for internal reasons (%)	0.03%	0.02%	0.04%	0.01
Padua urban service - car				
On-time buses	94.0%	90.0%	95.6%	4.0
Buses with delays of > 5' to <= 15'	5.1%	8.0%	3.8%	-2.9
Buses with delays of > 15'	0.9%	2.0%	0.6%	-1.1
Padua urban service - tramway				
On-time tramways	90.6%	90.0%	91.8%	0.06
Tramways with delays of > 4' to <= 8'	7.6%	8.0%	6.7%	-0.04
Tramways with delays of > 8'	1.8%	2.0%	1.5%	-0.02
Rovigo suburban service				
On-time buses	96.92%	96.40%	96.34%	0.52
Buses with delays of > 5' to <= 15'	2.37%	2.80%	2.79%	-0.43
– for internal reasons (%)	0.01%	0.02%	0.03%	-0.01
Buses with delays of > 15'	0.71%	0.80%	0.87%	-0.09
– for internal reasons (%)	0.03%	0.02%	0.03%	0.01
Rovigo urban service				
On-time buses	99.79%	99.78%	99.78%	0.01
Buses with delays of > 5' to <= 10'	0.16%	0.17%	0.17%	-0.01
– for internal reasons	0.00%	0.00%	0.00%	0.00
Buses with delays of > 10'	0.06%	0.05%	0.05%	0.01
– for internal reasons	0.01%	0.00%	0.00%	0.01

With respect to service regularity both on the suburban lines in Padua and the urban and suburban lines in Rovigo, once again in 2015, 100% of effective buses ran according to schedule⁶⁵ and the number of shunting means was in line with service recovery requirements.

The urban service regularity in Padua is equal to 99.1% (-0.6%) and 99.5% (+1.2%) for the road and the tramway segment, respectively.

EXTENSION OF THE SALES NETWORK

	2015 result	2015 target	2014 result	2015 variance
Padua suburban service				
Resales	648	532	532	116
Resales/network km	0.60	0.53	0.53	0.07
Resales/cities served	4.4	3.6	3.6	0.8
Resales/millions of residents	344	283	283	61
% of buses with on board ticket sales with surcharge	100%	100%	100%	0.0
Padua urban service				
Resales	487	n.d.*	n.d.*	n.d.*
Resales/network km	2.8	n.d.*	n.d.*	n.d.*
Resales/1,000 residents	1.4	n.d.*	n.d.*	n.d.*
% of buses with on-board ticket sales with surcharge	100%	100%	100%	0.0
Rovigo suburban service				
Resales	132	127	127	5
Resales/millions of residents	180	173	173	8
Resales/cities served	2.2	2.2	2.2	0.0
Resales/network km	0.17	0.16	0.16	0.01
% of buses with on-board ticket sales with surcharge	100%	100%	100%	0.0
Rovigo urban service				
Resales	79	84	84	-5
Resales/1,000 residents	1.51	1.61	1.61	-0.10
Resales/network km	0.94	1.00	1.00	-0.06
% of buses with on-board ticket sales with surcharge	100%	100%	100%	0.0

* 2014 figures related to the Padua urban services are available only in combination with those for the suburban service formerly managed by APS

65.Excluding strikes and force majeure.



As for the sales network, the results achieved in 2015 show a considerable increase in resales for the Padua suburban service due to the contribution of APS Holding's business unit which comprises the suburban service in the thermal baths area.

The rate of incidents for which Busitalia Veneto was at fault, consisting of incidents during line operation, shows a slight deterioration in the Padua suburban service, mainly related to the business unit contributed by APS Holding. It worsened for the Rovigo suburban service, although most incidents were minor, while it remained substantially unchanged for the Rovigo urban service.

INCIDENT RATE

	2015 result	2015 target	2014 result	2015 vs 2014
Padua suburban service				
Incidents suffered/million km	4.9	4.3	4.3	0.6
Padua urban service - car				
Incidents suffered/million km	17.2	20	20	-2.8
Padua urban service - tramway				
Incidents suffered/million km	13.9	30	22	-16.1
Rovigo suburban service				
Incidents suffered/million km	4.0	1.0	1.5	3
Rovigo urban service				
Incidents suffered/million km	5.5	5.4	5.4	0.1

With respect to the environment, considering the percentages of vehicles equipped with Euro2 and higher engines, figures improved on 2014 thanks to the roll-out of new latest-generation vehicles (in terms of environmental class). The Padua suburban service failed to meet its target due to the partial postponement (to 2016) of the registration of the new Euro6 buses which were originally expected to join the fleet contributed by APS Holding in 2015.

FOCUS ON THE ENVIRONMENT

	2015 result	2015 target	2014 result	2015 variance % points
Padua suburban service				
Euro2 and higher	97%	100%	91%	-3
Padua urban service				
Euro2 and higher	90%	n.d.*	n.d.*	n.d.*
Rovigo suburban service				
Euro2 and higher	92%	90%	90%	2
Rovigo urban service				
Euro2 and higher	83%	95%	84%	-12

* 2014 figures related to the Padua urban services are available only in combination with those for the suburban service formerly managed by APS



Travel safety

G4-15 / G4-PR1 / G4-PR2

Train traffic safety

The Group companies are constantly committed to ensuring the utmost level of safety for customers, the community or employees, focusing, in particular, on a culture of risk prevention and involving all players. RFI and Trenitalia manage railway traffic safety in connection with train operation each to the extent that it is concerned.



Traffic safety: RFI

The main technologies used to guarantee train traffic safety are described below.

INNOVATIVE TRAIN SPEED PROTECTION TECHNOLOGIES

	km
CCS, CCS-HS, CCS-M and CTC (remote operation controls)	12,277
TSCS (train speed control systems)	11,693
DSS (driving support systems)	4,213
ERTMS (interoperability on the HS/HC network)	654
GSM-R telecommunications (which can be used for emergency calls)	11,000

CCS - COMMAND AND CONTROL SYSTEMS

CCS - Command and control systems, as they have evolved on the High Speed lines (CCS-HS), are innovative integrated remote management systems for train operation, line and station device diagnostics, fault prevention, maintenance, information to the public, video surveillances and for simplifying governance procedures. The system makes it possible to send and receive commands between manned control rooms and unmanned peripheral units. The lines that are equipped with peripheral command units controlled using multi-station command and control devices feature the most sophisticated multi-station CCS (CCS-M).

CTC SYSTEMS - CENTRALISED TRAFFIC CONTROL SYSTEMS

CTC systems, the predecessor to remote command systems, makes it possible to remotely control and supervise a large number of unmanned stations and stops from a Central Command unit. It is mainly used on regional and inter-regional lines.

TSCS - TRAIN SPEED CONTROL SYSTEMS

TSCS - Train Speed Control Systems are sophisticated systems, in line with the new European standard for interoperability between railway networks (ERTMS - European Rail Traffic Management System), which protects train speed at all times with respect to the parameters set by signals (maximum speed permitted on the line and speed permitted for the type of train), activating the emergency brakes when the limits are exceeded.

DSS - DRIVING SUPPORT SYSTEM

They are systems that control the consistency of the conductors' recognition of signals along the line and the actual status transmitted on board. The control system for fixed light signals is based on micro-wave transponder transmission. The DSS is used on low traffic density lines that use diesel for traction. The system protects the train speed by sending information between land and on board devices, activating the emergency brakes when the train speed exceeds limits.

LEVEL 1 ERTMS WITH INFILL RADIO

Level 1 ERTMS with infill radio is the first commercial application of the Level 1 ERTMS/ETCS (European Rail Traffic Management System/European Train Control System) in Italy and the first in Europe with infill-radio based on GSM-R. The system, was implemented in the Domodossola-Novara line (Corridor 1) and Swiss bordering regions, also in order to achieve interoperability between Italy and Switzerland. It requires the integration of hardware and software on the ground in the existing TSCS system.

LEVEL 2 ERTMS/ETCS

Due to the interoperability of European networks, the Level 2 ERTMS/ETCS enables foreign trains to operate on the Italian network based on information defined by a common language and managed using interoperability components on the ground and on board. This innovative technology overcomes the limits to international operations arising from the different systems used in the various countries. ERTMS/ETCS also provides conductors with all the information they need for optimal conduction by activating the emergency brakes if the train's speed exceeds the allowed maximum.

LEVEL 2 HIGH DENSITY (HD) ERTMS

This is the Level 2 ERTMS used in high traffic density situations making it possible to reduce the distance between trains. This system, which overlaps the pre-existing distancing system, is based on short sections (Level 2+ ERTMS) to improve the performance of the existing railway infrastructure, increasing its capacity and availability, in accordance with the technical specifications of European interoperability.

EXPERIMENTING WITH THE USE OF SATELLITE SYSTEMS FOR LOCATING AND DISTANCING IN CONJUNCTION WITH ERTMS

The potential of satellite systems is also being evaluated for its use in the railway sector for signalling, telecommunications, diagnostics, critical systems and related safety. As part of SATLOC, a project promoted by UIC and co-financed by the European Space Agency (ESA) and carried out in the railway sector (industry, Manager company infrastructure and railway companies), the feasibility of using satellites for railway operation was evaluated with a business case analysis of its application on low traffic density lines and regional lines. In collaboration with a few companies in the transport sector, RFI has developed an ERTMS system with satellite location and an integrated TLC network based on IP (ERSAT). The purpose is to consolidate the use of two standard European systems: satellite and ERTMS.

GSM - R

GSM-R, a system developed for the integration/interoperability of European railway traffic, permits both traditional voice and data communications and the exchange of information between the most advanced technological systems for signalling and traffic control.

Since 2003, RFI has used the Integrated Safety Management System (ISMS), a control model in which safety is handled in the scope of train traffic and railway operation, labour and the environment. The control is carried out at both a central and a local level. The central ISMS level plays a guiding and control role. The local level receives directions from the central level and follows them by effectively and efficiently following the guidance. The certificates of the various local levels are consolidated in one single certificate made out to the company. The main scopes of current RFI certification are summarised in the section on *Additional information*.

Railway incidents on the national railway infrastructure managed by RFI are monitored by inputting and analysing data in the safety database, recorded in accordance with current international criteria.

In particular, in the incident rate benchmarking at ERA (European Railway Agency) level, in order to calculate incidents, the parameters established by EU Directive 2004/49, as amended and integrated (Eurostat), implemented by Italian legislation with Legislative Decree no. 162/2007, are used, while at UIC level, those set forth in UIC Fiche A91 are also adopted⁶⁶. Accordingly, ERA data, unlike the UIC data, include incidents that occurred on tracks where operation has been temporarily suspended for maintenance work.

In 2015, there were 97 incidents, showing a considerable decrease on the previous year (109 incidents).

RAILWAY INCIDENT STATISTICS*

	2015		2014		2013	
	Absolute value	Per billion train-km	Absolute value	Per billion train-km	Absolute value	Per billion train-km
Train collisions (with trains or other)	4	12	9	27	4	12
Train derailments	3	9	4	12	6	18
Incidents at railroad crossings** (including pedestrians)	19	57	16	48	14	42
Incidents involving people caused by rolling stock in motion (excluding suicides)	67	197	74	224	71	214
Fires involving rolling stock	2	6	0	0	2	6
Other	2	6	6	18	1	3

* Railway incidents, in accordance with the parameters imposed by the ERA, according to the criterion of EU Directive 2004/49, as amended and integrated (EU directive 2009/149): the table includes types of incidents that meet one or more of the following conditions:

- at least one person died;
- at least one person was injured and hospitalised for over 24 hours;
- the damage exceeded €150,000;
- traffic was stopped for more than six hours

** Under international benchmarking criteria (UIC and ERA), the "railroad crossing" category includes both collisions with obstacles on the crossing (vehicles, etc.) and trains hitting users crossing the tracks inappropriately even when the crossing is closed

66. The two criteria adopted are consistent with respect to the definition of an "incident" (at least one death either immediately or within 30 days of the incident and/or at least one serious injury and/or €150,000 damage and/or discontinued service on the line for more than six hours).

Analysing the causes of these incidents, out of a total of 97 events, roughly 98% were due to reasons outside the scope of the railway system, i.e., to the inappropriate conduct of people or to external events that were, in any case, exceptional (such as particularly intense atmospheric events), while the remaining 2% were due to internal reasons, i.e., incidents attributable to the railway companies or operator.

Deaths continued to fall in 2015 (-13.2%) confirming the downward trend that began in 2013, while there was a decrease in the number of people injured (which excludes incidents attributable to and classified as attempted suicides).



CONSEQUENCES OF RAILWAY INCIDENTS INVOLVING PEOPLE ON THE RFI NETWORK

	2015	2014	2013	Trend 2015 vs 2014
Death of employees ¹	0	3	2	▼
Death of passengers ²	2	1	2	▲
Other deaths ³	44	49	56	▼
Total deaths⁴	46	53	60	▼
Injured employees	1	3	2	▼
Injured passengers	7	1	2	▲
Other injuries	29	37	29	▼
Total injuries⁵	37	41	33	▼

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/deboard moving trains

3. Other deaths: people using railroad crossings, unauthorised people, other authorised people at railway plant

4. Death: any person who dies immediately following or within 30 days of an incident, excluding suicides, death from natural causes or homicide

5. Injuries (serious): any person injured in an incident and hospitalised for more than 24 hours, excluding suicide attempts

In its internal analyses, RFI categorises incidents as “Typical”, i.e., those strictly connected with railway traffic, and “Atypical”, i.e., those due to inappropriate conduct by people. “Typical” incidents give a fairer picture of railway system safety, as they cover events such as collisions, derailments, fires and collisions between rolling stock in motion and road vehicles at railroad crossings.

In 2015, in accordance with the criteria established by the UIC, 16 “Typical” incidents were recorded, compared to the 25 recorded in 2014, therefore with a decrease of roughly 36%. “Atypical” incidents, which substantially refer to when trains run over people or when passengers fall from trains in motion, numbered 81 in 2015, compared to 83 in 2014. The calculation of “Atypical” incidents includes when people using train services are hit at railroad crossings.

INCIDENTS

	2015	2014	2013
Typical incidents	16	25	18
Typical UIC incidents to trains	9	14	12
Typical UIC incidents during shunting	2	5	1
Typical UIC incidents at railroad crossings	5	6	5
Atypical	81	83	80

In 2015, the number of incidents and no entry signals were in line with 2014.

NO ENTRY SIGNALS

	2015	2014	2013
Trains continuing through no entry signals	19	20	17

MAINTENANCE OF THE RAILWAY INFRASTRUCTURE

The correct design, planning and performance of maintenance ensure that the infrastructure remains in line with the established safety standards. Targets are achieved by the oversight of routine and non-routine maintenance, through timely planning and performance of work and ongoing monitoring, in order to verify that maintenance on all components that are relevant for safety purposes is correct and effective⁶⁷. Supervision and monitoring are particularly important. Supervision highlights the “conditions” of systems to maintain and improve the reliability and availability of railway infrastructure, ensuring that the established safety standards are met, while monitoring, which is performed through inspections and tests of the technical, organisational and operational aspects of systems, is aimed at checking that the maintenance carried out is correct and effective, that the infrastructure is in sound condition and that work sites are operational and well organised.

The main supervisory and monitoring activities in 2015 are listed below:

- checks that signals are visible in different light, environmental, time and season conditions;
- periodic technical tests on central devices and automatic stopping systems;
- checks on diverters;
- inspections of the railway line on foot, by carriage and in cabins;
- inspections of the works;
- checks of welded tracks;
- replacement of distance or orientation tables along the line due to poor readability caused by age or train braking sediments;
- calculation of the characteristic size of track equipment and the wear of the switch blades⁶⁸.

The total costs for routine and non-routine maintenance in 2015 are described below:

Maintenance	Cost
Routine	891
Non-routine	1,146

In millions of Euros

RAILROAD CROSSINGS

In 2015, works were focused on the elimination of railroad crossings: 111 railroad crossings were eliminated as part of a specific plan to close railroad crossings and an additional 11 were eliminated following the infrastructural enhancement/upgrading generated by local works carried out in accordance with local bodies. Overall, at the 2015 year end, public and private railroad crossings decreased to slightly more than 4,800.

Meanwhile, efforts continued to increase the safety levels of existing railroad crossings through a variety of different types of measures, as follows:

- installation of information panels providing identification data for railroad crossings and emergency telephone numbers in order to call personnel responsible for supervising traffic in the event of an emergency or if there are obstacles on the railway tracks;
- checks of pre-signal signs and light/sound signals at railroad crossings, with the concurrent check of the time needed to lift/lower the crossing gates;
- installation of road bumps and speed bumps to make it easier to identify and see railroad crossings in urban centres;
- activities and projects to make roadside signs more visible to prevent inappropriate actions by drivers, in some cases in collaboration with the relevant Government administrations;
- testing gates that pedestrians cannot get around and the transformation of railroad crossings with half-gates into crossings with full gates;
- installation of new integrative automatic protection devices to detect obstacles on the crossing.

67. Diverters, signals, works, railroad crossings, etc.

68. The new sub-directional procedure for the “Control of the characteristic size of track equipment and maintenance regulations” became effective on 1 January 2015 along with the new technical instruction.

TRAFFIC SAFETY: TRENITALIA

The heart of Trenitalia's operational safety oversight is the operational safety management system revolving around a typical "PDCA" (Plan, Do, Check, Act) cycle, which is the basis for management systems.

In general, various activities are carried out to keep operational risk under control. These activities range from risk analysis to assessing the acceptability of risk and taking prevention and/mitigation measures. Where necessary, specific projects are defined to decrease risk and are reported within the Safety Plan each year. The projects may relate to one or more key parts of the systems: machines (technology), people (human factor and organisation) and procedures (how processes are performed).

Trenitalia uses a specific system of indicators to track operational safety processes, enabling it to constantly monitor their performance. If the indicators show that processes are worsening over time, it performs a specific analysis of the causes to take the consequent corrective action.

Trenitalia operational safety management system is based on five levels of indicators:

1. incident indicators to monitor incidents;
2. performance indicators to monitor the dangerous events;
3. primary cause indicators to monitor the reasons for dangerous events;
4. process indicators to monitor support processes;
5. risk level indicators, which provide an indicator for each hazardous event that Trenitalia identifies. The indicator is calculated as the combination of the probability that the event will occur and the seriousness of its consequences.

There is a cause/effect relationship between these levels, i.e., when the primary causes occur, they can generate dangerous events and, accordingly, potential incidents.

ROLLING STOCK MAINTENANCE

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.

In particular, Trenitalia ensures the planning, performance, control and improvement of maintenance processes through an organisation that provides for:

- a central maintenance engineering structure that establishes the criterial and general provisions for the maintenance of vehicles;
- maintenance systems covering two organisational levels: the first level consists of the Divisions' Ongoing Maintenance Systems, in turn broken down into light and corrective maintenance scheduled as a part of the vehicle shifts, while the second level consists of Cyclical Maintenance Workshops where work with a significant impact on the asset value of the rolling stock is carried out beyond the scope of the vehicle shifts.

Specific attention is devoted to improving maintenance processes, with the formalisation and implementation of a Safety Plan providing for a series of projects each year to ensure operational safety, including, *inter alia*, the main ones in progress in 2015:

- redevelopment of TAF doors⁶⁹;
- upgrading of the E414 locomotive fire prevention system;
- upgrading of E404 OSS⁷⁰ locomotive;
- measuring the temperature of the axle boxes by conducting personnel using portable devices.

Furthermore, the Repair and Control Plan (RCP) at the Foligno workshop, the pilot site for the project, continued. The RCP is the document used to record and track maintenance on rolling stock and components. The digitalisation of the RCP at the assembled rooms was completed, while that related to propulsion engines and WR (workshop revision) for E464 locomotives began.

Finally, in the freight transport sector and, in particular, for the transport of dangerous goods, certification such as SRM/ECM was renewed in May 2014 for freight carriages, in accordance with EU Regulation 445/2011.

The certification attests that Trenitalia, as the entity in charge of maintenance, has established its own maintenance system to meet the requirements of the aforementioned regulation, in order to ensure that the freight wagons it is responsible for can operate in utmost safety.

69. Commuter trains.

70. On board subsystem - usually related to TSCS or ERTMS signalling systems.

Safety services

For FS Italiane Group, safety is a fundamental value. For this reason, it is committed to promoting safety and protecting personnel, passengers, its assets and its know-how.

As part of the second Convention with the Ministry of the Interior signed in July 2012, the collaboration with the railway police, the branch officially responsible for preventing and repressing crimes in the scope of railway transport, continued. The aim of the convention is to confirm the synergies among the parties with the common goal of improving real and perceived safety in the railway environment and ensuring the protection of passengers and the Group's assets.

SAFETY FIGURES

	2015	2014	2013
Assaults on Ferrovie dello Stato Italiane personnel	429	361	228
Thefts at the station	2,421	2,566	2,192
Thefts on board trains	3,706	4,188	4,238
Copper thefts during operation	1,078	1,643	1,930
Copper thefts at depots	52	63	126

In 2015, thefts suffered by passengers numbered 2,421, down by 5.7% on 2014, while reports of thefts on board trains fell by 11.5%, thanks to careful planning of the railway police escorting people to trains based on the instructions and suggestions of the Company Security Department.



The “Be vigilant! Make a difference” campaign was re-launched in collaboration with the railway police on board trains and at stations to spread awareness among passengers of the risk of thefts and pick-pocketing.

» BE VIGILANT! MAKE A DIFFERENCE



Another aim of the Convention is to reduce the theft of copper along the main routes on the national network. The Group has taken measures mainly to monitor the railway lines and the deposits most at risk and involve the local police by reporting work sites, risky situations at plants and attempted thefts.

The Group's prevention and contrast measures and the choice of the police forces to impact the second level of criminal organisations, i.e., the receivers of stolen goods, have led to a decrease of over 34% in thefts along the line, compared to 2014. The damage caused by the theft of material and attempted theft affected a total of 6,761 trains for a delay of 138,525 minutes.

The repeated criminal activities generated the need to increase the presence of technical staff along the most affected lines and, where possible, to replace copper with aluminium, aluminium-steel and alternative materials, less precious metals, hence in which criminals are less interested, in the areas most at risk. Conversely, sometimes, copper was isolated with concrete structures or was placed deep underground and passive defence measures were adopted (including fencing and armours as well as the implementation of alarm and video-surveillance systems).

Conversely, costs to remove graffiti from rolling stock (approximately €6 per square metre, net of the halting of materials and other indirect costs) rose 9% and mainly related to regional trains.

With respect to the arrangements between the Group and the Civil Protection Service, the Conventions with the Piedmont, Emilia Romagna and Molise Regional Authorities were renewed, and the first agreement was entered into with the Campania and Friuli Venezia Giulia Regional Authorities, considering the provisions of the Master agreement signed in 2008 and renewed in 2013 with the National Civil Protection Department pursuant to article 6 of Law no. 225/1992.

The collaboration covered important events (including Expo 2015, the Pope's visit to Florence and management of passenger flows during the Lucca Comics event) and training activities. Furthermore, 36 drills were carried out to test and improve communications flows and the response model in the event of criticalities or emergencies.

With respect to the transport of sports fans, the requirements introduced by the “Tessera del Tifoso” (fan card) that generated considerable advantages in terms of service regularity for the entire railway transport system, became effective.

Through its Protection against Violence Committees, the FS Italiane Group continued to provide legal assistance for employees who have been victims of violence while working. For RFI, aggressions rose also as a consequence of the access gates installed at the Rome Termini, Milan Centrale and Florence Santa Maria Novella stations.

Following on from the anti-aggression courses provided to front line personnel in 2014, additional training was offered to provide post-aggressive support tools in the form of counselling.

In order to update the Group's assets to safety standards, 30 new integrated security systems were installed at 30 railway sites, new security systems were implemented at the Milan department, the Rome Termini video-surveillance system was upgraded with 80 new HD cameras, the executive design of approximately 15 security systems was completed at 15 railway sites, works to comply with safety standards were carried out on two technological sites of the Rome-Naples HS/HC line and the preliminary design for the protection of the highly critical railway sites of HS/HC line began at Florence, Bologna and Turin.

The new management model for large stations on the High Speed network was rolled out at Milan Centrale station, separating the railway operation area from that dedicated to ancillary and commercial services through architectural infrastructures approved by the supervisory authority and the fire brigade. In September, the model was also applied to Rome Termini station, though on a provisional basis due to the co-existence of two large work sites related to car parks and services.

Access gates are monitored by personnel responsible for checking tickets and also trained to use the defibrillators each gate is equipped with or to carry out airway obstructions activities, including on children, to assist passengers, when necessary. The final target is to protect the areas most at risk from unauthorised people who often commit offences against customers, personnel and the company assets.

HS rolling stock was equipped with a door closing system by installing locks. This technologically innovative project is aimed at protecting customers and railway personnel and preventing damage to the train.

The railway company's strategic assets include the fleet and the plant used to park rolling stock. The projects to update safety standards provide for the installation and/or implementation of video-surveillance and alarm systems. Furthermore, the ticket offices for long haul and regional transport services were updated to comply with safety standards. Conversely, a feasibility analysis was carried out in respect of the development of a close-circuit area for self-service ticketing machines.

Based on new threats, IT infrastructures were equipped with specific information and information system safety units. Consequently, a department dedicated to information security projects was set up some years ago.

The Fraud Prevention team constantly monitors transactions to reduce fraud through the purchase of train tickets using stolen or cloned credit cards. Fraud prevention kept fraudulent transactions at 0.14% of turnover in 2015, well below the 1% critical threshold. In addition to the consolidated activities, the Fraud Prevention team is also specialised in monitoring the abuse of travel agencies and fraud to the detriment of customers. It also organised internal training courses to increase front-line personnel's awareness of fraud issues to increasingly reduce this problem and, above all, identify as soon as possible, critical issues related to fraudulent tickets. In 2015, 86 counterfeit tickets were found, 77 of which were international tickets, with the consequent application of fines and reporting of the main cases to the authorities. Since 2015, the Company Security Department has chaired the International Colpolder group "Fraud and ticket forgery working group" for international collaboration on fraudulent tickets.

Finally, the Fraud Prevention team coordinates the group to improve awareness and monitoring of fraudulent tickets on a European level.

Suppliers

Highlights

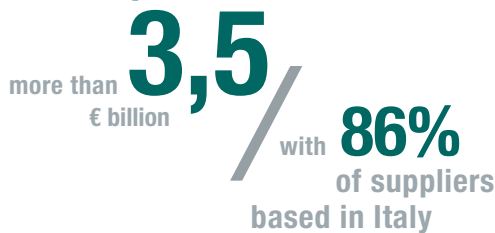
G4-2

WHAT WE HAVE ACCOMPLISHED

Economic value of provisions that reward environmental sustainability



Core purchases



Environmental policy

included in contracts since 2013
 in accordance with the guidelines
 for the implementation
 of environmental management systems

Self-assessment questionnaire

provided to strategic suppliers
 to assess the sustainability
 of the Group's supply chain

WHAT WE AIM TO DO

Define a process

to ensure
**a robust assessment
of the supply chain**

**Reduce
the environmental impacts**

of the consumption
and production system
and **improve
the work conditions**
along the supply chain



Procurement policies

G4-S6 / G4-S02

The Ferrovie dello Stato Italiane Group makes its purchases in accordance with EU Directives, as implemented by the Contracting Code (Legislative Decree no. 163/2006), and its own "Regulation for Negotiations with Group companies", issued on 27 March 2012.

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 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 are 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.



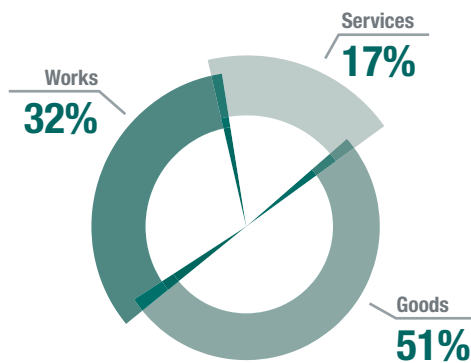
Suppliers' profile and assessment

G4-12 / G4-13 / G4-56 / G4-EC9 / G4-EN32 / G4-EN33 / G4-LA14 / G4-LA15 / G4-SO9 / G4-SO10

In 2015, Group companies managed core purchases worth over €3.5 billion through direct suppliers⁷¹, 86% of which are based in Italy, generating, directly and indirectly, income and job opportunities in the communities in which the Group is active. In 2015, over 79% of the Group's purchases was managed by Trenitalia and RFI through 70 core suppliers (the supply chain structure is substantially unchanged and no activities were out-sourced compared to 2014).

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

The Group is aware that suppliers play a fundamental role in the improvement of its economic, environmental and social performance. Accordingly, it began analysing, and subsequently improving, the sustainability performance of its supply chain by providing its strategic suppliers a self-assessment questionnaire for the first time⁷². The questionnaire, which comprised more than 40 questions grouped into four sections (human rights, environment, community and occupational health and safety), provided the basis for a first assessment of the sustainability of the Group's supply chain.



71. Companies not part of the Group that provide products/services for the Group companies' core business, with which direct relationships are carried out.

72. Strategic suppliers were identified using the weight percentage/total purchase for 2015 criterion.

FERROVIE DELLO STATO ITALIANE Homepage **Informazioni della Società**

Nome e ragione sociale:

Indirizzo (sede legale)

E-mail

Inserire link o allegare ultimo Report di Sostenibilità (se presente)

Numero dei dipendenti (anno 2015)

Indicare nelle colonne in basso la tipologia di fornitura (beni o servizi) e il relativo cliente (Società del Gruppo FS Italiane).

Fornitura	Breve descrizione del bene/servizio fornito	Cliente

Il questionario è diviso in 4 sezioni: Diritti Umani, Ambiente, Società e Salute e Sicurezza sul Lavoro. All'interno di ogni sezione è presente la percentuale di avanzamento del questionario; per completare il questionario è necessario rispondere a tutte le domande (inserendo, laddove necessario, le eventuali informazioni aggiuntive richieste per ciascuna domanda).
 Cliccare sulle immagini in basso per accedere alle domande della relativa sezione.

Sezione:

Avanzamento: 88% 73% 100% 28%

The real or potential impacts associated with the Group's supply chain mainly refer to the environmental issues related to energy, fuel and water resources consumption. In 2015, there were no significant adverse events in this respect.

With a view to improving the ability to identify and manage the impacts of suppliers' operations, the Group designed a supply chain assessment process of which the questionnaire is the first step.

In 2016, the first step of the process will be improved by updating and integrating the self-assessment questionnaire, expanding the assessment scope to include additional strategic suppliers and increase their awareness of sustainability issues.

Based on the answers to the self-assessment questionnaire, step 2 will select the "high risk" suppliers to be covered by internal audit activities (step 3) and will subsequently identify, in collaboration with the suppliers, corrective measures and monitor the action plans implemented to resolve the critical issues identified.



Sustainable purchases

G4-56

The Group constantly pursues the inclusion of environmental and social issues in the procurement of goods, services and works which is also a tool for reducing environmental impacts and improving work conditions along the supply chain.

The main criteria used in 2015 for supplier vetting activities are given below:

- 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., reduction in the energy consumption of electronic equipment below the reference threshold: Energy Star 5.0 certification).

See the *Additional information* section for more details about the criteria used by the various Group companies.



Our role in the community



Highlights

G4-2

WHAT WE HAVE ACCOMPLISHED

Opening

of the **new**

Reggio Calabria

Help Center

Train in Stations

Start of the Train in Stations project

promoted by the Group together with the French,

Bulgarian and Luxembourg railways

to tackle social hardship at stations

Signing of the memorandum

of understanding

with the **Italian Association
of Youth Hostels**

to allocate FS areas

and/or properties

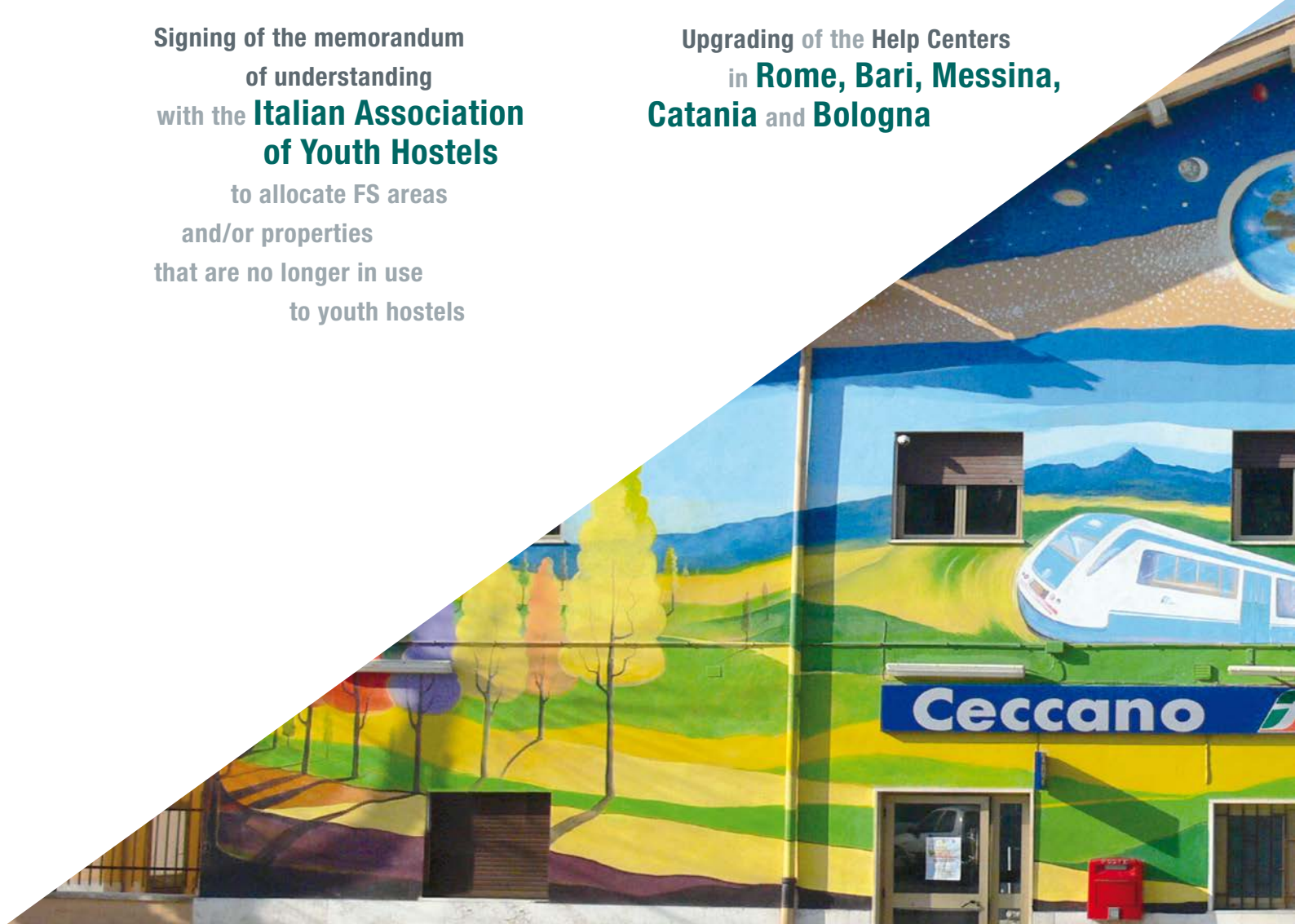
that are no longer in use

to youth hostels

Upgrading of the Help Centers

in **Rome, Bari, Messina,**

Catania and Bologna



WHAT WE AIM TO DO

Opening
of **new Help Centers**
in Trieste, Brescia and Viareggio

Feasibility studies
for opening Help Centers
at various stations
in Tuscany
(Livorno, Pisa, Pistoia, Prato)
and the Genoa Piazza Principe station



Solidarity initiatives

G4-24 / G4-EC1 / G4-EC7 / G4-EC9 / G4-SO1

For years the Ferrovie dello Stato Italiane Group has been committed to carrying out projects and initiatives to help disadvantaged people. In particular, the Group has embraced a policy to support and plan social initiatives in the railway areas, in collaboration with local associations and bodies. It has promoted many solidarity initiatives in 2015.



Help Centers and shelters

The current social emergency, due to both the economic crisis underway and the intensified flow of immigrants, covers all of Italy and is concentrated especially in railway stations: Help Centers constitute a large solidarity project that the Group promotes and carries out in collaboration with local bodies and charitable organisations to tackle the problem of social hardship at railway stations. Help Centers are "low threshold" centres, i.e., entry is free and they are located inside and/or near railway stations. The purpose is to find and help poor or disadvantaged people recover, in collaboration with the social services and local institutions established for this purpose. To create the Help Centers, the Group offers premises inside or nearby railway stations on free loan to associations and cooperatives or local bodies. The Help Center network currently covers 16 railway stations from Northern to Southern Italy. In the past few years, efforts have been particularly intensified to find new spaces for Help Centers in Southern Italy and Milan. The Group will soon open Help Centers in Brescia and Viareggio⁷³ and upgrade those in Rome, Bari and Messina. The Bologna Help Center was relocated to the in station's Piazzale Est.

The Help Centers performed over 520,000 social activities and aided over 20,000 disadvantaged people this year⁷⁴.

73. A free loan agreement was signed with the Municipal Authorities at the start of the year, granting them the usage of two rooms of approximately 200 m² inside the station.

74. The social activities included both orientation services and measures to provide basic services such as canteen, showers and clothing banks.

STATION HELP CENTER NETWORK

EXISTING
Rome ¹
Chivasso
Milan
Genoa
Messina
Bologna ²
Bari
Pescara
Foggia ³
Naples
Catania ⁴
Turin
Florence Santa Maria Novella
Melfi ⁵
Reggio Calabria ⁶
Trieste ⁷

- The Help Center at the Rome Termini station is currently being moved to larger premises made available by the Group in Via di Porta San Lorenzo which are presently being renovated*
- The new Help Center premises at the station's Piazzale Est were inaugurated at the beginning of the year*
- The Help Center remained closed during the year due to a lack of funds*
- The Group granted additional spaces to Caritas Diocesana. The expansion of the canteen means more meals can now be offered (currently 400 meals a day, with up to 150 people being catered for at a time)*
- The Help Center did not perform any activities during the year*
- Inaugurated in March 2015, to mark the "International Day for the Elimination of Racial Discrimination", the "Casa di Lena" Help Center is run by Caritas Diocesana in partnership with Acisjif, Agesci, Comunità di Sant'Egidio and Maestri di speranza*
- Twinned with the Luxembourg Help Center and open on a test basis since December 2015, this centre will be opened definitively in 2016*

In addition to the Help Centers, other types of shelters have been created in railway premises no longer in use and now managed by large national charitable organisations, especially in Rome and Milan:

- in Rome:
 - the "Don Luigi di Liegro" shelter at Rome Termini managed by Rome Caritas;
 - the "Pedro Arrupe" shelter for those seeking asylum and political refugees, managed by the "Centro Astalli" association⁷⁵;
 - the "Binario 95" day shelter in Via Marsala, managed by the Europe Consulting social cooperative;

- in Milan:
 - shelter and orientation project for non-nationals managed by the "Fondazione Progetto Arca" at Milan Centrale station;
 - the "Rifugio Caritas" centre managed by Caritas Ambrosiana.

The total surface area⁷⁶ granted under free loan agreements for social activities in 2015 measures 22,581 m², with a total estimated value of €33,871,500⁷⁷.

In order for Help Centers to work in synergy, the Group collaborates closely with ONDS, the National Observatory for the Disadvantaged and Solidarity at Stations⁷⁸.

75. The centre has operated in the former Rome shunting site Ferrotel since 2002, with the support of the United Nations High Commissioner for Refugees, and is part of the National Asylum Project promoted by the Ministry of the Interior, the National association of Italian Municipal Authorities (ANCI) and the Rome Municipal Authority.

76. The surface area data include the Help Center network (2,673 m²) and the shelters (12,908 m²). In addition, spaces have been granted for social and cultural purposes, such as the Shoah Memorial (7,000 m² at the Milan Centrale station, with a market value of €10,500,000), granted to the Shoah foundation for a symbolic fee. A total of 3,500 refugees from Syria, Eritrea and Afghanistan were granted shelter there during the year.

77. The total value therefore comes to €33,871,500, calculated by multiplying the total surface area (22,581 m²) by the average market value of €1,500/ m². Ferservizi provided the latter figure (unchanged with respect to the previous year) by referring to average market values for properties in large cities that have partially deteriorated and are in areas with low commercial value.

78. ONDS, which is managed by a social cooperative, Europe Consulting Onlus, coordinates all training for Help Center personnel and conducts detailed analyses on social hardship.

THE HELP CENTER NETWORK'S MAIN SERVICES

		2015	2014	2013	2015 vs 2014
Total days open	days	3,798	3,570	3,744	+6.4%
Total hours open ¹	hours	26,251	29,369	23,660	-10.6%
Social orientation projects ²	number	84,085	139,978	82,534	-39.9%
Low threshold projects ³	number	436,487	330,844	133,196	+31.9%
Total people served	number	21,292	31,702	25,110	-32.8%
Total new people served ⁴	number	9,135	17,184	12,040	-46.8%
Average impact⁵					
Social projects/day	number	285	445	284	-36.0%
Low threshold projects/day	number	1,404	1,108	442	+27.0%
Users/day	number	68	96	79	-29.5%
New users/day	number	30	52	39	-42.3%

1. The drop in opening hours is mainly due to the lack of activity at the Melfi Help Center, which had been open twenty-four hours a day in 2014 for a total of 7,200 hours a year, and the limited services at the Catania Help Center caused by renovation works

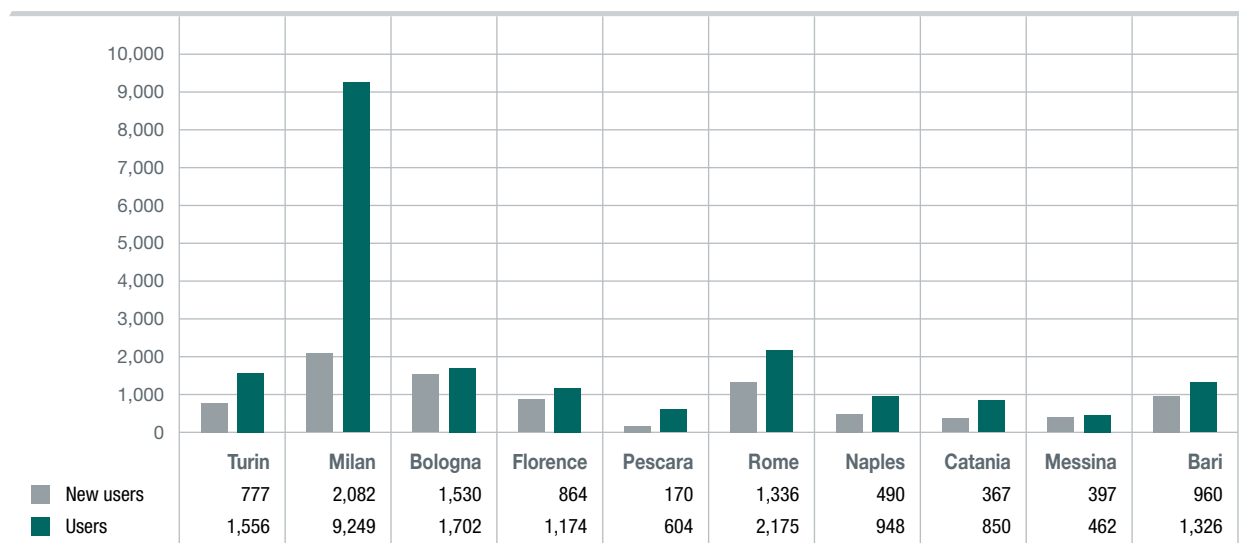
2. Data related to social orientation projects do not include Genoa, as the centre does not engage in such activities, and Pescara, where such information is not yet available

3. Low threshold project data are not available for Bologna and Naples as the centres do not provide such services. In Milan, low threshold projects are performed by Progetto Arca (71,500), which in 2015 absorbed a large part of the people who had been registered at the Milan Help Center the previous year

4. User and new user data are not available for the Chivasso and Genoa Help Centers as they do not provide such information

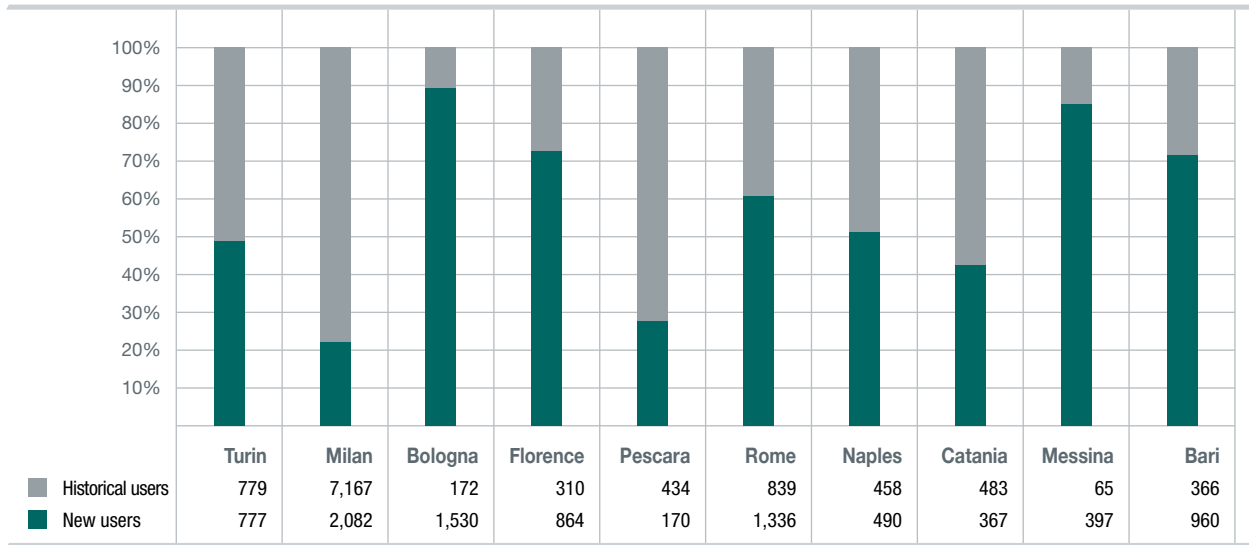
5. The "average impact" is calculated from the sum of the averages of relevant amounts obtained from individual Help Centers

TOTAL USERS AND NEW USERS REGISTERED BY ONDS NETWORK CENTRES IN 2015*



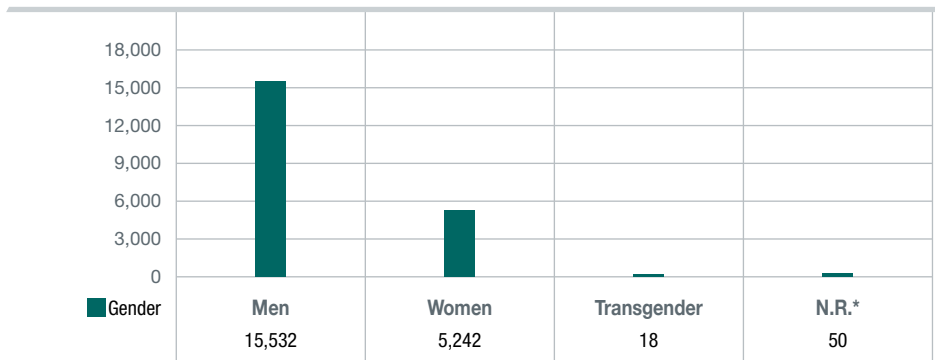
* The Catania Help Center was renovated and, therefore, no longer provided the information of users who accessed the service. The Reggio Calabria Help Center, on the other hand, began providing the data at the end of 2015. In addition, the analysis does not consider the data of the Foggia and Melfi Help Centers, as their activities were extremely limited in 2015

PERCENTAGE OF HISTORICAL USERS AND NEW USERS - ONDS 2015*



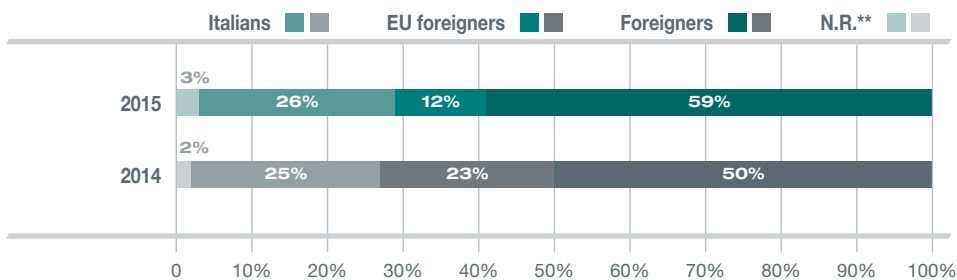
* See the note on the previous table

BREAKDOWN OF NEW USERS BY GENDER



* N.R. Data not provided

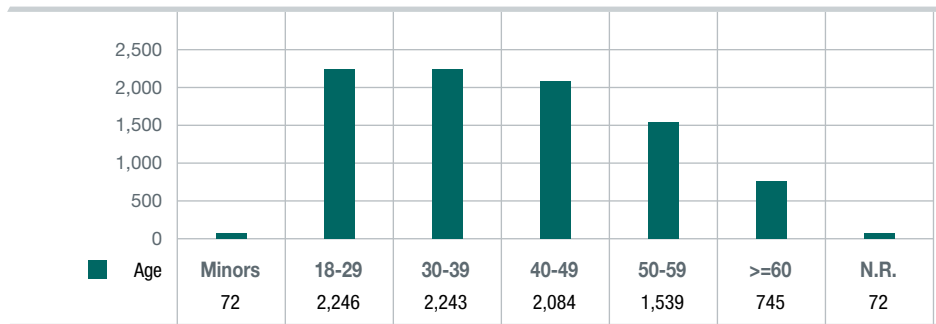
BREAKDOWN OF NEW USERS BY NATIONALITY*



* In the graphs, the percentages are calculated in reference to the total categories considered, not including users for which data were not provided

** N.R. Data not provided

BREAKDOWN OF NEW USERS BY AGE*



* Most Help Centers cannot take in minors as they are the responsibility of other social or institutional bodies at stations

Fund raising campaign

Over the Christmas period, the “*Questa porta non è mai chiusa*” (This door is always open) solidarity campaign was promoted by the Ferrovie dello Stato Italiane Group and Rome Caritas to support the renovation of and purchase of new furnishings for the “Don Luigi Di Liegro” shelter at the Rome Termini station, Italy’s largest homeless shelter managed by Rome Caritas⁷⁹. The provisional total raised was €295,000⁸⁰. See the *Additional information* section for more details.

National and European projects

During the year, the Group prepared a “Winter emergency plan” to reinforce the activities that the Help Centers⁸¹ and large national charitable organisations⁸² planned for the winter months. The Help Centers welcomed 1,260 people and distributed roughly 65,000 meals and 5,000 blankets. The project involved 600 social workers and volunteers every day, who provided assistance to approximately 6,500 people. See the *Additional information* section for more details.

79. For the past 28 years, the “Don Luigi Di Liegro” shelter has been providing counselling, shelter, accompanying and social re-integration services to marginalised people, offering them overnight shelter and hot meals. It was inaugurated in 1987, thanks to the joint efforts of the Rome Municipal Authority and Caritas, at the premises made available by the Ferrovie dello Stato Italiane Group at Termini station.

80. This is still a partial amount as the donations made via self-service ticket machines at stations before July 2016 have yet to be included.

81. In particular, the Rome, Reggio Calabria, Messina, Bari and Naples centres were involved.

82. Specifically: Rome Caritas, Caritas Ambrosiana, Comunità di Sant’Egidio and Associazione Centro Astalli, in setting up projects to help disadvantaged people.

Socio-labour repercussions of the Help Centers

In 2015, the Group committed roughly €277,000⁸³ to activities and projects to help socially disadvantaged people, with repercussions on employment for social workers at the shelters and for the disadvantaged people's gainful employment and reintegration in society.

ECONOMIC VALUE OF SOCIAL ACTIVITIES

ACTIVITIES	DETAIL OF ACTIVITIES	AMOUNT (€)
Continued ONDS activities	Agreement with the National Observatory for the Disadvantaged and Solidarity at stations; global activities, fundraising activities; managing new databases on social reuse of unused railway assets.	106,736
Group communication projects	Discussion forums on the FS Group's social activities.	49,000
Social projects	Winter emergency, fund-raising campaign, free ticket project*.	115,500
Total		271,236

* Under the "treno solidale" (ethical train) project, train tickets are issued free of charge for journeys involving the social and employment integration of people with serious social hardships

For example, the social cooperative structure that manages the Help Center and the "Platform 95" centre at Rome Termini, which began in 2002 with a staff of six people, has progressively increased the number of social workers staffing the centre to a total of 51 workers directly or indirectly permanently at the centre at 31 December 2015 in the design or management of station services.

The Florence Help Center continued to train disadvantaged people in 2015 via Italian, English and IT courses. 195 people signed up and 123 found employment. Each month, the Platform 195 centre at Rome Termini assisted an average of 30 people socially reintegrate and find jobs. Six of these people found permanent positions at the Platform 95 centre itself.

Reuse of real estate asset and railway lines no longer in use

The Ferrovie dello Stato 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 tracks. To date, 509 stations have been dedicated to activities that enhance the value of the area or activate services for the public⁸⁴. Spaces of roughly 87,323⁸⁵ m² have been set aside for a total amount of €87,323,680⁸⁶. See the *Additional information* section for more details.

83. The amount includes the "Treno solidale 2015-2016" (Ethical train) project rolled out at the end of the year and not yet completed.

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

85. The number refers to buildings granted on a free loan basis. The Group also granted yards outside the stations and/or land of 2,636,229 m².

86. Ferservizi estimated the average value 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.

Social and cultural activities

Ferrovie dello Stato Italiane Group supporting culture

The Group constantly sponsors national events like concerts, exhibitions, performances, agreements and initiatives to safeguard artistic, cultural and scientific heritage. Again in 2015, 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.

Some of the Group's main partnerships in 2015 were with:

- the Venice Biennale (Art and Film Festival);
- Palazzo Strozzi;
- Scuderie del Quirinale and Palazzo delle Esposizioni;
- Palazzo Grassi, Punta della Dogana.

See the *Additional information* section for more details.

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, on whose behalf it promotes concerts and events.

The Ferrovie dello Stato Italiane Group's commitment to crucial social issues

In 2015, together with leading associations and sector associations, the Group developed initiatives to support current social issues like promoting health and protecting women, the environment and children, with projects such as "*Frecciarosa: La prevenzione ad alta velocità*" (*Frecciarosa: High speed prevention*) and the 27th edition of *Treno Verde*.

See the *Additional information* section for a full list of projects.

Media relations

In 2015, the Ferrovie dello Stato Italiane Group managed relationships with national, local and international media (press agency and national, local and foreign newspapers, the free press, magazines and general and trade publications, radio, television and photography agencies), in addition to online newspapers, websites and blogs, via the Press Office and other external communication channels, which include:

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

Media relations and publishing activities

In 2015, Ferrovie dello Stato Italiane's Press Office prepared 3,000 media communication documents, including press releases, notes to the press, articles and news for the Group's website.

The Group communicates at local level through its network of local correspondents who, in 2015, produced 1,700 news documents, like press releases, notes to the press and replies.

FSNEWS RADIO

In 2015, the FSNews Radio editorial department broadcast 3,000 hours of live content, providing over 25,000 updates on train circulation.

LA FRECCIA.TV

The Group broadcast 227 FS news shows, 18 in-depth stories, 63 specials, institutional films and tutorial videos, producing 3 live streamings and 8 news videos. Almost 300 pieces were produced for events, conferences, documentation and promotional material. The Group developed 121 institutional, promotional and documentary films aimed at visual communication via the Group's new media and station monitors.

LA FRECCIA AND IN REGIONE EDITIONS

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

La Freccia editions:

- *La Freccia*, the general-interest monthly publication of the FS Italiane Group;
- *Frecciaviaggi*, the quarterly travel magazine;
- *La Freccia Fashion*, a periodical linked to Pitti Immagine Uomo;
- *La Freccia Expo*, a monthly publication dedicated to the 2015 Expo;
- *La Freccia Gourmet*, a magazine dedicated to large food and wine events published every two months;
- The "L'Italia del Treno" series, photographic monographs published together with Fondazione FS Italiane.

(Distributed on *Frecce* train and the *FrecciaClubs*).

In Regione editions:

- #Notes, the fortnightly pocket-size magazine dedicated to regional transport.

(Distributed at Rome Termini and Milan Centrale).



WEB & NEW MEDIA

In 2015, the Group's website fsitaliane.it was expanded in the sections dedicated to Group Bodies, management and sustainability, developing, *inter alia*, content related to large events such as Expo Milan 2015 and the Extraordinary Jubilee of Mercy.

Two websites were set up to inform users about works on the Naples-Bari and Palermo-Catania-Messina railway lines (www.napolibari.it and www.palermocatania-messina.it) where documents, progress reports and official orders are posted.

The project to update the Group companies' websites was strengthened. The design and content of the "Work with us" section was overhauled. 2015 also saw the ongoing updating of the websites www.fondazionefsitaliane.it and www.museodipietrarsa.it.

FSNews.it, the Group's online newspaper, remains a reliable service site for travellers. In 2015, it reached its top peak of pages visited on 6 February with over 275,000 views of traffic information due to bad weather conditions.

The Group can also be found on:



Our people



We are the Ferrovie dello Stato Italiane Group, one of Europe's top transport groups, Italy's leader, committed to meeting customers' mobility needs via top quality services.

We are spread throughout all of Italy and have enormous potential at an international level. We believe in market opportunities, are ready to put ourselves to the test with our ability to innovate and work as a team, improving every day, abiding by a code of ethics.

We, the employees, are the FS Group and we sign our names to this, as pledged by open, ongoing dialogue with our stakeholders.

Highlights

G4-2

WHAT WE HAVE ACCOMPLISHED



The FS Italiane Group is **first** in the **Best Employer of Choice 2015** ranking

1,382
New employees hired / more than twice the 2014 number
and over **80%** under 30 years old

over **352,000**
man/days of training / more than **89%** in the professional-technical area

Drop in accidents and the frequency rate
2015 results were well beyond set objectives



WHAT WE AIM TO DO

Training
 on the new internal
job posting operating system
 promoting the nurturing
 of internal resources
 and the development
 of intragroup mobility

Continuing
 to **reduce accidents**
and the frequency rate

Workforce breakdown

G4-10 / G4-EC6 / G4-LA1 / G4-LA10 / G4-LA12

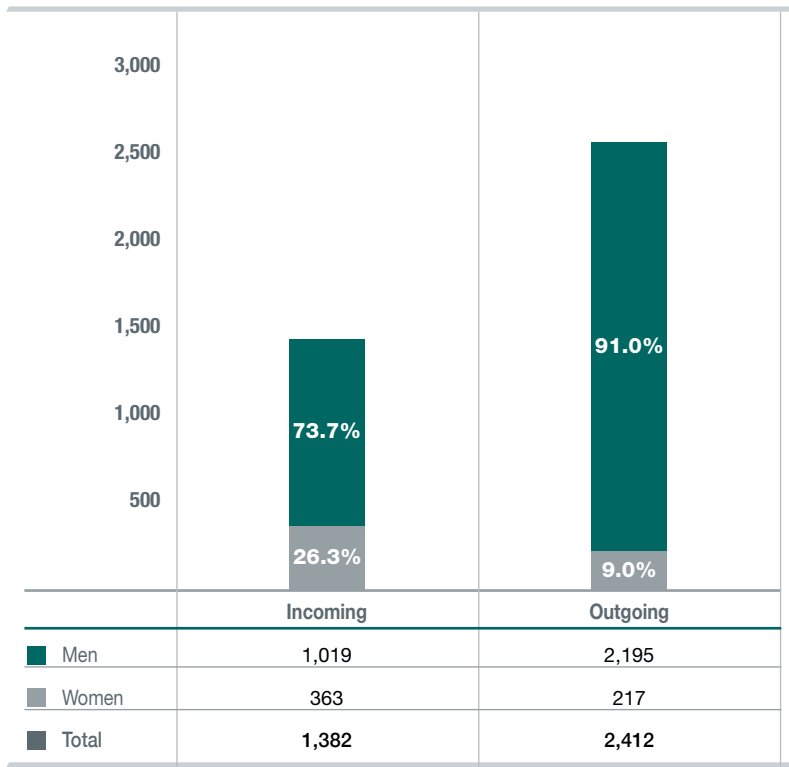
NUMBER OF EMPLOYEES OF FERROVIE DELLO STATO ITALIANE GROUP

	2015	2014	2013
Managers	714	721	758
Junior managers	10,945	10,867	11,261
White collars	31,296	31,163	31,552
Blue collars	26,047	26,364	25,854
Total at 31 December 2015	69,002	69,115	69,425
% of women	14.5%	14.0%	14.1%
% of men	85.5%	86.0%	85.9%
Annual average	69,276	69,487	71,031

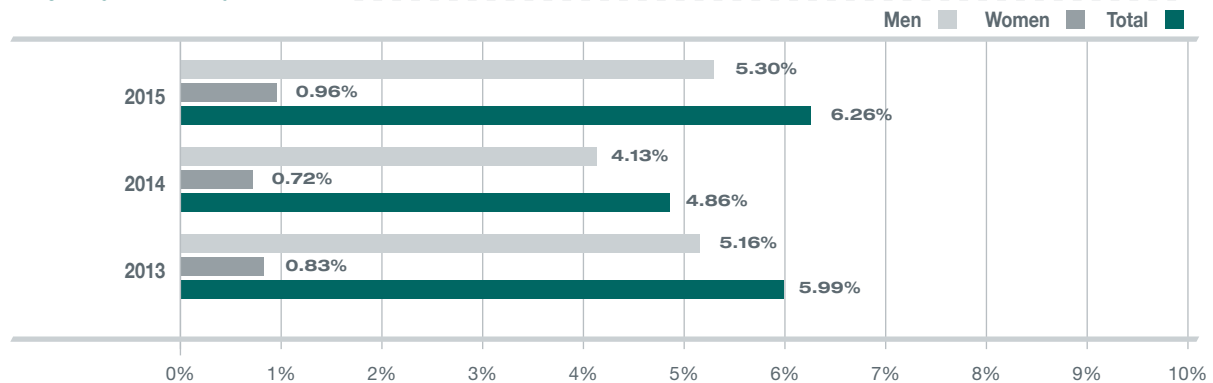


There was a rise in the percentage of women in 2015. The following graphs show a detailed breakdown of the year's figures⁸⁷.

INCOMING AND OUTGOING EMPLOYEES BY GENDER IN 2015



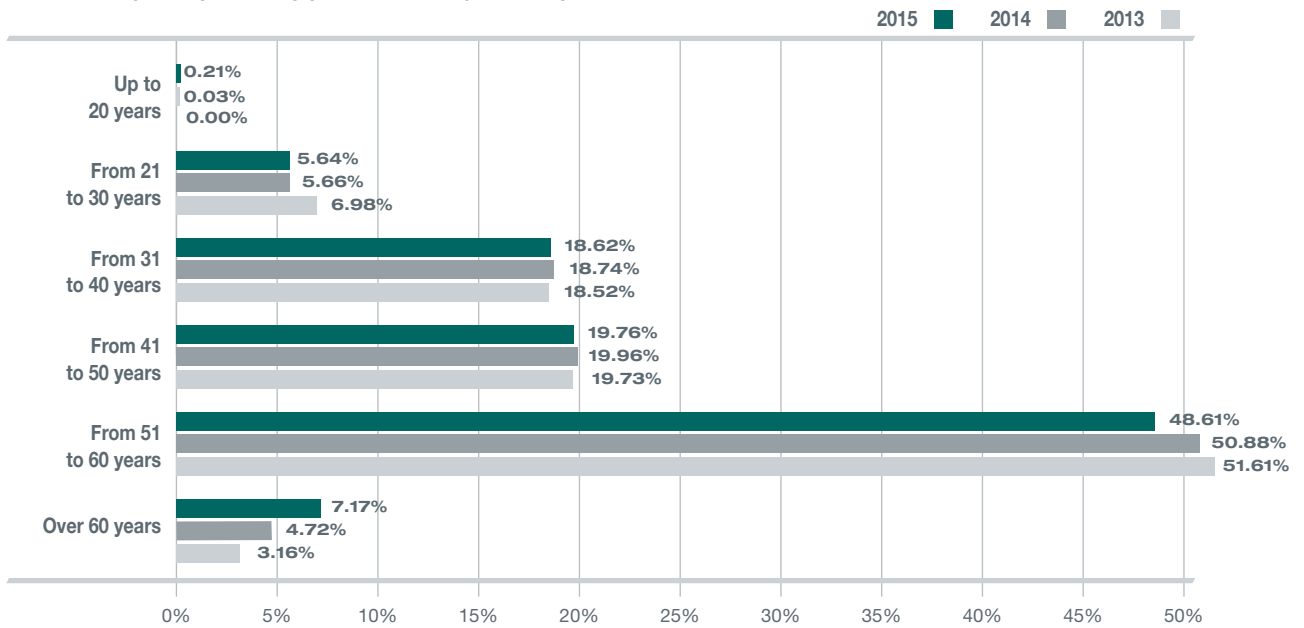
TURNOVER BY GENDER



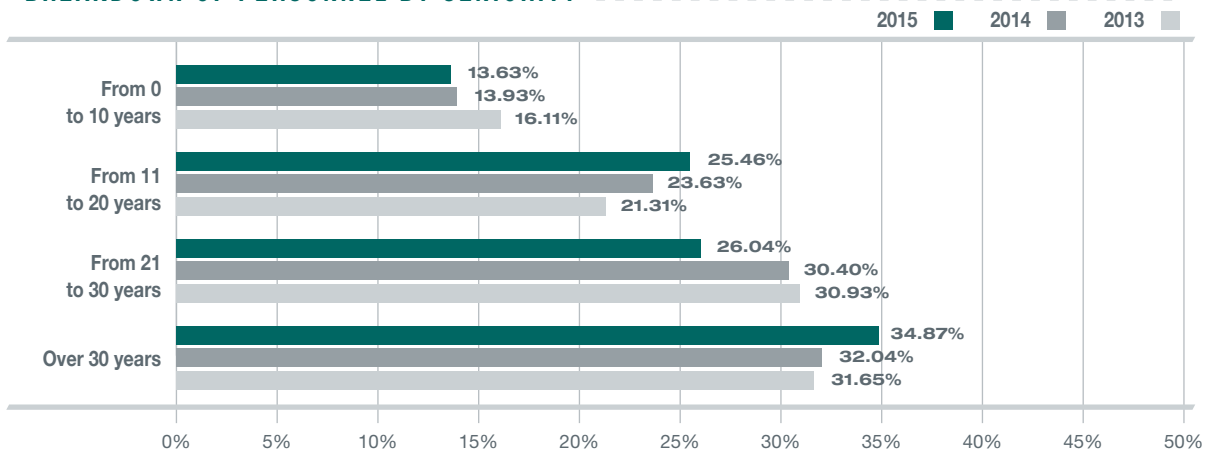
The turnover rate was 6.26%, compared to 4.86% in 2014. The rise was due to the greater number of employees hired during the year.

87. The data refer to the following companies: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, FS Logistica, FS Jit, FS Sistemi Urbani and Terminali Italia. They account for 60,152 employees, approximately 87% of the total workforce.

BREAKDOWN OF PERSONNEL BY AGE BRACKET



BREAKDOWN OF PERSONNEL BY SENIORITY



The average seniority in 2015 is 23.8 years, while the average age is 48.8 years old.

See the *Additional information* section for graphs on the workforce breakdown and employee turnover.

Recruitment

In 2015, internal job posting was promoted to facilitate the development and retention of human resources, supporting mobility through professional diversification and job rotation among the various companies. Specifically, to cover 20 positions, internal research was carried out, leading to the evaluation of over 350 applications and CVs and the identification of over 50 suitable candidates. In addition, the entire information system has been planned for managing internal search processes at each company, covering the entire cycle from creating the need, publishing in a dedicated area of the company intranet, screening and managing the entire selection procedure and activating the intragroup mobility with the relevant reporting.

With regard to the external market, the Group hired new graduates, experts and managers. Specifically, in order to fill 95 positions, over 12,000 CVs were evaluated from

among the more than 400,000 stored in the Group's data bases; 800 phone interviews were carried out, of which 350 proceeded to hiring assessment, leading to the identification of approximately 170 suitable candidates.

In the 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 a priority requisite.

The content of the new release of the Group's "Work with us" career site was updated. With over 122,000 average visitors per month, the website has brought the Group into third position in the rankings of companies that best communicate via online career sites, the channel still most used by young people (Potential Park survey).

HIRINGS BY TYPE OF CONTRACT*

	2015	2014	2013
Apprenticeship	917	143	263
First job Law no. 30/2003	0	0	2
Fixed-term	180	199	189
Open-ended - Full time	285	156	131
Open-ended - Part time	0	7	0
Total	1,382	592	498

* The data also include fixed-term contracts of the ship and ferry sector and hirings as per article 11 of the *Ferrovie dello Stato Italiane Group's Contract*

The FS Italiane Group is first in the "Best Employer of Choice 2015" ranking, a statistics-based survey carried out by Cesop Communication⁸⁸ of a sample of 2,500 fresh university graduates in Italy, considering 100 Italian and international companies.

88. Employer branding consultancy firm.

Human capital

G4-LA9 / G4-LA10 / G4-LA11

Development

In 2015, development activities focused on the following aspects:

- assessing targets of interest to the Group and managing the relevant results from a development point of view (approximately 922 people involved);
- updating the skills of the 60 Group Assessors in order to broaden their view of the strategies and industrial processes that the Company has in place and plans to develop, reinforcing integrated assessment of reference contexts and expertise expressed by the people being evaluated;
- experimenting with two pilot projects called the Expertise Report aimed at implementing a new skill mapping methodology into the Group; the activities comprise actively involving participants who voluntarily engage in both self-assessment and evaluation of co-workers and superiors. The aim of the project is to boost employees' self-awareness of their level of expertise, define a professional project and, if required, a training project (roughly 250 people involved);
- defining a new coaching methodology as a lever to support the establishment of development plans to be applied in 2016.

As part of the FS Italiane Group's annual performance assessment conducted by resource managers using the integrated evaluation system and involving key resources groups (managers, junior managers and university graduates), 5,432 men and 1,655 women were evaluated (annual average over the past three years), representing about 10.2% of the Group's average workforce. 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 improvement areas).

Training

The purpose of training is to expand managerial skills and maintain and update professional technical expertise.

More than 352 thousand man/days of training were provided in 2015 at Group level⁸⁹, aimed at fostering a Group culture focused on the customer, safety, constantly pursuing efficiency and operating quality and enhancing merit.

The overall cost was €9 million, largely covered by funding provided by third parties (€8 million).

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

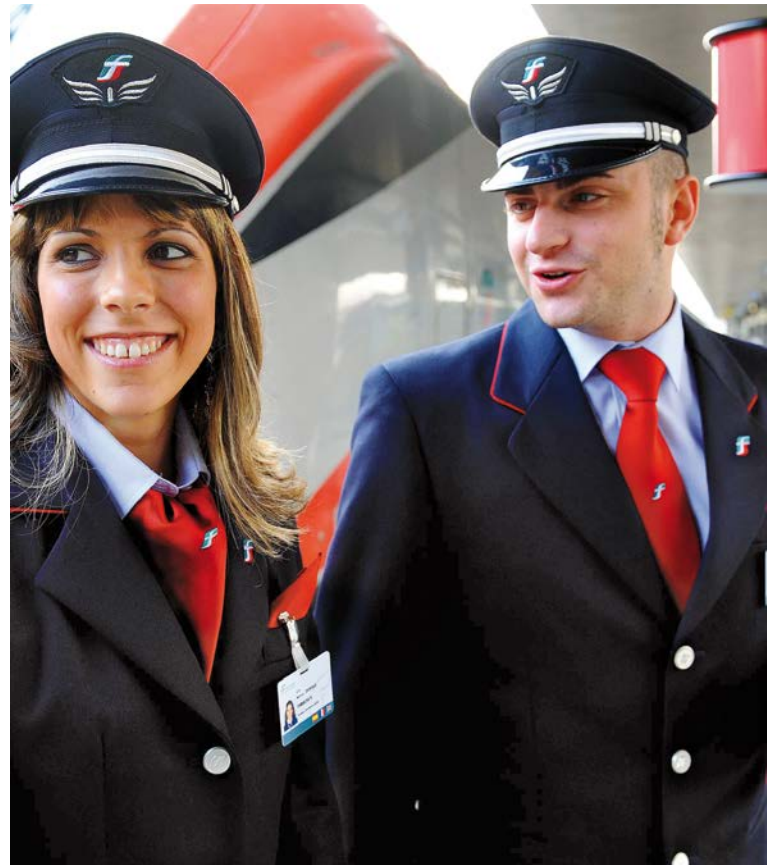
- **Institutional:** training/information initiatives dedicated to presenting the Group and its strategic pathways;
- **Behavioural/managerial:** courses and seminars aimed at acquiring and/or developing typically managerial, behavioural, relational skills;
- **Professional technical:** training aimed at acquiring and updating both practical and theoretical technical/professional skills;
- **Shared/cross training:** training initiatives dedicated to acquiring and updating skills shared by people of the same level and professional group (languages, IT, etc.).

The Parent and operating companies generally intervene on all of the above training types. Specifically, the Parent is, above all, directly responsible for institutional and managerial training for target groups, while the operating companies mainly look after professional technical and cross training for professional groups and specific business roles.

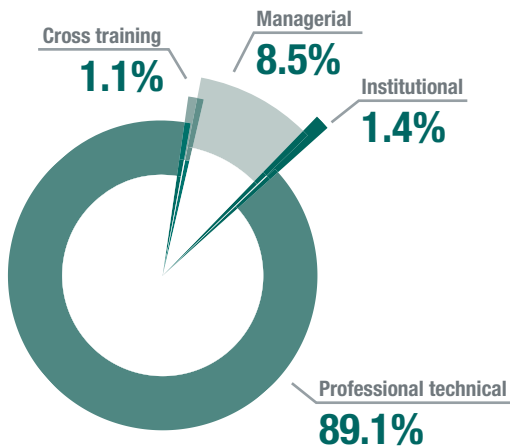
89. The data refer to the following companies: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr and FS Sistemi Urbani.

The following main training targets were achieved:

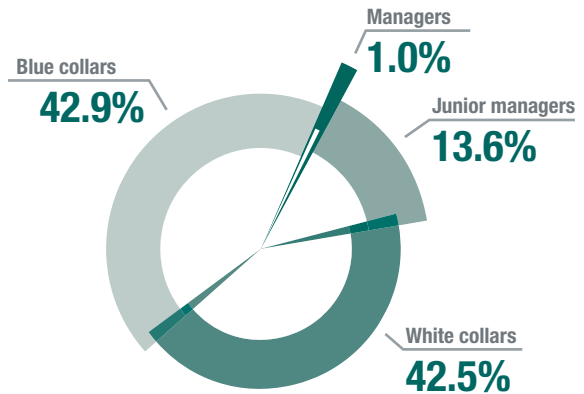
- supporting management’s vital skills required to manage changes underway: the vision and search for value in the Group’s various businesses;
- bolstering managerial skills related to driving, steering, communicating and enhancing resources;
- ensuring the development and training of leadership in those chosen to fill roles with top and wide-reaching responsibility;
- supporting management position training for selected Group junior managers in charge of operating units and orientation of new recruits;
- ensuring across-the-board specialist skills related to various professional groups are updated.



FREQUENCY IN MAN/DAYS BY EDUCATIONAL AREA - 2015



FREQUENCY IN MAN/DAYS BY PROFESSIONAL ROLE - 2015



See the *Additional information* section for more details.

Partnerships with universities and other institutions

In 2015, the Group promoted significant employer branding initiatives also aimed at:

- developing excellent training to ensure innovation and development in the production system;
- aligning school and university training to meet business requirements;
- guiding and introducing young people to the employment experience;
- consolidating the Group's highly attractive image with young people.

Specifically, the main activities developed include:

- "Master in Engineering of Infrastructure and Railway Systems", in collaboration with Università La Sapienza of Rome, Rome Metropolitane, Bombardier, Almaviva and the Finmeccanica Group: a multi-disciplinary specialisation course in the railway transport sector that trained 30 top-level engineers;
- "Master in Homeland Security", in partnership with the Campus Bio Medico of Rome and other Italian and international companies focused on the issue of company security;
- "Master in Procurement Management", in collaboration with Università di Roma Tor Vergata;
- "Master in Logistics and Transport Management and Techniques", in collaboration with Università di Roma Tor Vergata;
- "Master Degree in Transport System Engineering", an international degree course held in English, in collaboration with Università di Roma La Sapienza;
- work experience and support in the preparation of university theses to foster an exchange of Company and university know-how through the development of training projects and innovative aspects, respectively;
- specialist seminars and workshops within university degree courses, aimed at introducing young people into world of employment and developing technical skills in the railway sector and personnel processes;
- business games and calls for proposals on new systems and technologies of interest to the Group, with the aim of attracting, awarding and training students. In this regard, thanks to its FS Competition "*Idee ad Alta Velocità*" (High Speed ideas), targeting students and graduates in Engineering and Economics from all Italian universities, the Group won the National Innovation Award from the Foundation for Technological Innovation, Cotec;
- further development of pools of graduates with technical expertise in the Group's sectors, via agreements with 16 technical institutes around Italy, offering students, including during school hours, maintenance training programmes, support in writing theses and work experience, in addition to the opportunity to get to know the Group via meetings and technical visits (involving 2,000 students);
- organising 15 targeted events all over Italy, including recruiting days, career days and job meetings, as well as open days, counselling and orientation days and selection of thousands of young people. During these events, the Group and the job opportunities in the various companies are presented.

Remuneration and pensions

G4-11 / G4-52 / G4-EC3 / G4-EC5 / G4-LA2 / G4-LA7 / G4-LA10 / G4-LA13

The most common type of contract is open-ended, which is used for 99.9% of the Group's personnel⁹⁰. As in previous years, all employees are covered by National Labour Agreements. The National Labour Agreement applied to the Group's non-management employees is that for the Mobility/Railway sector, integrated by the Group's Company Agreement of 20 July 2012. The parameter group for apprenticeship contracts during the first 24 months is higher than the professional level one step lower than the final level and, for the subsequent 12 months, at the starting remuneration of the final 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 related to the various positions held.

There are no differences in remuneration based on gender. Any average differences 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.).

REMUNERATION OF NON-MANAGEMENT PERSONNEL: RATIO OF WOMEN'S ANNUAL REMUNERATION TO MEN'S ANNUAL REMUNERATION (%)*

	2015	2014	2013
Junior managers			
Gross annual remuneration	101.9%	101.5%	101.3%
Total annual remuneration	96.2%	96.1%	96.1%
White collars**			
Gross annual remuneration	97.8%	98.3%	98.2%
Total annual remuneration	82.8%	83.5%	83.2%
Blue collars			
Gross annual remuneration	100.7%	100.6%	100.6%
Total annual remuneration	94.2%	94.1%	93.7%

* The data refer to the following companies: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, FS Logistica, FS Sistemi Urbani and Terminali Italia

** White collars include office workers, but mainly consist of people filling positions typical of railway operations (station heads, maintenance managers, conductors and train supervisors)

90. Of which 1.5% with part-time contracts.

Employees' pensions are financed through specific mandatory contributions shared by employees and employers. Employees pay contributions equal to 9.19% of their remuneration base. This percentage is increased by 1% if the monthly base for the calculation of contributions exceeds €3.844⁹¹. On the other hand, employers pay contributions equal to 23.81% of each employees' remuneration base for the calculation of contributions. Employers in the Group cover, for all employees, additional costs for maternity leave, illness, social employment insurance⁹² and ordinary contributions to the fund for income and employment assistance. Such fund implements actions for Group company employees who, in particular company situations, can promote training programmes for professional retraining and/or requalification, set up active income and employment assistance policies, and provide extraordinary allowances to support income due to employees under voluntary redundancy⁹³. With regard to the supplementary pension fund, Group employees can pay into the negotiation fund provided for by the Railway National Labour Agreement (Eurofer) or an open fund. The employer and the employee share contributions to the Eurofer fund equally⁹⁴. Employees may increase their contributions on a voluntary basis, without any obligation for the employer to increase its share of the contributions. The employer is not required to match contributions to the open-end funds, to which only 100% of post-employment benefits required by Italian law are transferred.

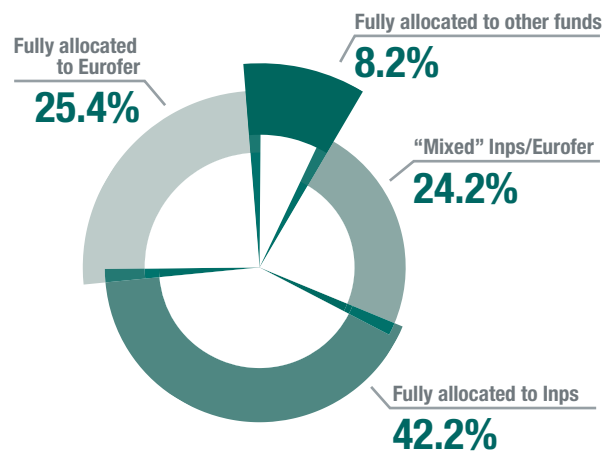
The Mobility Contract and the Ferrovie dello Stato Italiane Group's Contract of 20 July 2012 introduced supplementary healthcare, which became fully operational as of 1 January 2013.

Società Nazionale di Mutuo Soccorso "Cesare Pozzo" provides insurance for certain specific health services for employees of Group companies that apply the National Labour Agreement for the Mobility/Railway sector and the Ferrovie dello Stato Italiane Group's Contract.

Employees have the option of extending the insurance coverage to members of their family. In such case the supplement is paid by the employee.

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

POST-EMPLOYMENT BENEFITS ALLOCATION - 2015



91. Inps maximum for 2015.

92. As per article 1 of Legislative Decree no. 22 of 4 March 2015, as of 1 May 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.

93. In order to activate the fund's extraordinary allowance, an agreement shall be signed with trade unions regulating how personnel surplus is identified and establishing how employees can access such allowance.

94. Contributions to the Eurofer fund amount to 1% of monthly remuneration, as per article 22 of the Ferrovie dello Stato Italiane Group's contract of 20 July 2012.

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 that set forth 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 Company and on the market was developed by a leading international Group in the rewarding sector which, in addition to having created the method, boasts one of the most extensive databases on remuneration in the world.

The guidelines used in defining the remuneration policies for managers are: comparison with the external market to check the consistency of the Group's remuneration offered, checking that it matches the complexity of the position held and updating assessments of managerial positions to ensure remuneration comparisons and analyses that are uniform and consistent with the development of the Group's organisational structure over time.

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 targets⁹⁵.

In the 2015 MBO process, safety in the workplace and environmental sustainability were confirmed as the vital principles and values to be used as the basis for growing the culture and sensibility of all Group employees.

The data in the table show that the gap between women's and men's gross annual remuneration and total annual remuneration is narrowing.

REMUNERATION OF MANAGEMENT PERSONNEL: RATIO OF WOMEN'S ANNUAL REMUNERATION TO MEN'S ANNUAL REMUNERATION (%)

	2015	2014	2013
Gross annual remuneration	94.70%	93.90%	93.30%
Total annual remuneration	95.90%	93.30%	92.70%

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).

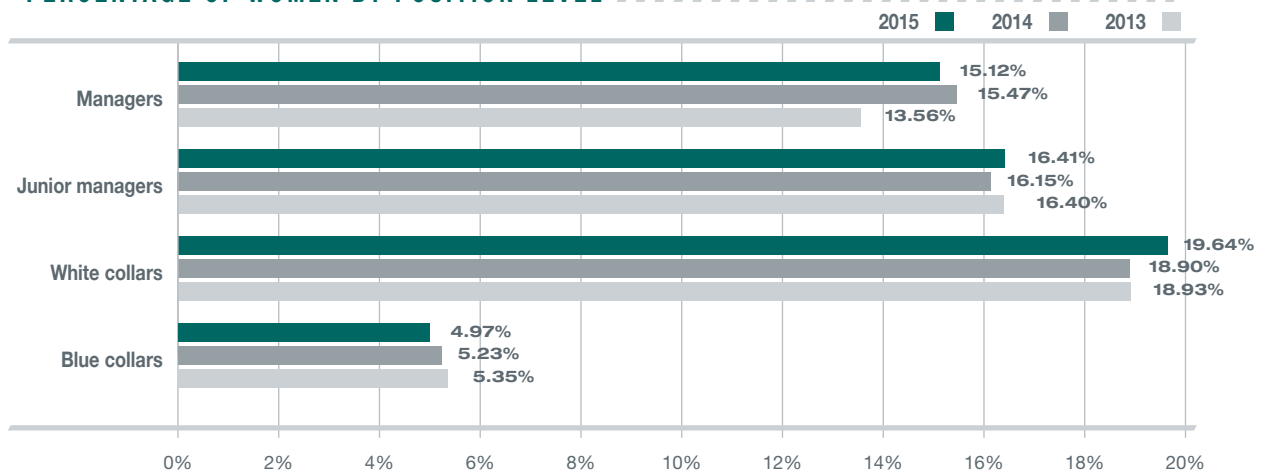
95. The objectives must reflect the priorities of business strategies and should be identified transparently so they can be measured and certified objectively through the Group's accounting and reporting systems.

People care

G4-10 / G4-LA12

The Ferrovie dello Stato Italiane Group manages and organises human resources in complete compliance with the rights guaranteed by legislation and its Code of Ethics which expressly states "human resources are the Group's great wealth". Through the Code of Ethics, the Group undertakes in a formal and substantial manner, without ever discriminating based on sex, ethnicity, language, religion, political opinions or personal/social status. Furthermore, through the Equal Opportunities Committee⁹⁶, the Group also undertakes to promote positive actions to offer women workers more favourable conditions and greater opportunities. At the end of 2015, women made up approximately 14.5% of the Group's employees, in line with expectations.

PERCENTAGE OF WOMEN BY POSITION LEVEL



The activities and projects for the big family of Group employees are supported by both the National and Local Equal Opportunities Committees and directly by specific internal structures.

96.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 20 July 2012. There is one national committee and 15 local committees.

Equal Opportunities Committee initiatives

- **Prevention**
 - “*Prevenzione... si parte!*” (Prevention - Let's go!), local seminars for 300 women at the offices in Milan, Palermo, Messina and Bari to provide useful references on the local health network dedicated to the cancer prevention and treatment in partnership with the Europa Donna Italia non-profit making organisation;
 - “*Frecciarosa*”, seminars for approximately 400 women in Lazio and Campania on cancer prevention and preventative care at work (with the participation of the IncontraDonna non-profit making organisation, the National labour insurance institution (Inail) and the National Equality Committee of the Ministry of Labour and Social Policies). Twenty-four seminars were organised for approximately 2,400 women at the Group during the 2012-2015 four-year period;
 - “*Fatti un regalo con la settimana della prevenzione*” (Take care of yourself with prevention week), a week dedicated to breast cancer prevention check-ups for women at the Genoa office. Forty free check-ups were given by specialists from the Italian Association Against Tumours (LILT, Genoa section), with consultancies about prevention and correct posture in the workplace by the Regional Inail office. This initiative was preceded by a conference launching the project sponsored by the Equality Committee of the City of Genoa.
- **Working conditions**
 - Code of conduct against sexual harassment in the workplace: aimed at providing consistent guidelines about measures to be implemented to combat sexual harassment in the workplace; to be published in 2016;
 - “female” work shifts: support continued for the “female shifts” with reduced working hours for female on-board train personnel; extended to men under parental leave.

Group initiatives

- **Diversity management**
 - Developing a policy on D&I (Diversity&Inclusion) issues for various Human Resources processes and defining a monitoring system with specific indicators for each process;
 - maternity training and multi-faceted leadership: another three sessions were held for 35 women after they returned from maternity leave and to about 25 of their direct or higher supervisors for a total of 172 man/days. As with the previous editions, over the five days of the course, the employees with their relevant superiors worked on their awareness of the reciprocal demands related to motherhood; the women reflected on strategies and tools to establish a balance between their professional life and family life and on their own motivation and professional effectiveness; their direct superiors investigated issues related to multi-faceted leadership and managing motivation;
 - the Group became a Supporting member of Valore D, an association of large companies set up to support female leadership within the companies. The Group took part in 15 skill building events to support women via targeted training initiatives and four intercompany mentoring programmes (with 29 employees participating). Joining the association also enabled the Group to become part of a network of companies alert to issues of diversity and gender balance through participating in knowledge sharing laboratories and meetings for Human Resources experts;
 - programming themed seminars on female talent; specifically, three one-day sessions aimed at guiding the Group's women on a journey of discovery and observation of the distinctive traits of female models, with their positive and negative aspects, in order to recognise them, see them in themselves and enhance them. The project comprises three laboratories on issues of self-confidence, self-awareness and awareness of one's own multiple identities and on various communication styles.

Multi-culturalism

- DyMove project: in partnership with the Prime Minister's Anti-Racial Discrimination Unit, in 2015, the Group took part in the DyMove project "to value diversity in Government and public service companies". Two pilot training sessions were organised involving thirty participants, for 60 man/days, on the issue of multi-culturalism. The aim was to encourage people to think about the value of diversity and to provide communications tools and techniques that respect cultural differences.

Well-being

- Performing a people caring benchmark analysis (designed last year) with the aim of initiating discussion about and evaluation of initiatives that could encourage a better balance between personal and family needs and organisational requirements. Eight companies were analysed. As part of an employee satisfaction survey carried out throughout the Group, an area was also dedicated to analysing the people caring needs of employees. Based on the results of the benchmark analysis and the survey, a people caring action plan was defined for the Group;
- planning and holding the first Open Day at the head office in Villa Patrizi, Rome, where employees were given the possibility to bring their children to work. There were guided visits of the Trenitalia and RFI operating facilities and of Fondazione FS, in addition to a corner where typical railway activities were illustrated;
- in addition to the activities promoted via the Group intranet channel (e.g., reduced prices for employees to attend cultural events in Italy), the Group organised 30 socio-cultural events and classical and modern music concerts, together with the Promotion of the Image of FS SpA organisation, with approximately 800 employees taking part;
- the first solidarity market dedicated to the employees of the Group's head offices was organised, with the participation of over 400 employees;
- carrying on from previous years, the Group's team was rewarded for its participation in the Rome edition of the "Race For the Cure" relay for solidarity in support of scientific research and cancer prevention;
- the Group's intranet channel contains a guideline aimed at promoting health eating.

Internal communication

An employee satisfaction survey was performed in 2015 involving all Group employees resident in Italy. The survey covered 62,000 employees: approximately 27% completed the questionnaire, roughly 25% began but did not complete it, while the remaining approximately 48% did not participate.

The participants were asked to assess their company and future challenges, their work environment and professional aspect. Though presenting inevitable areas for improvement, the overall results were positive.

Indeed, the survey showed a motivated, proud population eager to be involved and with a deep-rooted sense of belonging; with a significant professional and role awareness; willing to share their know-how and gain professional experience in other sectors and ready to help their co-workers. Their relationships with their superiors were also positive overall.

With regard to areas for improvement, the participants highlighted the need for greater equity, especially in the allocation of tasks and workloads. The participants also asked to be assessed objectively and based on their merit and to receive more systematic feedback on their work and communication on results achieved and objectives to be reached. Finally, additional training opportunities were called for.

The issue of safeguarding know-how in the company was also very popular. The participants emphasised the need for greater attention from the company to protecting and sharing knowledge and experience. Strong requests for improvement in people caring also emerged. Conversely, the supplementary healthcare service was highly appreciated.

The results of the survey were used as a basis for an action plan, especially with regard to communication and training. Such actions involved the entire management population in 2015.

The training project dedicated to new reference people for local communication that was initiated in 2014 was completed during the year. An additional 16 sessions were carried out, with the involvement of roughly 1,200 local managers on themes of engagement and involvement.

Spreading company values and culture, sharing and aligning on business issues, the performance of accounts and environmental and social sustainability were ensured via daily use of Company communication channels and, in particular, using the intranet, which in business days, received a significant increase in daily visitors, rising from 15,000 hits in 2014 to over 20,000 in 2015.

Health and safety

G4-25 / G4-LA6 / G4-LA7

In 2015, the Group continued its programme to spread, strengthen and update measures of prevention and to promote responsible behaviour among all employees, introducing new tools for training and spreading best practices.

As part of the benchmark activities of the “Intracompany round table on health and safety in network companies”, involving leading Italian companies (Eni, Enel, Telecom Italia, Poste Italiane, Terna, Anas, Autostrade per l’Italia, Vodafone, etc.), the workshop “Italferr: Health & Safety in the business development of the captive market” was held in Rome in March. It was focused on protecting the occupational health and safety of workers when performing activities abroad, both inside and outside the EU.

In order to ensure the systematic spread of effective organisational solutions already in place at Group companies, the first seminar on “Structures of responsibility in network companies: organisation, roles and responsibil-

ities of production units” was held in Rome at the end of March. This seminar tackled the issue of safety organisational structures in companies comprising various production units, comparing the unique features of the Group’s main companies.

A set of information and training initiatives were held on the amendments made to occupational health and safety issues through the legislative decrees implementing Law no. 183/2014 (the so-called Jobs Act). The legislative changes were discussed in the seminar called “Occupational health and safety in the Jobs Act: effects, simple actions and streamlining”, aimed at heads of the personnel and organisational, occupational health and safety, audit, legal and labour law departments of Group companies. Speakers at the seminar were the Head of the General Secretariat of the Ministry of Labour and the Chairman of the Consultancy Commission of the Ministry of Labour.



On 19 January 2016, the Parent issued the indications required for a consistent and timely application of the legislative amendments at the individual companies.

The number of accidents significantly dropped in 2015, confirming the trend of constant improvement. Specifically, as shown in the data set out in the table, though such data are not consolidated, there was a decrease in accidents and frequency rate by 17% and approximately 16%, respectively, compared to 2014 (compared to respective targets of 3% and 2%).

In Italy, occupational diseases, which lead to immediate damage to employees' health, are reported by the employer to Inail as part of accidents in the workplace, as required by relevant legislation, and they are counted by Inail among the category of accidents in the workplace. In the Group's case, specifically, there are reports of accidents in the workplace for post-traumatic stress of train drivers (in cases of hitting people along the train tracks, generally suicides), in addition to one case of a heart attack occurred in the workplace, which Inail recognised as an accident as also linked to work reasons.

In addition, there are professional diseases originating in the long term due to pathogenic factors found in the workplace. In the Group's case, by their nature, professional diseases, which usually account for no more than 50% of reports, relate to organisational events dating back many years, in some cases decades.

In general, the most common professional diseases in the railway sector are hearing impairment caused by noise and bone and joint or skeletal muscle problems. 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.

About 19% of man-days in the technical/professional learning area were devoted to occupational health and safety and environment training, for a total of 66,319 man-days.

THE GROUP COMPANIES' OCCUPATIONAL HEALTH AND SAFETY ORGANISATION*

	2015	2014	2013
Number of Production Units	125	123	129
Production Units with occupational safety certification	114	113	95
Prevention and Protection Representatives	115	113	129
Company doctors	192	190	160
Workers' Safety Representatives**	473	534	534
Personnel subject to health monitoring check-ups	45,495	46,753	47,503
Personnel subject to railway safety medical check-ups	15,772	14,646	14,012

* Data refers to the following companies: Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr and FS Sistemi Urbani. As of 2015, Italcertifer and FS Logistica have been included in the reporting scope

** The number of worker representatives was defined in 2015 on the basis of a trade union agreement, in accordance with the obligations of relevant legislation. In November 2015, the new worker representatives were elected throughout Italy and for all in-scope companies

ACCIDENTS INDEMNIFIED BY INAIL, WITH ACCIDENTS IN THE WORKPLACE AND IN TRANSIT SHOWN SEPARATELY¹

	2015 ²	2014 ³	2013	2012
Accidents in the workplace	1,411	1,711	1,933	2,197
Frequency rate ⁴	23.33	27.74	30.00	32.79
Accidents fatalities	0	5	2	1
Seriousness index ⁵	n.r. ⁶	893	1.022	1.210
Accidents in transit	242	307	344	420

1. The slight differences with the data published in the 2014 Sustainability Report are due to changes in Inail's data

2. 2015 Inail data is subject to consolidation

3. Inail data subject to consolidation

4. Frequency rate: [no. of accidents at work/amount]* 1,000 employees, calculated in accordance with European ESAW standards

5. Seriousness index: [number of missed days/amount]* 1,000 employees

6. Inail data not yet available

ACCIDENTS INDEMNIFIED BY INAIL: BROKEN DOWN BY GENDER

	2015 ¹	2014 ²	2013	2012
Accidents - Women	171	197	225	230
Accidents - Men	1,240	1,514	1,708	1,967
Frequency - Women	20.05	23.12	25.41	25.11
Frequency - Men	23.87	30.70	31.30	34.00

1. 2015 Inail data subject to consolidation

2. Inail data subject to consolidation

Trade unions

G4-11 / G4-15 / G4-LA3 / G4-LA4 / G4-LA6 / G4-LA8

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 Agreement⁹⁷. 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 *2015 Annual Report (Directors' report: Human resources)*.

The percentage of Group employees who are members of trade unions decreased from 64.1% in 2014 to 63.2% in 2015, while the absenteeism rate remained basically unchanged at 8.8%.

	2015	2014	2013
Absenteeism rate*	8.8%	8.8%	8.7%
Missed hours due to strikes**	50,617	167,439	49,669

* 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

** The data refer to the following: Ferrovie dello Stato Italiane, Trenitalia, RFI, Italferr and Ferservizi

97. There are no risks to the freedom of association and bargaining within the Ferrovie dello Stato Italiane Group.

Parental leave

The FS Italiane Group implemented the new measures introduced by the Jobs Act, increasing the term of parental leave up to 12 years of the child's life: in addition to the mandatory maternity 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 of 20 July 2012 implements the provisions of Legislative Decree no. 151/2011⁹⁸ and establishes, in the Group's supplementary contract, better economic conditions during the voluntary leave for any employee who takes it (from three to six years of the child's life in accordance with the new legislation amendments introduced).

The number of employees who took at least one day of parental leave in 2015 is as follows:

	No.	Days
Women	965	25,030
Men	3,421	52,437
Total	4,386	77,467

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.



98.Consolidated Act of legislation protecting and supporting parenthood.



Disputes with employees⁹⁹

G4-S08

		2015	2014	2013
Appeals files during the year	no.	2,074	2,398	2,945
Pending disputes	no.	3,939	5,144	6,600
Economic value of the disputes	€	46,811,000	47,678,000	46,534,000

The most significant types of disputes in 2015, with regard to potential costs, for the main Group companies are detailed below:

1. Claims for promotions.

These are human resource management disputes and are a significant issue for the Group companies, both in terms of costs and consequences on the organisational plan.

2. Claims for subordinated employment contracts against Group companies for alleged violation of current labour legislation prohibiting the interposition of labour.

In the light of current legislation, disputes in which the fraudulent interposition of labour remain significant, especially in terms of the companies' financial exposure.

In order to reduce the costs arising from the assignment of contracting companies' personnel in positions at Group companies, the Group seeks to settle these disputes if the Group companies are found in violation, by paying amounts out of court in exchange for the charges to be dropped.

3. Joint obligation.

As in 2014, this year once again saw a decrease with respect to previous years in the number of disputes pursuant to article 29.2 of Legislative Decree no. 276/2003 initiated by employees of contracting companies that, when their employers are insolvent, turn to the Group companies, as customers, for payment of outstanding amounts due from the contractor for remuneration and contributions.

Following the Supreme Court's important ruling no. 15432/2014, which had upheld the non-applicability of article 29 of Legislative Decree no. 276/2003 for public contracts, as the contractor's or sub-contractor's employees must use the special tools available to them for their protection under articles 4 and 5 of Presidential Decree no. 207/2010, various rulings were issued in 2015, both first instance and appeal rulings, which confirmed such position.

99. The data refer to the following companies: FS, RFI, Trenitalia, Ferservizi, Italferr, Busitalia - Sita Nord and Sita. The economic value only refers to the first five.

Respecting and protecting the environment



Our approach

G4-1 / G4-2

The FS Italiane Group's aim is to meet passenger and freight transportation needs, offering a transport system supported by the railway network and integrated by other collective and sustainable mobility means.

The Group's environmental management model inspires and coordinates the environmental programme, setting out short and long-term directives and principles, stimulating the insourcing of environmental sustainability protection strategies.

Thanks to a procedure-making process comprised of actions, monitoring and assessment, each company translates the Group's environmental strategy into independent paths for improving performances, maximising the environmental advantages of its own transport system and particularly focusing on rational use of resources, cutting emissions of CO₂ and other polluting substances, and generally reducing the carbon footprint of all business segments.

The nature of transport companies, chiefly railway, makes energy consumption a decisive factor in the Group's environmental accounting. More than three quarters of end consumption relates to vehicle traction; therefore, managing energy dynamics is a significant discriminating factor of the overall impact. In this regard, the Group is acting in different directions. First and foremost, it contributes to defining and reaching the energy efficiency goals set by the International Union of Railways (UIC), aimed at cutting traction consumption by 60% in the global railway sector by 2050 (base year 1990). Then it performs diagnosis and energy efficiencies in its maintenance systems and real estate, as well as generating its own energy from renewable sources. Moreover, its focus on rational use of resources is also seen in its so-called secondary materials: reducing and recovering scrap materials, treated in order to optimise the benefits of the circular economy process.

The production of pollutant and greenhouse gas emissions is kept under constant control at all Group companies. In 2014, the UIC set the target for a 75% reduction in CO₂ emissions by railway transport by 2050 (base year 1990), tracing a path that the Group has been contributing to over the years. A policy of efficiency, renewal or replacement of the diesel trains, in addition to a widespread use of renewable sources, deriving from the national energy mix, also enable a reduction in other pollutant substances (SO₂, NO_x and PM₁₀).



All the actions, procedures and processes are performed to develop a Group environmental culture, driven by criteria of transparency and responsibility in order to create a wide-ranging sustainable transport project involving personnel, customers, suppliers, competitors and all other Group stakeholders.



Environmental performance

Highlights

G4-2

WHAT WE HAVE ACCOMPLISHED

Cost of personnel
dedicated to managing
environmental issues **14**

over
€ million

showing the Group's
commitment to reducing
environmental impacts

1,000,000

tonnes of CO₂

on the Rome-Milan section
avoided in 2015

thanks to people choosing
to take the *Frecciarossa* train
instead of driving

400

over
kilometres

of sound absorption barriers
and direct projects
on isolated receivers
as of 2015

the design and implementation
of works to reduce noise
are vital activities
for the Group

754,000

over €

of environmental
training costs

to ensure the professional growth
of personnel dedicated
to managing environmental issues

WHAT WE AIM TO DO

**Influencing
the supply chain**
to reduce energy consumed
in the life cycle
of products and services

Strengthening
the Parent's role
of guidance
and coordination
of subsidiaries



The Group's main environmental issues

G4-2 / G4-EN31

The Ferrovie dello Stato Italiane Group monitors the environmental aspects of its activities to make the most of local resources and minimise its impact on ecosystems.

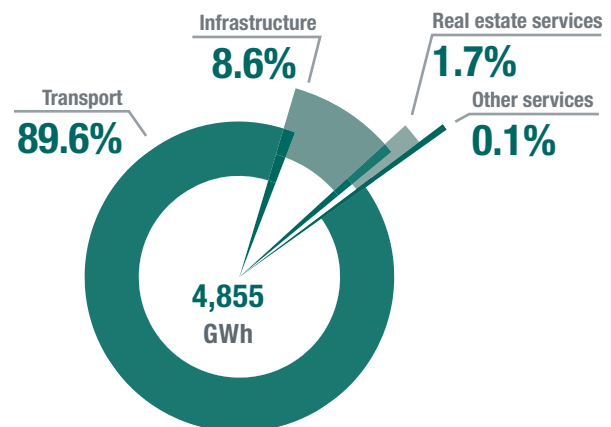


The following is a brief chart of the Group's most material environmental indicators. The companies included in the reporting scope are grouped together on the basis of their business sector:

- Infrastructure: RFI, Italferr;
- Transport: Trenitalia, the Netinera group, Busitalia - Sita Nord, Busitalia Veneto, FS Logistica, Serfer, Terminali Italia, TX Logistik, Ataf Gestioni, Umbria Mobilità Esercizio and Blufferies;
- Real estate services: Grandi Stazioni, Centostazioni, FS Sistemi Urbani and Ferrovie dello Stato Italiane¹⁰⁰;
- Other services: Ferservizi.

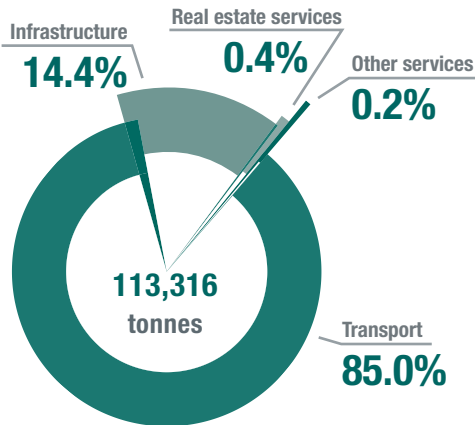
As shown in the following charts, the Transport segment has a more significant impact on the Ferrovie dello Stato Italiane Group's energy consumption than the other business sectors. This is especially due to the consumption of rolling stock (electricity and diesel) and road vehicles (fuel).

ELECTRICITY

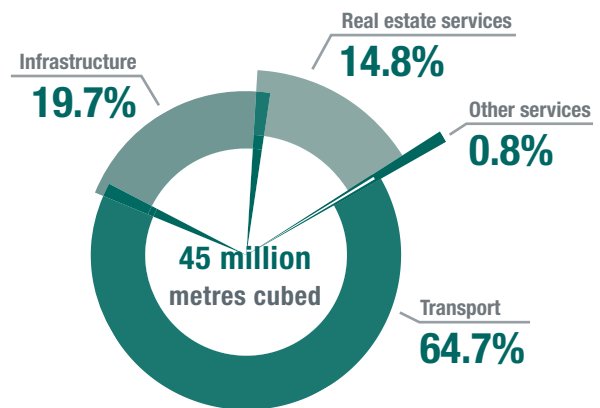


100. Ferrovie dello Stato Italiane's environmental aspects were included in the "Real estate services" because they relate to the company's real estate management activities.

DIESEL



NATURAL GAS

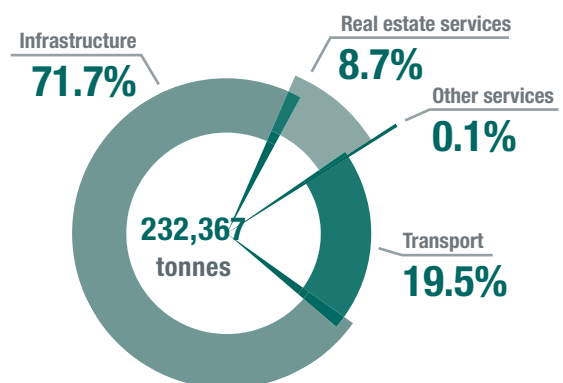


Maintenance of rolling stock and the infrastructure network, being the processes carried out in the Infrastructure and Transport segments, contributed the most to the overall volume of waste generated¹⁰¹ in 2015.

With respect to the destination of waste sent for treatment, the largest percentage of waste is sent to be recycled, in part due to the quantities of ferrous material from the demolition of carriages and the maintenance of the infrastructure network.

At the main stations the difficulties of managing large spaces open to the public were confirmed by the data related to waste collected which continue to show wide margin for improvement, despite the commitment shown by the Group companies by organising, for example, awareness campaigns on sorted waste. This commitment is not only limited to waste management, but also extends to environmental issues, as demonstrated by an analysis of costs (over €14 million) for personnel assigned to managing the Group's environmental aspects and expenses incurred (€754,483) to ensure their professional growth and ongoing updates.

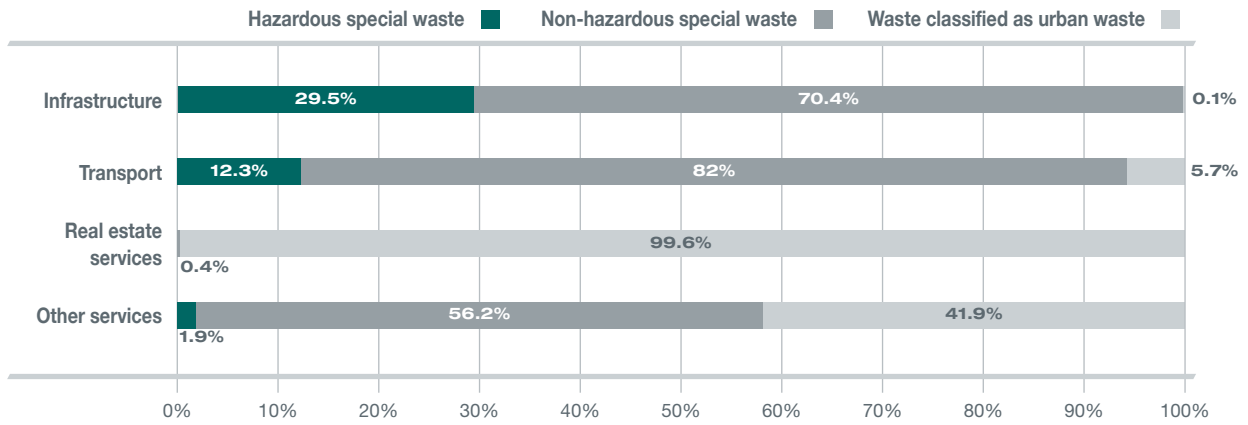
WASTE PRODUCED



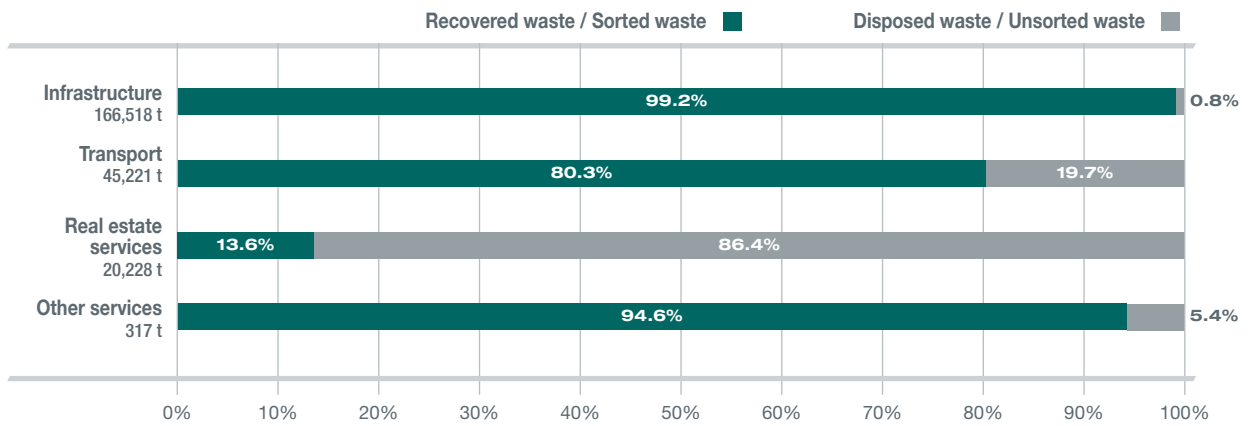
101. They include special hazardous and non-hazardous waste produced by Group companies and the urban waste collected in the main railway stations (Grandi Stazioni and Centostazioni networks).

TOTAL 232,367 TONNES

WASTE PRODUCED



WASTE SENT FOR TREATMENT



Energy

G4-EN3 / G4-EN4 / G4-EN5 / G4-EN6 / G4-EN7 / G4-EN27

The Ferrovie dello Stato Italiane Group is one of the largest national consumers of energy and, as such, is committed to striving continuously for utmost energy efficiency in all of its activities.

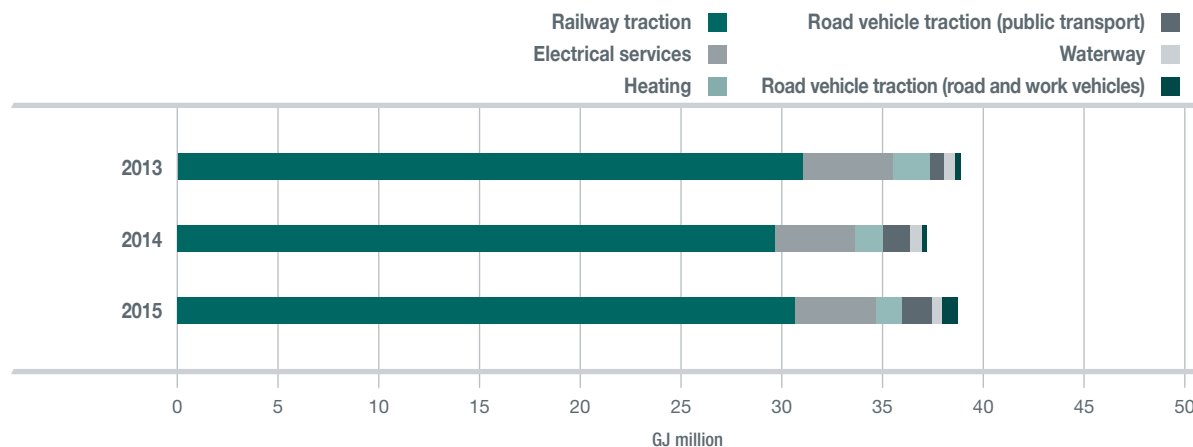
PRIMARY ENERGY CONSUMPTION BY DESTINATION*

	2015	2014	2013	Δ 2015/2014
Railway traction	30,717,560	29,498,201	30,866,221	4.1%
Electrical services	3,908,482	3,962,884	4,186,352	-1.4%
Heating	1,491,294	1,392,902	1,823,392	7.1%
Road vehicle traction (public transport)	1,407,618	1,330,878	689,605	5.8%
Waterway	573,361	562,937	543,649	1.9%
Road vehicle traction (road and work vehicles)	284,678	280,541	297,874	1.5%
Total primary energy consumption by destination	38,382,994	37,028,342	38,407,093	3.7%

Amounts in GJ

* Energy consumption data have been processed using the following sources: Terna, International Union of Railways (UIC), Eurostat, International Energy Agency (IEA) and ISPRA

TREND IN PRIMARY ENERGY CONSUMPTION



The Group's total primary energy consumption increased by 3.7%. The most significant variation in absolute terms of the Group's energy consumption refers to consumption for railway traction which rose 4.1% in 2015. The main reason for such increase can be related to the rise in the overall transport offer, up 4.4% in train-km on 2014.

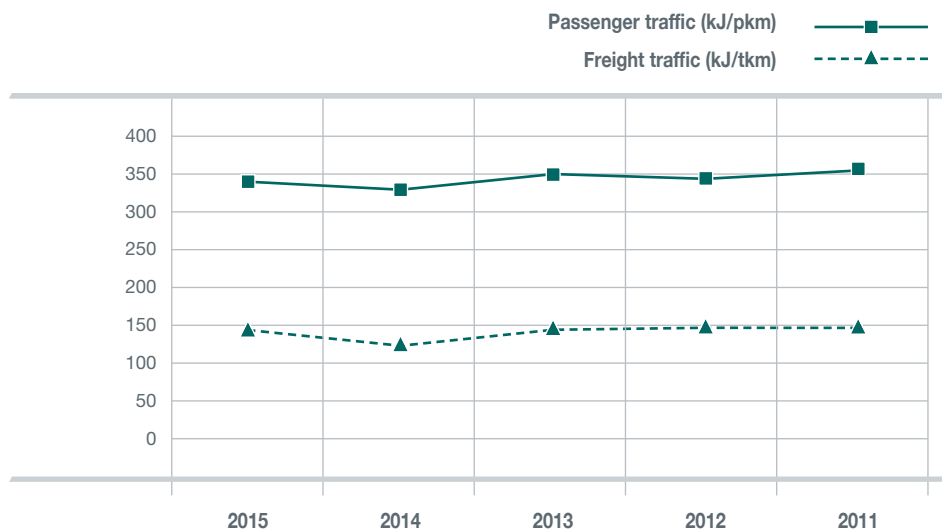
The data confirm the effectiveness of rationalisation and energy-saving actions related to railway operation. In 2015, the passenger offer in Italy was boosted by a higher number of connections between High Speed trains. The Trenitalia fleet gained 18 ETR 1000, which were gradually rolled out to reach an overall total of 77 *Frecciarossa 1000* trains at year end. Indeed, the *Frecciarossa 1000* is a state-of-the-art train due to its performance and travel comfort.

The innovations introduced include a series of technological solutions aimed at cutting back on energy consumption, such as widespread use of light alloys, more efficient transformers and converters, and, above all, aerodynamic design optimised in utmost detail, capable of reducing resistance to motion by over 35% compared to the ETR 500. In speeds of over 250 km/h, air resistance consists of up to 80% of resistance to motion, counting for a significant portion of overall energy consumption. Accordingly, in designing the *Frecciarossa 1000*, meticulous attention was paid to the aerodynamic efficiency of the train as a whole and its individual elements. For example, the pantographs were completely overhauled, cutting resistance to a minimum when raised and fully pulling them into the roof when lowered. With regard to regional transport, over 70 new electrical traction (*Jazz*) and diesel (*Swing*) trains were rolled out to partially replace more obsolete rolling stock. These trains were also chosen on the basis of their energy efficiency, as well as for the comfort and service quality offered.

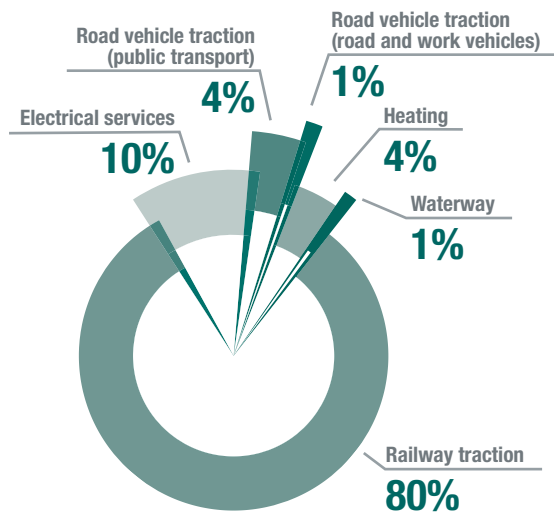
In line with such approach, a bid for tender was announced in 2015 to supply an additional 500 regional trains (electrical and diesel) where energy efficiency traits will significantly impact the final decision.

Specific traction consumption is in line with environmental performances recorded in recent years. However, 2014 figures were irregular compared to other years. The reason therefor can be traced to possible energy adjustments for railway traction that can be notified up to five years subsequent to the consumption period.

FINAL SPECIFIC CONSUMPTION BY RAILWAY TRACTION (TRENITALIA)



TOTAL CONSUMPTION OF PRIMARY ENERGY BY DESTINATION - 2015



The summer and winter climate factor also had an effect on energy consumption, not only by railway traction, but also road traction and, above all, heating of stations, maintenance workshops and offices. However, the Group companies' joint commitment to optimising energy consumption led to measures on heating systems, such as replacing numerous old generation thermal power stations fuelled by diesel and fuel oil in favour of new natural gas stations. Furthermore, usage rose of air conditioning systems via structures that use district heating energy, like those installed at RFI, Grandi Stazioni, Centostazioni, Ferservizi and Italferr. Energy use for electrical services (lighting, data processing centres, lifts, air conditioners, etc.) lies in second place of overall consumption, accounting for 10% of total energy use. The Group's operating companies continued the monitoring and energy diagnosis process for the main consumption centres (stations, workshops, etc.) and the development of projects to rationalise them and increase their efficiency. Specifically, in compliance with Legislative Decree no. 102/2014, they performed energy diagnosis on the main operating sites, enabling analysis of operating processes and assessment of one-off and/or ongoing solutions key to achieving significant efficiencies and investments.

The following initiatives are particularly important:

- in order to boost lighting efficiency, RFI funded a project focused on adopting LED technology both inside stations and at offices, for a total of 100,000 new lights;
- LED lighting was adopted by all Group companies, from Blufferies to Grandi Stazioni, which, in coordination with RFI, replaced traditional lamps with LED lighting in the underpass at the Bologna Centrale station and platforms at Naples Centrale. Trenitalia is replacing traditional lamps and installing light sensors in the systems. Ferservizi used such technology in its new offices in Genoa and Trieste;
- RFI implemented a plan to convert certain old diesel plants thermal stations into gas, also improving the management of the gas supply process, thus helping to provide additional analysis on utilities that recorded high consumption;
- Centostazioni also transformed certain thermal power stations to natural gas, thus lessening diesel consumption;
- the installation of boosters and electronic timing devices in 40 stations of the Centostazioni network will enable an estimated 6% annual reduction in consumption;
- Ferservizi's offices in Verona and Ferrotel del Brennero rolled out the district heating system.

Consumption for public service road vehicle traction showed a general increase compared to the previous year due to a more accurate monitoring system being used on vehicle supplies. The increase did not significantly impact the environmental performance of road transport and the Group's as a whole. The Netinera group companies and Busitalia - Sita Nord and its subsidiaries are committed to progressively updating their bus fleet with new vehicles that have high-efficiency engines.

Finally, consumption for road and work vehicle traction increased by 1.5% due to the rise in journeys linked to inspections to monitor and check the Group's real estate assets.

Rationalisation activities in this area were numerous, and included both the updating of company fleets with more efficient vehicles and improving awareness of how to use the vehicles.

Finally, the Ferrovie dello Stato Italiane Group companies continue to promote the usage of renewable energy sources which, over the years, led to the construction of the solar power stations of Scalo San Lorenzo and Torino Porta Susa. The Udine solar power station located near a Serfer workshop became fully operational in 2015. It was built to use a large part of energy generated for its own consumption. Also in 2015, the process was launched to build additional stations at the Trenitalia workshops at Milan Martesana, Rome San Lorenzo and Naples Santa Maria La Bruna, for a total of approximately 4,000 kWp.

DIRECT CONSUMPTION OF ENERGY FROM PRIMARY SOURCES

	2015	2014	2013	Δ 2015/2014
A. Direct consumption of energy from non-renewable primary sources	6,471,920	6,465,641	6,282,610	0.1%
Diesel	4,891,707	5,055,985	4,808,032	-3.2%
Natural gas	1,554,910	1,372,906	1,430,521	13.3%
Petrol	10,376	14,452	16,257	-28.2%
Coal	407	2,209	6,290	-81.6%
LPG	6,853	7,567	7,821	-9.4%
Fuel oil	7,666	12,522	13,689	-38.8%
B. Direct consumption of energy from renewable primary sources	2,849	2,264	2,212	25.8%
Self-consumed solar power energy	2,849	2,264	2,212	25.8%
EN3 Total direct consumption of energy from primary sources (A+B)	6,474,769	6,467,905	6,284,822	0.1%

Amounts in GJ



INTERMEDIATE ENERGY CONSUMPTION

	2015	2014	2013	Δ 2015/2014
EN4 Indirect consumption of primary energy for the generation of intermediate energy	31,908,225	30,560,437	32,122,271	4.4%
Direct intermediate energy consumption	17,508,219	16,478,586	16,418,719	6.2%
Electricity	17,478,873	16,451,775	16,396,842	6.2%
– for railway traction	15,330,442	14,364,059	14,309,129	6.7%
– for other uses	2,148,431	2,087,716	2,087,713	2.9%
Heat	29,346	26,811	21,877	9.5%
– for heating energy	29,346	26,811	21,877	9.5%

Amounts in GJ

Since 2015, a process to assess and monitor the environmental characteristics of suppliers has been stimulating awareness of the importance of carbon footprint in relation to all stages of the Group's activities. For instance, by RFI's calculations, the quantity of energy used by suppliers in manufacturing products purchased during the year to be used in the company's core business (rolling stock, buses, ships, materials used to build railway infrastructures, etc.) was over 600 billion kJ.

Following the evaluation process, an estimated 400 billion kJ in energy was consumed in manufacturing the 20 *Frecciarossa* ETR 1000 trains delivered to Trenitalia during the year. In manufacturing the buses delivered to Busitalia Veneto, on the other hand, 65 million kJ was consumed for each vehicle.

Emissions

G4-EN6 / G4-EN15 / G4-EN16 / G4-EN17 / G4-EN18 / G4-EN19

G4-EN20 / G4-EN21 / G4-EN27 / G4-EN30 / G4-PR1 / G4-PR3

The Ferrovie dello Stato Italiane Group's total greenhouse gas emissions increased by 1.4% on 2014. As was the case for energy consumption, the reason behind this increase can be chiefly attributed to the boost in the transport offer and the related rise in electric energy consumption for railway traction (+6.7%; though the 2014 figure is inconsistent with other years, perhaps due to possible energy adjustments for railway traction yet to be notified to the Group).

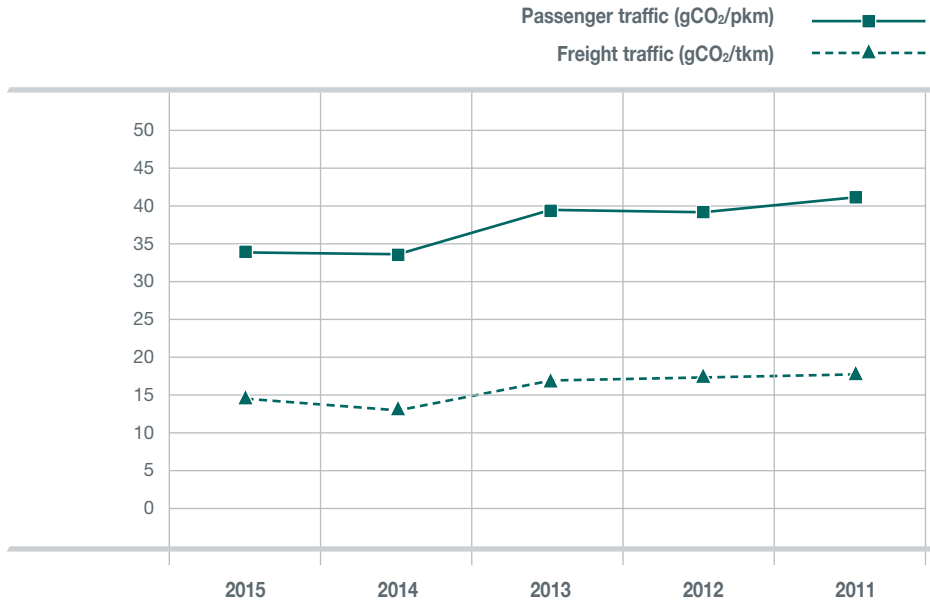
GREENHOUSE GAS EMISSIONS*

	2015	2014	2013	Δ 2015/2014
A. Total direct greenhouse gas emissions	451,752	453,543	439,310	-0.4%
Diesel	361,605	372,711	354,590	-3.1%
Natural gas	88,613	78,165	81,445	13.4%
Petrol	761	1,028	1,157	-26.0%
Coal	38	203	578	-81.1%
LPG	450	491	508	-8.5%
Fuel oil	586	945	1,033	-38.0%
B. Total indirect greenhouse gas emissions	1,672,787	1,641,854	1,802,767	1.9%
Electricity	1,671,115	1,640,327	1,801,521	1.9%
– for railway traction	1,478,101	1,433,290	1,569,728	3.1%
– for other uses	193,014	207,037	231,793	-6.8%
Heat	1,672	1,526	1,246	9.6%
– for heating energy	1,672	1,526	1,246	9.6%
EN16 Total greenhouse gas emissions (A+B)	2,124,540	2,095,397	2,242,076	1.4%

Amounts in tCO₂

* The rates indicated in the IPCC's "2006 Guidelines for National Greenhouse Gas inventories" and the ISPRA's "National Inventory Report 2014" were used to calculate emissions

SPECIFIC CO₂ EMISSIONS FOR RAILWAY TRACTION (TRENITALIA)



Specific emissions for passenger and freight transport show a decreasing trend over the years. This is partly due to the improvement of purchased electrical products. However, a growing improvement in on board train services, offset by the introduction of more efficient trains, such as the High Speed *Frecciarossa 1000* trains and the 70 new regional electrical traction (*Jazz*) and diesel (*Swing*) trains, partially replacing more obsolete rolling stock, should also be considered.

Passengers who chose the *Frecciarossa* between Rome and Milan in 2015 saved the atmosphere approximately one million tonnes of CO₂, 10 tonnes of PM₁₀, 6,000 tonnes of NO_x and 500 tonnes of non-natural gas hydrocarbons that would have been released had they travelled by car¹⁰².

There was a 15% increase in the CO₂ emissions of Trenitalia's industrial plants subject to the Emission Trading System directive (combustion plants with Pt > 20 MW being used at the workshops of the Technical Divisions at Rimini, Foligno and Bologna); however, an analysis of the trend confirms an overall drop in emissions remaining in line over the years (-17% on 2013). In the past, these plants were subject to technical and managerial efficiency measures and, therefore, emissions data are mainly linked to oscillations in average seasonal temperatures. Overall, the 2015 CO₂ emissions of the above plants amounted to 7,882 tonnes.

In 2015, the Ferrovie dello Stato Italiane Group confirmed its commitment to replace thermal power stations based on diesel and fuel oil with power stations that use natural gas and district heating and progressively rationalise diesel railway traction. Overall, direct and indirect emissions of SO₂, NO_x and PM₁₀ remained unchanged over the three-year period despite rising consumption of electricity.

102. Estimate based on Ecopassenger figures.

OTHER MATERIAL ATMOSPHERIC EMISSIONS¹⁻²

	2015	2014	2013	Δ 2015/2014
Total indirect emissions				
SO ₂	994.8	1,030.2	1,320.4	-3.4%
NO _x	1,197.1	1,185.9	1,335.0	0.9%
PM ₁₀	37.7	39.7	43.9	-5.0%
Total direct emissions				
SO ₂	354.1	352.8	367.8	-0.4%
NO _x	5,515.2	5,711.1	5,339.6	-3.4%
PM ₁₀	157.8	163.6	156.5	-3.5%
Total emissions				
SO ₂	1,348.9	1,383.0	1,688.2	-2.5%
NO _x	6,712.3	6,897.0	6,674.6	-2.7%
PM ₁₀	195.5	203.2	200.4	-3.8%

Amounts in tonnes

1. The transformation rates indicated in the "EMEP/EEA air Guidebook 2009" were used to calculate direct emissions, while the Enel rates in the "2014 Environmental Report" were used for indirect emissions"

2. 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

In addition to reducing its environmental impact, the Ferrovie dello Stato Italiane Group can do a lot to create a sustainable development model in the transport sector. Indeed, in Italy, road traffic contributes to over 80% of greenhouse gas emissions, while air and shipping traffic accounts for about 9% each and railway for only 2%. The environmental advantage of using railway transport is more considerable in Italy than in the rest of Europe as much of the national network is electrified: over 71%, compared to the European average of 52%. By using electricity for approximately 90% of train-km in Italy, benefits are obtained from the mix of the national average combination, used to produce the electricity fed into the network, nearly one-third of which is from renewable sources.

The Group companies are therefore committed to spreading awareness among residents about the environmental benefits of trains. To this end, for instance, on its website *trenitalia.com*, Trenitalia offers the Ecopassenger application, which measures the environmental impact of a specific journey in terms of energy consumption and pollutant, climate-changing emissions. Ecopassenger allows users to compare the environmental

effects of various means of passenger transport (train, airplane, car). For freight, on the other hand, similar comparisons can be made using Ecotransit simulations. This application is available on the website for Trenitalia's Freight Division.

The road transport sector also helped reduce atmospheric emissions.

Busitalia - Sita Nord introduced 20 new Euro6 buses to its fleet. These buses were built using construction technologies and equipped with devices for low consumption and reduced emissions, especially of particulate and nitric oxide.

Busitalia Veneto replaced 16 Euro0/Euro2 vehicles with new eco-friendly Euro6 buses.

Umbria Mobilità Esercizio replaced 24 old generation Euro0/Euro1 vehicles with 20 new Euro6/Euro4 electric vehicles.

Ataf Gestioni continues with its vehicle upgrading programme, focusing on efficiency and emission reduction programmes. At 2015, the average age of the vehicle fleet is 8 years old, of which 66% is comprised of Euro5/Euro6 or electric vehicles, joined by a gradual disposal of low-efficiency vehicles.



Continued expansion of the “Enjoy” car sharing scheme managed by Eni in partnership with Trenitalia and Fiat, already up and running in Milan, Rome and Florence. After extending the service to Turin with 400 cars, the overall number of shared cars now amounts to over 1,800. Furthermore, a scooter sharing scheme was launched in Milan.

Transport sharing is also fostered via the agreement between Trenitalia and Clear Channel on the bike sharing service in Verona and Milan. The service in the latter city was boosted by the addition of 1,000 electric bikes to the 3,600 traditional bikes already available.

Also for the purpose of spreading environmental awareness, particularly among young people, Ferrovie dello Stato Italiane and Legambiente’s Green Train took to the tracks again in 2015. It is a large-scale campaign to record atmospheric and noise pollution. The train received thousands of visitors of all ages in the carriages outfitted with a travelling interactive exhibition, which, crossing the country from South to North (Caltanissetta, Palermo, Bari, Pescara, Battipaglia, Naples, Termoli, Latina, Perugia, Arezzo, Chiusi, Parma, Vicenza, Cuneo and Milan), presented a path taking a closer look at the environment via the various experience of more sustainable, healthy food production. The environmental monitoring performed during the campaign confirmed how it is constantly more crucial to redefine transport systems in urban centres, where dangerous levels of air pollution is found.

The Ferrovie dello Stato Italiane Group also continues to strive for reductions in emissions by choosing more environmentally-friendly means of transport when its employees travel for work. Indeed, since 2006, the following rules have been followed:

- the means of transport to be used to reach destinations is by train;
- the use of other means of transport is allowed only exceptionally and when duly justified.

In 2015, greenhouse gas emissions resulting from travel for work were estimated to be approximately 3,767 tonnes of CO₂¹⁰³; CO₂ was calculated considering all services booked on the centralised system and includes air and road transport in addition to hotel accommodation.

103. Source: Cisalpina Tours.

Land development and protection

G4-14 / G4-EN1 / G4-EN2 / G4-EN3 / G4-EN4 / G4-EN6 / G4-EN8 / G4-EN9

G4-EN12 / G4-EN22 / G4-EN23 / G4-EN24 / G4-EN25 / G4-EN26

G4-EN27 / G4-EN31 / G4-EC7 / G4-SO1 / G4-SO2 / G4-PR1 / G4-PR3

Making the most of the land: design

The design and implementation of infrastructural investments aimed at minimising impacts on the land are vital activities for the Group. The environmental impact assessment, the service conference and the special provisions for priority works are the main tools used to prevent and mitigate the potential environmental impacts of the design and construction of infrastructural works. As the proposing party appointed to submit the designs to assessment and authorisation procedures as per ruling legislation, RFI has, since the early study and design stages (performed by RFI itself or via the technical company Italferr or other third parties engaged), tackled the possible areas of impact on the environment and the land, identifying the most suitable technical and design solutions, the least impacting types of works, required mitigation works, in relation to the natural, anthropic and historical-archaeological characteristics of the areas being crossed through and depending on the type of transport to be used (freight, passenger, LPT, long haul), as well as in reference to the type and duration of the work-site activities.

Specifically, Italferr bases its approach on preparing an environmental pre-feasibility study for a project that:

- checks the project's compatibility with the provisions of any landscape, land and urban planning;
- identifies the foreseeable effects of the project and its execution on the environment and residents' health;
- determines the environmental impact mitigation measures and any reclamation, redevelopment and environmental/landscape improvements.

To improve the way in which the work interacts with the local land and residents, Italferr has developed specific design plans, including the Environmental Site Plan and the Environmental Monitoring Plan, which identify material aspects relating to work sites, along with mitigation measures and environmental monitoring activities. In particular, the Environmental Monitoring Plan defines the material factors to be monitored, recorded and kept in check, the measurement points, parameters and the frequency of monitoring activities before, during and after the work.

Since 2009, for all highly complex projects, Italferr has monitored social aspects as well, in order to check how the work is perceived by local residents in the area affected, both during construction and in the course of operation. Systematic dialogue with all players involved in the construction of large works, such as railway infrastructures, is guaranteed through service conferences to guide project decisions. The frequent need to integrate work to meet local needs has led to the design of new projects not only as a means to responding to railway mobility requirements, but also as a way of combining urban functions.

Environmental plans also include specific studies to identify the sites where inert materials to be used in infrastructure construction can be delivered and where the resulting scraps can be disposed of. They also provide for inquiries with the regional municipal offices regarding the census of contaminated sites that might interfere with the work. Where planning decisions require, the study is integrated with excavated Land and rock management plans/Use plans reporting the description of the planned works, indexes of surveys and the characteristics, balance and management of resulting scraps. Environmental communication policies are, for Italferr, a tool that gives it a complete and transparent overall view of the favourable effects of the choices made in the planning stage. For this purpose – in collaboration with the Ministry of the Environment and Land and Sea Protection and with local bodies and Government – databases and websites have been designed and developed to constantly inform residents about construction activities, environmental mitigation and/or offsetting works in connection with the project and environmental monitoring activities.

In particular, to ensure the effective management and viewing of the environmental data it acquires through the various monitoring activities, Italferr has developed a database called SIGMAP (Geographical Environmental and Project Information Monitoring System). In recent years, it has expanded the system to include a thematic section on environmental reclamation, which enables it to constantly track and plan the activities of all reclamation projects underway, along with a “Planning” section that gathers data and information useful for the development of new projects.

A map portal was created to centralise local geographical data, share the thematic maps generated by Italferr’s special units and archive specific data. It makes it possible to search for, analyse and download geographical information. The data is also available to the public in a reorganised format.

The systems described provide ARPA (the regional environmental protection agency) with valid support in control activities during construction, and help the various environmental observers as well.

Finally, the focus section “Environment and Sustainability” is constantly updated on Italferr’s website. It was created to showcase the company’s approach to environmental planning, which, by giving a broader and more integrated view of traditional topics and aspects, enables visitors to see the actual environmental balance of work, rather than its impact only.

The company promotes the engagement of institutional and other stakeholders in the design process, enabling it to improve interaction with the local area and focus on specific local requirements.

Making the most of the land: constructing new infrastructures

The construction of new infrastructures is a complex stage, particularly given the potential environmental repercussions on the land where the projects are being carried out.

As the customer, RFI entrusts the works to third-party companies, assigning Italferr the role of technical party in addition to, in some cases, coordination and supervision of works, also with the duty of directly performing environmental monitoring activities before, during and after the works, identifying any critical issues and suitable corrective measures, also as per the contractual framework adopted with the contracted companies and the commitments assumed with the institutions in the authorisation stage.

During this stage, focusing on the environment entails the works contractors’ adoption of specific Environmental Management Systems that meet UNI EN ISO 14001 standards. Italferr requires that the construction companies responsible for the works design and implement, for the entire duration of the works, environmental management systems for the sites that provide the company and appointed bodies with objective evidence of the controls conducted over the course of the work. In particular, these systems require that, before commencing the work, the contracting companies carry out an environmental analysis of the site activities that identify the material environmental aspects to be managed during the work and define the operating methods to be used for the proper environmental supervision of the site.

Environmental controls at sites also consist of periodic inspections and walk-throughs by a team of Italferr experts and environmental monitoring activities, which constitute another valid control tool for any necessary changes as a result of construction.

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.

This paragraph illustrates the main environmental aspects of activities at Italferr's sites for the construction of new railway infrastructures¹⁰⁴. Figures are given for the reporting period only, since the performance over the years is not indicative of whether the approach to site activities is sustainable. Indeed, the indicators used are closely connected to the number of active sites in the individual reporting period, their type and the progress of the related activities.

RAW MATERIALS (SITES)

	2015
Earth - Procurement	1,174,214
Earth - Reuse	4,713,060
Concrete	1,193,505
Inert material	1,354,124
Steel for railway superstructure	18,997
Steel for railway technology systems	3,784
Stone	359,108
CAP sleepers	35,758
Iron	270,661
Aluminium	10
Cast iron	2
Copper	2,493
Lubricants	22
Technical gases	24
Electrodes for welding	4
Fluorescent light bulbs	1
Industrial batteries	3
Paint	241

Amounts in tonnes

104. The reported data refers to a sample of about 50% of the main sites from an environmental point of view. In particular, it includes the following sites: the Florence hub, the Palermo hub, the Treviglio-Brescia High Speed section, the Bari-Bitetto section, the Fiumetorto-Ogliastrillo section, the Castelplanio-Montecarotto section, laying of the double track to the North of Ortona, the Milan-Genoa line, the Brescia hub, the Catania Ognina-Catania Centrale section, the Lunghezza-Guidonia section, the Arcisate-Stabio section, the Cattolica tunnel, the viaduct on the River Bradano, elimination of the Brandizzo railroad crossing, elimination of the Chivasso railroad crossing, elimination of the Pieve Emanuele and Borgarello railroad crossing, Livorno harbour, Pioltello-Treviglio noise dampening barriers, technological contracts: Canello-Sarno, Caldonazzo-Roncegno, Solero-Alessandria multi-station interlocking system, Ponte Gardena, Povo Mesiano, ACEI Imperia e Andora, IS Imperia, Naples-Villa Literno, SCC Fasano-Lecce, ACEI Darsena.

WASTE PRODUCED (SITES)

	2015
Non-hazardous special waste	1,766,894
Hazardous special waste	2,565
– asbestos	2,030

Amounts in tonnes

RECOVERED OR RECYCLED WASTE (SITES)

	2015
Recovered non-hazardous special waste	1,462,252
Disposed non-hazardous special waste	307,865
Recovered hazardous special waste	1,035
Disposed hazardous special waste	1,534

Amounts in tonnes

WATER WITHDRAWN (SITES)

	2015
Water withdrawn from the aqueduct for non-industrial use	88,899
Water withdrawn from the aqueduct for industrial use	229,636
Water withdrawn from bodies of water for industrial use	23,000
Water withdrawn from underground water for industrial use	49,745

Unit of measure in m³

DRAINED WASTEWATER (SITES)

	2015
Industrial wastewater sent to sewers	100,302
– for treatment	100,202
Industrial wastewater sent elsewhere	123,105
– for treatment	123,055
Domestic wastewater sent to sewers	31,116
Domestic wastewater sent elsewhere	1,329

Unit of measure in m³

In 2015, no Group companies withdrew water from sources located in protected areas.

Moreover, in the design and construction of infrastructural works, RFI and Italferr have developed various initiatives for energy efficiency and to achieve an increasingly rationalised use of resources, privileging the use of locally sourced materials, maximising the reuse of materials from mines and, where possible, transporting materials by train to reduce greenhouse gas emissions.

Within the scope of these initiatives, specific focus has been devoted to the use of the methodology that Italferr has developed in accordance with the UNI EN ISO 14064-1 standard to calculate its carbon footprint in the design and construction of railway infrastructures.

The results of using this methodology have shown that emissions from the production of cement and steel outweigh total CO₂ emissions during construction. In this respect, starting from 2016, a status report will be set up for the application of the methodology used to calculate the carbon footprint, currently applied to projects in the implementation stage with the involvement of contractors.

Many site management measures have been taken to reduce energy consumption, including the use of energy-efficient light bulbs.

In 2015, the costs incurred for environmental monitoring totalled over €10 million, while the costs of environmental reclamation, including soil reclamation, came to approximately €2.6 million.

PRIMARY ENERGY CONSUMPTION (SITES)

	2015
Electricity	201,203
Diesel for road and work vehicles	589,189
Petrol for road and work vehicles	1,452
Natural gas for heating	685
Total	792,530

Amounts in GJ

GREENHOUSE GAS EMISSIONS* (SITES)

	2015
Electricity	66
Diesel for road and work vehicles	43,393
Petrol for road and work vehicles	107
Natural gas for heating	39
Total	43,604

Amounts in tonnes of CO₂

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

Land protection: biodiversity

The development of transport infrastructures plays a delicate role with respect to biodiversity, as it can eliminate habitats, fragment ecosystems, increase mortality for certain species and have other negative repercussions on the diversity of wildlife.

Making infrastructure development sustainable means, *inter alia*:

- prevention: abstaining from building unnecessary infrastructures and, above all, not involving protected areas;
- mitigation: minimising impacts where prevention is not possible, with suitable measures (underpasses, overpasses and fencing);
- offsetting: restoring the overall balance of biodiversity lost due to the construction of the infrastructure by re-establishing ecosystems, recreating alternative habitats elsewhere.

Land preservation: archaeology

The archaeological findings known to be present since the start are considered basic data, which must be considered during the design stage. Italferr has created an archaeological impact assessment procedure to identify the interference of civil works on archaeological assets from when it begins the initial design. This assessment consists of studies by the Archaeological Office to identify the risk level for archaeological assets, which may include:

- analysis of bibliographical and archive data;
- analysis of current and historic maps;
- toponymy analysis;
- analysis of aerial photographs;
- survey of the area affected by the railway plans.

The results are sent to the local land Superintendent who, if deemed necessary, begins the procedure to check in advance whether the site is of archaeological interest, which consists of two main stages:

- an integration to the preliminary plan, consisting of probing, geo-physical and geo-chemical surveys and archaeological digs to ensure a sufficient sampling of the area affected by the work;
- an integration to the definitive and executive design, consisting of surveys and further digs.

The findings of these explorations enable the Superintendent to express a justified opinion on each stage of the design.

In particular, in 2015, to obtain the local archaeological Superintendent's opinions, archaeological studies were carried out on the following projects:

- Trieste-Divaca;
- Corso Grosseto-Stura acoustic reclamation in the Municipality of Turin;
- the Chiasso-Monza line;
- laying quadruple tracks on the Pieve Emanuele-Pavia line;
- Verona-Fortezza Lot 3, bypassing of Trento and Rovereto;
- Genoa Gate;
- Spoleto electric sub station;
- upgrading of the Potenza-Foggia line, Lot 4;
- upgrading of the Potenza-Foggia line, Lot 3;
- Lecce multi-station interlocking system;
- GZP for Milan-Lambrate.

During the year, approximately €4.8 million were spent to design and conduct the following surveys/archaeological digs and specialised analyses:

- the Italian section of the Turin-Lyon line, Avigliana-Orbassano Bivio Gronda;
- HS Milan-Genoa line, Libarna archaeological area;
- Venice-Trieste line, laying of the double track on the Ronchi-Trieste section;
- road system of the Rastignano alternative road;
- Bologna Rotatoria Carracci hub, stage 2
- Aprilia line, Campoleone-Villa Literno;
- updating the HS Rome-Naples tunnels to safety standards;
- technological upgrade in Naples, various contracts;
- Naples-Bari route along Cancelli-Frasso;
- Naples-Bari route along Naples-Cancelli;
- Naples-Bari route along Frasso-Vitulano;
- Naples-Bari route along Apice-Orsara;
- Afragola HS station;
- laying of double track on the Cervaro-Bovino section;
- Sant'Andrea-Bitetto section;
- upgrading of the Potenza-Foggia line, Lot 2;
- Bari hub, southern section;
- Metaponto – Sibari – Sant'Antonello intersection line;
- Bicocca-Catenanuova section;
- Catenanuova-Raddusa Agira section;
- Catania-Siracusa line.

Ongoing support on contracts in progress, on which General Contractors or contractors conduct archaeological explorations, is provided by carrying out periodic progress checks of activities, identifying the best solutions for digs and handling relationships with the Superintendent.

Waste management

G4-EN23 / G4-EN25 / G4-EN27

The Group's commitment to cutting back waste production is confirmed by analysing the indicators that record a decreasing trend in the last two years. Waste generated in 2015 dropped by 1.5% on the previous year and 4.8% on 2013. The streamlining and improvement of waste management activities within the scope of the Group companies' management systems also ensure the lowest environmental impact possible via recovering special waste (96% in 2015).

An analysis of data related to RFI and Trenitalia¹⁰⁵, which account for 97.2% of the Group's overall figure, shows that:

- RFI, which produces over 78% of the Group's total special waste, recorded a rise of roughly 20% on 2014 due to the increase in maintenance activities on the infrastructural network;
- Trenitalia reduced special waste generated by over 46% on 2014. Specifically, the reduced demolition of freight transport carriages caused a resulting drop in non-hazardous special waste (identified as waste comprised as obsolete vehicles).

WASTE PRODUCED BY THE FERROVIE DELLO STATO ITALIANE GROUP

	2015	2014	2013
Waste classified as urban waste	3,266	4,442	2,470
– sorted waste	1,413	2,606	1,177
Non-hazardous special waste	154,738	168,873	180,327
Hazardous special waste	54,720	42,572	40,689
Total waste produced	212,724	215,887	223,485

Amounts in tonnes

SPECIAL WASTE SENT TO FINAL DESTINATION BY THE FERROVIE DELLO STATO ITALIANE GROUP

		2015	2014	2013
Total special waste	tonnes	209,376	211,299	222,460
– recovered		96%	94%	92%

105. See the attached company files for more details about company data.

The Group companies have also strengthened their collection systems for waste that is classified as urban waste, deriving from its activities and those of its customers and suppliers. Ferservizi has further developed its sorted waste collection, signing new agreements with municipalities for free-of-charge collection of toners and, simultaneously, promoting awareness campaigns for reducing paper usage. Activities continued by Centostazioni and Grandi Stazioni to maintain the efficiency of sorted waste collection system for waste produced by commercial operations and in areas open to the public at the network's stations.

The Group companies are also aware of the importance of monitoring and, where possible, improving – including through training – the quantities of waste created at its 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.

Under the Basel Convention, Trenitalia and TX Logistik transport hazardous waste to and from abroad on behalf of third parties. The following table shows the volumes of waste monitored in accordance with the convention.

WASTE PRODUCED BY THIRD PARTIES ON BEHALF OF THE FERROVIE DELLO STATO ITALIANE GROUP*

		2015
Waste classified as urban waste**	tonnes	19,694
– sorted		13%
Non-hazardous special waste	tonnes	14,311
– recovered		58%
Hazardous special waste	tonnes	346
– recovered		35%

* Excluding waste produced at the sites for new railway lines, which is covered in the paragraph "Land development and protection"

** Including the waste collected at the main railway stations

HAZARDOUS WASTE TRANSPORTED ON BEHALF OF THIRD PARTIES UNDER THE BASEL CONVENTION

	2015	2014	2013
Recovered waste	156,449	159,509	322,044
Disposed waste	316,328	150,863	204,034

Amounts in tonnes

Special waste is also transported domestically. The volumes that Trenitalia transports on behalf of the Group companies and on behalf of third parties are reported below.

WASTE TRANSPORTED DOMESTICALLY

		2015	2014	2013
Non-hazardous waste	tonnes	58,746	90,953	145,899
– transported on behalf of third parties		100%	100%	100%
Hazardous waste	tonnes	37,082	24,498	25,543
– transported on behalf of third parties		61%	92%	83%

Noise

G4-EN27 / G4-EN31

In the development and execution of infrastructural investments and, in particular, within the scope of activities to mitigate the resulting environmental impact, the design and implementation of projects to reduce noise are particularly important, with regard to site activities and products, the activation of new lines and plants, and the passing of trains.

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, operations and maintenance permitting;
- 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 where permitted by production requirements.

The mitigation that can be achieved varies on a case-by-case basis, depending on a multitude of variables

(reciprocal source/receptor position, topography, obstacles to the propagation of noise, etc.), and can reach 10-15 dB(A).

In investing substantial resources for projects to maintain and improve the existing network (new technologies for train traffic, electrification, double tracks, upgrading, re-development of stations, maintenance, etc.) and for new railway infrastructures (new lines and new systems for passenger and freight traffic, including intermodal solutions), RFI is constantly committed to mitigating noise at source, at sites and stations, as well as implementing permanent sound reduction fixtures due to railway operations and in experimenting with devices to be applied to the superstructure to reduce the noise generated by train/track contact.

With regard to new lines or those being upgraded, for which Italferr acts as technical expert for RFI, design and implementation activities have attained the following results to date¹⁰⁶:

	2015	2014	2013
Acoustic barriers being designed	37,000	29,500	49,320
Acoustic barriers under construction	66,487	102,755	99,610
Acoustic barriers built (total accumulated length per year)	343,434	306,816	302,714

Amounts in m

For lines already operational, RFI is engaged in noise reduction activities planned for the first four years of the Noise Reclamation Plan approved by the Unified Government-Region Conference based on the scale of priorities defined by the Decree of the Ministry for the Environment of 29 November 2000.

106. The following table shows the data of acoustic barriers in various stages of progress (design and under construction) for the year.

The following progress¹⁰⁷ was made in 2015 for the 428 actions planned¹⁰⁸ for the first four years:

- 30 actions finalised or in advanced stage;
- 305 actions for which design has been completed;
- 26 actions for which design is underway or being launched;
- 67 postponed by the Regions or suspended because they were already part of other projects/programmes (e.g., laying of second tracks or upgrading).

The following provides a summary of RFI's results¹⁰⁹.



	2015	2014	2013
Acoustic barriers being designed	394,387	371,316	384,379
Acoustic barriers approved	17,110	17,008	15,774
Acoustic barriers under construction	8,927	8,423	15,387
Acoustic barriers built (total accumulated length per year)	60,566	58,988	52,024

Amounts in m

Trenitalia did not perform any mitigation projects in 2015 on the source of railway noise (maintenance systems and rolling stock) as it carried out, where necessary, management/operating projects to reduce any impact of sound pollution connected to its activities. Lastly, no criticalities were noted at maintenance sites in terms of the environmental impact caused by vibrations.

107. The progress of the Noise Reclamation Plan is monitored with the support of a specific Group application called MoIRA (monitoring of noise reclamation actions).

108. In addition to the planned actions, there are also those identified in specific memoranda of understanding signed with the Autonomous Provinces of Trento and Bolzano before the approval of the Noise Reclamation Plan and recognised by the Unified Conference as "priorities" over such plan.

109. The following table shows the data of noise dampening barriers in various stages of progress (design, approved and under construction) for the year.

Other impacts

G4-EN8 / G4-EN9 / G4-EN10 / G4-EN22 / G4-EN24 / G4-EN27 / G4-EN31 / G4-PR1

Management of potentially contaminated sites

In RFI's building of new infrastructures and upgrading of existing lines with the technical support of Italferr, the survey of potentially contaminated sites is aimed at identifying, during the preliminary design stage, all areas interfering with project works where there could be an alteration in the quality of the surface soil, subsoil and underground water. An environmental characterisation plan is then defined for any risk areas that are identified, consisting of the assessment of any pollutants.

The information that Italferr gathers is collected in the Geographical Environmental Monitoring and Project Information System's database. This System includes the section for Environmental Reclamation in which the reclamation and recovery procedures can be checked and planned.

In 2015, environmental and reclamation monitoring activities continued to reinforce the infrastructure of the Genoa hub, the Brescia hub, the Falconara hub, the Bologna Centrale HS station, the Naples Centrale station, the Domodossola railway hub, the Milan Segrate shunting centre, the Settingiano-Catanzaro Lido section, the Campoleone-Villa Literno section and the railway connection between Taranto harbour and the national network.

Trenitalia continued managing the issues arising from its contaminated sites and their upgrading to safety standards. In particular, it monitored design activities commissioned outside the company and defined technical/operational aspects to include in technical specifications for the contracting of reclamation/upgrading to safety standards.

Within the Integrated Management System, specific divisional targets were set to mitigate the impacts on the soil and subsoil, in addition to checks of underground tanks storing hazardous substances and the evaluation of their possible, gradual disposal or reconversion.

A total of 41 RFI sites were involved in reclamation processes in 2015, more than in 2014 due to the launch of new processes often due to past contamination events that emerged during maintenance work. The costs incurred for environmental recovery, which are included under reclamation costs, came to approximately €2.3 million.

Finally, there was an oil spillage¹¹⁰ in 2015 at the Passignano site and minor spillages of hazardous substances¹¹¹ at the Florence hub site managed by Italferr.

110. In March 2015, Umbria Mobilità detected an accidental spillage of hydrocarbons (approximately 24 tonnes) caused by unknown parties and promptly reported to the Competent Authorities, simultaneously taking action to urgently bring the site in line with safety standards.

111. Breakdown of oil hydraulic plant of three site machines.

Water

Initiatives devoted to checking the condition of water networks and training and promoting awareness about the rational use of water as part of the Group companies' management systems showed a slight decrease in the overall volume of water withdrawn compared to the previous year, confirming the trend began in 2013. No Group companies withdrew amounts of water from sources located in protected areas.

WITHDRAWALS BY USE AND SOURCE

		2015	2014	2013
Industrial use	<i>m</i> ³	2,963,111	3,174,072	3,345,435
– from aqueducts		50.6%	45.5%	39.1%
– from the water table*		47.9%	53.0%	59.4%
– from bodies of water		1.5%	1.4%	1.5%
Civil use	<i>m</i> ³	20,497,764	20,459,199	21,048,112
– from aqueducts		36.9%	41.9%	41.2%
– from the water table*		63.1%	58.1%	58.8%
Total water withdrawn	<i>m</i> ³	23,460,875	23,633,271	24,393,547

* Withdrawal of water from the water table and sources

The Group mainly withdraws water from water sources for non-industrial use (offices, bathrooms and workshop showers, fountains at stations, etc.), equal to 87% of total consumption. In the withdrawal of water for non-industrial use, one of the key aspects that cannot be overlooked is the management of biological risk. Water to replenish passenger carriages, for example, must meet health and bacteriological standards. Indeed, utmost attention is devoted to the quality of water used, the management and maintenance of water infrastructures and the ways in which loading operations are handled. Accordingly, routine checks are scheduled to provide information on the water quality and the effectiveness of water treatment. The entire train water circuit is also reclaimed (tanks, pipes, etc.) with the removal of lime and sanitising.

Industrial consumption confirms the trend began in 2014, showing a shift in volumes from underground sources (wells and springs) to public aqueducts.

The water that the Group uses at stations and offices is mainly classified as domestic wastewater. This water is disposed of by being sent to the municipal sewage system in accordance with the requirements of Legislative Decree no. 152/2006.

WATER DISPOSAL

		2015	2014	2013
Wastewater sent to sewers	<i>m</i> ³	19,796,923	19,881,307	21,091,704
– water treated beforehand		4.2%	5.0%	5.1%
Wastewater sent elsewhere	<i>m</i> ³	388,969	363,561	442,591
– water treated beforehand		90.1%	89.2%	84.1%

Finally, the Group's main workshops are equipped with systems to collect and treat (chemically/physically) the wastewater resulting from the Group companies' industrial activities. The water treatment process is managed by specialised companies.





Electromagnetic fields

Since the early 1980s, in collaboration with qualified national structures such as the Istituto Superiore di Sanità (Italian institute of health), Anpa (environmental protection agency) and Enel, the main Ferrovie dello Stato Italiane operating companies have provided a genuine contribution to analysing and assessing the interaction between the environment and the electromagnetic fields created on the rails. Many investigations have been conducted to check that the electromagnetic field thresholds pursuant to law are complied with, both on board operating trains and in the areas surrounding the infrastructure that generates the radiation.

In particular, the following railway systems generate electromagnetic fields with non-negligible frequencies under current legislation:

- electrical power lines and stations, i.e., all electrical lines, substations and transformation stations;
- electrical traction contact cables;
- telecommunication and radio transmission systems used to meet service requirements;
- medium and low voltage systems for lighting and other services.

Trenitalia now measures the electromagnetic fields of its rolling stock for the purposes of risk assessment as per Legislative Decree no. 81/2008. Specifically, the electromagnetic fields on board the E412, E405, Minuetto, E464 and ETR 170 FLIRT trains were measured in 2015. Testing in the drivers' cabs show an overall profile that is in line with the legislative requirements for occupational exposure to electromagnetic fields.

With respect to the 50 Hz electromagnetic fields generated by the power lines and systems, RFI constantly monitors voltage on its high voltage lines¹¹² and reports the values to the relevant ARPA (environmental agency) offices.

112. Title was transferred to Terna on 23 December 2015.

Additional information

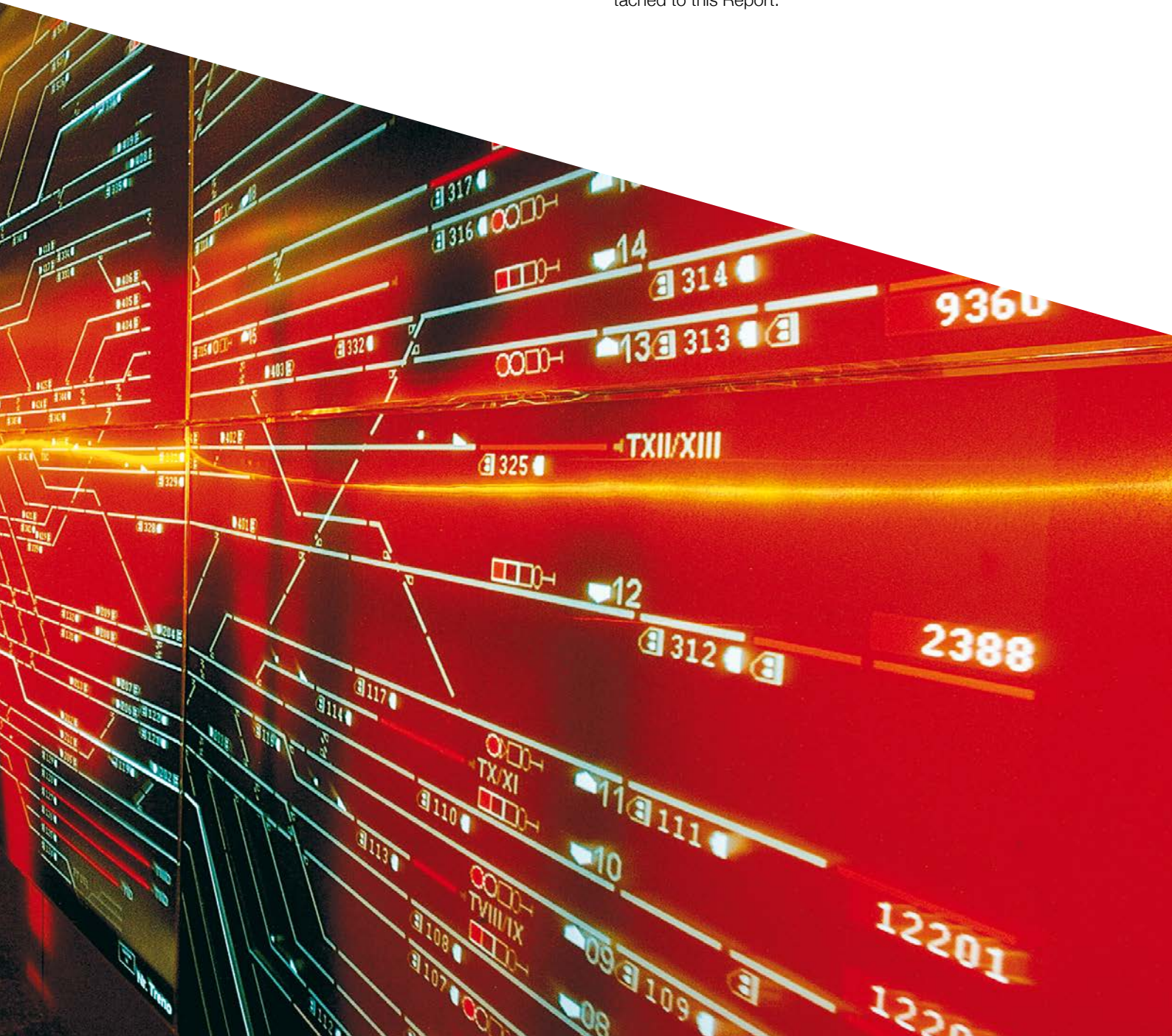
Methodology

Since 2011, an IT solution (SuPM – Sustainability Performance Management) has been adopted for the data collection process to monitor and report information. The implementation of SuPM involves, throughout all the Group's operating companies, reporting at various levels, in order to collect and monitor data across Italy. To date, the implementation at different levels has been completed for Trenitalia, RFI, Ferservizi, FS Italiane and Busitalia - Sita Nord, while the other Group companies, because they fall within the boundary of the Sustainability Report, are included in the system with one single reporting level.



The approach taken has enabled the Group to report on the standard elements and performance indicators required by the GRI's G4 Guidelines.

The audit, performed by the independent company (KPMG), was conducted to evaluate the accuracy of data and the compliance of contents with such Guidelines. As required by the GRI Guidelines, an integrated Disclosure Management Approach document was prepared – summarising the approach of the Ferrovie dello Stato Italiane Group to sustainability management – along with the Content Index, indicating the sections of the document containing standard information on the organisation and its performance. Such document is attached to this Report.





Materiality matrix

Since 2014, the Ferrovie dello Stato Italiane Group has been committed to reporting on its most significant (or material) financial, social and environmental activities in the Sustainability Report. In order to define the scope, it analysed 33 issues, identified on the basis of GRI G4 Guidelines, related to six macro-categories: financial responsibility, environmental responsibility, social responsibility – labour practices, human rights, social responsibility – community and product liability. The process analysed both internal and external sources, including:

- **internal sources:** the 2014 Sustainability Report, the Business Plan, Group codes of conduct and policies, interviews with management;
- **external sources:** the guidelines of the International Union of Railways (UIC); sector standard setters¹¹³ (GRI G4 Guidelines for the sector); the Sustainability Reports of three of its main European competitors¹¹⁴; surveys and focus groups with stakeholders brought together for the 2015 Panel (see the paragraph on Stakeholders).

The materiality of each issue has been calculated as the weighted average of the internal and external sources and mapped in the matrix reported in the *Methodology* section.

The Sustainability Report amply reports on the issues deemed material, placed in the top right-hand corner. The following is a bridging table between the material issues identified, related GRI issue and scope of reporting.

113. GRI G4 sustainability topics: “Ground Transportation - Railroads Transportation”, “Highways and Railtracks”.

114. Deutsche Bahn, SNCF, Renfe – Sustainability Report 2014.

MATERIAL ISSUES FOR FS ITALIANE GROUP	I. S.	E. S.	GRI ISSUE	COMMENTS
Energy consumption/ energy efficiency	✓	✓	Energy	For the external scope, the assessment only calculates consumption related to site activities
Customer safety	✓		Consumer health and safety	For the external scope, the assessment only calculates consumption related to site activities
Emissions	✓	✓	Emissions	For the external scope, the assessment only calculates consumption related to site activities
Health and safety in the workplace	✓		Health and safety in the workplace	
Noise and vibrations	✓		Products and services	
Value directly generated and distributed to the stakeholders	✓		Financial performance	
Waste, wastewater and soil pollution	✓	✓	Wastewater and waste	
Customer satisfaction and complaints	✓	✓	Labelling of products and services	
Environmental legislation compliance	✓		Compliance	
Sustainable mobility/ intermodal transport	✓		Emissions	
Indirect economic impact on communities (investments and impacts)	✓		Financial performance, indirect economic impacts	
Stakeholder relations management	✓		Stakeholder engagement	
Employee training and development	✓		Training and education	
Supplier environmental qualification and assessment		✓	Environmental assessment of suppliers	Only strategic core suppliers were included in the assessment
Diversity management	✓		Diversity and equal opportunities	
Personnel policies	✓		Employment Equal pay for men and women	
Trade unions	✓		Trade unions	

I.S. Internal Scope
E.S. External Scope

Group sustainability

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: –

Quality (Q) ISO 9001	Central Audit Department and Audit Departments of the Ferrovie dello Stato Italiane Group Scope • Design and provision of internal audit services to the Group companies.
Environment (E) ISO 14001	Ferrovie dello Stato Italiane (Headquarters) Scope • 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+E+S

<p>Qualità (Q) ISO 9001</p>	<p>Commercial and Network Operation Department and Steering Departments</p> <p>Scope • Management of train traffic to ensure safe railway operation.</p> <p>Production Department (DPR) and Local Production Units</p> <p>Scope • 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 and environmental protection in the railway field.</p> <p>National Electrical Equipment Workshop - Bologna, the DPR's National Workshops</p> <p>Scope • 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> <p>National Superstructure Workshop - Pontassieve, the DPR's National Workshops</p> <p>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.</p> <p>National Carriage Workshop, the DPR's National Workshops</p> <p>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.</p>
<p>Environment (E) ISO 14001</p>	<p>Steering Departments</p> <p>Scope • Management of train traffic to ensure safe railway operation.</p> <p>Local Production Units</p> <p>Scope • Maintenance of the railway infrastructure to ensure safe train travel and railway operation and the performance of train travel and shunting activities.</p> <p>National Electrical Equipment Workshop - Bologna, the DPR's National Workshops</p> <p>Scope • 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>
<p>Occupational Safety (S) OHSAS 18001</p>	<p>National Superstructure Workshop - Pontassieve, the DPR's National Workshops</p> <p>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.</p> <p>National Carriage Workshop, the DPR's National Workshops</p> <p>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.</p>

TRENITALIA

Integrated Systems: Q+E+S

Quality (Q) ISO 9001	Trenitalia (Headquarters and operating sites) Scope • Design and provision of passenger and freight transport services by rail.
Environment (E) ISO 14001	
Occupational Safety (S) OHSAS 18001	

ITALFERR

Integrated Systems: Q+E+S

Quality (Q) ISO 9001	Italferr (Headquarters and operating sites) Scope • Design, management of works contracting, works oversight and supervision of works on guided transport and the related interferences.
Environment (E) ISO 14001	
Occupational Safety (S) OHSAS 18001	

NETINERA*

Integrated Systems: –

Quality (Q) ISO 9001	SBN (Headquarters and operating sites) Scope • Transport services using buses: regional and urban public transport, occasional transport, maintenance and customer assistance.
	NW Scope • Maintenance and inspection of railway vehicles in accordance with the operating rules of construction and the German railway service.
	OHE (Headquarters and operating sites) Scope • Maintenance and updating of owned and third party railway vehicles.

* These only include the Netinera group companies that fall under the scope of the Sustainability Report

BUSITALIA - SITA NORD

Integrated Systems: Q+E+S

Quality (Q) ISO 9001	Busitalia - Sita Nord (Headquarters and operating sites) 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 bus fleet.
Environment (E) ISO 14001	
Occupational Safety (S) OHSAS 18001	

BUSITALIA VENETO

Integrated Systems: Q+E+S

Quality (Q) ISO 9001	Busitalia Veneto (Headquarters and operating sites) Scope • Design and provision of transport services using buses (local public transport, long haul lines, rentals and atypical services).
Environment (E) ISO 14001	
Occupational Safety (S) OHSAS 18001	

CENTOSTAZIONI

Integrated Systems: Q+E+S

Quality (Q) ISO 9001	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	
Occupational Safety (S) OHSAS 18001	

FERSERVIZI

Integrated Systems: Q+E+S

Quality (Q) ISO 9001	Ferservizi (Headquarters and Operating Units) Scope <ul style="list-style-type: none"> • Management of administration, procurement, real estate sales, leases and agreements, technical asset, 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 and credit management.
Environment (E) ISO 14001	Ferservizi (Headquarters and Operating Units) Scope <ul style="list-style-type: none"> • 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 and provision of assistance services for crèches.
Occupational Safety (S) OHSAS 18001	Ferservizi (Headquarters and Operating Units) Scope <ul style="list-style-type: none"> • Provision of all the activities that the company performs to manage administrative, real estate and facility services, in addition to Group procurement, IT and maintenance. • Provision of assistance services for crèches.

FS LOGISTICA

Integrated Systems: Q+E+S

Quality (Q) ISO 9001	FS Logistica (Rome headquarters) Scope <ul style="list-style-type: none"> • Organisation and provision of logistics services in connection with sundry freight. • Management of real estate assets.
Environment (E) ISO 14001	FS Logistica (Rome headquarters, offices in Bologna San Donato and Catania Bicocca and local units in Turin Orbassano, Bologna Interporto and Marcyanise) Scope <ul style="list-style-type: none"> • Management and development of the company's real estate assets. • Organisation of logistics services in relation to sundry freight and the provision of such services via third parties.
Occupational Safety (S) OHSAS 18001	FS Logistica (Rome headquarters) Scope <ul style="list-style-type: none"> • Management and development of the company's real estate assets. • Organisation and coordination of logistics services in connection with sundry freight. • Services supporting business activities.

FS SISTEMI URBANI

Integrated Systems: –

Environment (E) ISO 14001	FS Sistemi Urbani (Headquarters) Scope <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.
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SERFER

Integrated Systems: Q+E+S

Quality (Q) ISO 9001	Serfer (Headquarters, Genoa office* and operating site in Udine) Scope <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.
Environment (E) ISO 14001	
Occupational Safety (S) OHSAS 18001	

* The Genoa office is only certified as per ISO 14001

TERMINALI ITALIA

Integrated Systems: –

Environment (E) ISO 14001	Terminali Italia (Headquarters and operating sites) Scope <ul style="list-style-type: none"> • Management and operation of terminals equipped for intermodal transport. • Provision of terminal services.
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ATAF GESTIONI

Integrated Systems: Q+E

Quality (Q) ISO 9001	Ataf Gestioni (Headquarters and operating sites) Scope <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Provision of collective public transport services by road in the following stages: transport service operation, deposit, cleaning, electrical and mechanical maintenance, provisioning, entry and exit of vehicles.

UMBRIA MOBILITÀ

Integrated Systems: Q+E

Quality (Q) ISO 9001	Umbria Mobilità (Headquarters and Operating Units) Scope <ul style="list-style-type: none"> • Design of transport services by road and rail. • Planning and provision of urban and suburban LPT services by road and rail, lake navigation and inter-regional buses. • Bus rentals with drivers. • Management of alternative mobility services (lifts, cable railways, escalators and moving walkways). • Management of parking areas and moors, sea works and dredging. • River and defence works, water repairs and reclamation. • Maintenance of buses, rolling stock, boats, plant and alternative mobility systems.
Environment (E) ISO 14001	Umbria Mobilità (Headquarters and Operating Units) Scope <ul style="list-style-type: none"> • Planning and provision of urban and suburban LPT services and inter-regional buses. • Provision of bus rentals with drivers. • Management of alternative mobility services. • Management of car parks and moors, plant and alternative mobility systems.

Business sustainability

Customers

Highlights

WHAT WE HAVE ACCOMPLISHED

Passenger services

RFI

- Works on the Milan commuter rail stations included in the 500 stations project were completed for Expo 2015.
- Monitors and control panels used to inform passengers updated in many stations.
- Training courses, in collaboration with the related associations, provided to personnel in charge of assisting PRM.
- Increase in the number of stations equipped with lifts to help board trains.
- Agreement signed with the Italian cyclists association to improve access to stations with bicycles (installation of racks, ramps in underpasses, etc.).

Trenitalia

Long Haul Passenger Transport Division

- Launch of Frecciarossa 1000: 18 trains rolled out in 2015.
- Launch of Venice-Padua-Rome-Naples-Salerno and Milan-Bari Frecciarossa routes.
- Continued restyling of the Frecciarossa Bistrò cars
- Launch of the new single on board portal for Frecciarossa and Frecciargento trains, called *Frecce*, with new fully free-of-charge services and offers.
- Introduction of new vehicles for daytime Intercity services.
- Restructuring of ETR610 trains to introduce them into the international Italy-Switzerland service.
- Activation of ticketless purchasing for the Italy-Switzerland Eurocity services.

Regional Passenger Division

- Improvement of the average punctuality index and increase in regularity, following actions implemented on railway operations and vehicle maintenance.
- Updating of the fleet with the introduction of new electric (Jazz) and diesel (Swing) trains.
- Introduction of the possibility to purchase regional electronic tickets (BER) up to 20 minutes before the train departs.
- New experimentation of the *Trenitalia Smart Card* (simplifying use of different means of transport) in Valle d'Aosta.

Freight Division

- Increase in the availability of forklifts thanks to compliance with programmes covering maintenance and customer awareness of forklift movement.
- Obtaining the safety certificate in France and Austria.
- Bolstering the international services offer and focusing traffic along European corridors.

Busitalia - Sita Nord

- Introduction of 20 new Euro6 buses to the fleet.
- Launch of the electronic ticket service via the authorised line called The Mall (market service) for on board ticket sales.

Ataf Gestioni

- Registration of 23 new energy efficient vehicles: 3 electric and 20 Euro6.

Umbria Mobilità Esercizio

- Purchase of 24 new energy efficient vehicles: 20 Euro6 and 4 electric.
- Launch of bus chassis restyling process.

Busitalia Veneto

- Roll out of 16 Euro6 low-emission interurban vehicles.

WHAT WE HAVE ACCOMPLISHED

<p>Train traffic safety</p>	<p>Trenitalia</p> <ul style="list-style-type: none"> • Maintenance of certification of Entity in Charge of Maintenance of forklifts. • Continuation of the project to equip freight vehicles with devices that can stop the train after a derailment. • Better traceability of maintenance on vehicle safety systems. • Continuation of the implementation of systems to measure the temperature of the axle boxes by conducting personnel using portable devices. • Improvement of the IT systems used to monitor activities for maintenance and operating safety.
<p>Safety services</p>	<p>FS Italiane - Company protection</p> <ul style="list-style-type: none"> • Building access gates to divide operating and commercial areas at Milan Centrale (permanent) and Rome Termini (temporary) stations. • Completion of works on the security systems at 30 railway stations.



WHAT WE AIM TO DO

<p>Passenger services</p>	<p>RFI</p> <ul style="list-style-type: none"> • Continuation of works under the <i>500 stations</i> project. • Launch of actions for passengers with reduced mobility, including: increase in Sale Blu; preparing a web form for booking services also online; launch of the ABT - Assist booking tool for international journeys; etc. • Identifying portions of Group property to be used as cycle lanes. <p>Trenitalia</p> <p>Long Haul Passenger Transport Division</p> <ul style="list-style-type: none"> • Expansion of the <i>Frecciarossa 1000</i> fleet and increase in links. • Launch of the Milan-Venice and Turin-Milan-Venice <i>Frecciarossa</i> route. • Conclusion of the restyling of the <i>Frecciarossa Bistrò</i> cars. • Launch of <i>Frecce</i>, an app for surfing the on board portal. • Launch of new on board monitor functionalities. • Continuation of the project to create a new colour scheme for <i>Frecciabianca</i> trains. • Restyling of the furnishings and lighting of the carriages in <i>Frecciabianca</i> trains. • Continuation of revamping of vehicles used in daytime <i>Intercity</i> services. <p>Regional Passenger Division</p> <ul style="list-style-type: none"> • Continuation of updating of the fleet by introducing new trains and overhauling existing vehicles. • Setting up new means of collaboration with bus services that offer the first and last mile in conjunction with the train. • Extending the <i>Trenitalia Smart Card</i> to other regions. <p>Freight Division</p> <ul style="list-style-type: none"> • Re-engineering of information processes/systems to improve customer assistance, information and freight tracking and tracing. • Increasing efficiency of production processes aimed at improving the reliability of transport programmes and related train punctuality. <p>Busitalia - Sita Nord</p> <ul style="list-style-type: none"> • Participation in the tender for the assignment of regional services in Friuli Venezia Giulia in collaboration with Autoguidovie. • Purchase of 37 Euro6 buses for the Tuscany Region. • Installation of new digital monitoring systems for checking driver performance. • Restructuring of customer satisfaction surveys and development of a new compliant management system to bring all Busitalia group companies into line. <p>Ataf Gestioni</p> <ul style="list-style-type: none"> • Roll out of 39 new diesel Euro6 buses. <p>Umbria Mobilità Esercizio</p> <ul style="list-style-type: none"> • Replacement of 28 service cars with new Euro6 vehicles.
<p>Train traffic safety</p>	<p>Trenitalia</p> <ul style="list-style-type: none"> • Development of predictive maintenance to identify possible breakdowns before they occur. • Reactivation of the system to check the alertness of drivers on long haul passenger transport and freight transport vehicles. • Completion of setting up state-of-the-art trains with the on board control system.
<p>Safety services</p>	<p>FS Italiane - Company protection</p> <ul style="list-style-type: none"> • Building of approximately 70 new security systems at railway stations located throughout Italy. • Building of permanent access gates to divide operating and commercial areas at Rome Termini station.

Service quality

Rete Ferroviaria Italiana

SURVEY TECHNIQUES

Via its "Market Observatory"¹¹⁵, RFI conducts customer satisfaction surveys every month, which monitor the trends of over 90 indicators of perceived quality and 90 of offered quality via two types of surveys:

- **for monitoring perceived quality:** face-to-face interviews performed based on questionnaires, including both replies that enable passengers to "grade" their level of satisfaction with the various aspects of the station and services offered and open replies;
 - **for monitoring offered quality:** surveys performed anonymously using the *Mystery customer* technique by researchers who try the station experience to see its pros and cons.
- The surveys are performed on a sample of 755 stations and are integrated by *ad hoc* qualitative investigations (i.e., focus groups).

CUSTOMER SATISFACTION - SURVEY METHODS

Scope	2,087 RFI stations with active passenger services
Target	Departing passengers aged over 14 years old and resident in Italy
Perceived quality annual sample	755 stations, through which almost 95% of passengers travel, belonging to the <i>platinum</i> , <i>gold</i> and <i>silver</i> categories
	154,560 interviews
Offered quality annual sample	820 stations, the 755 busiest network stations and an additional 65 significant stations for local public transport, belonging to the <i>silver</i> and <i>bronze</i> categories
	10,640 <i>mystery customer</i> surveys

Combination categories

The four categories are identified as follows:

- **platinum:** includes extremely high-traffic stations (over 25,000 average users per day approximately) and high-quality passenger services for long, medium and short haul journeys. Services for HS and specific services for the city and non-passenger users are generally always guaranteed;
- **gold:** includes medium/large high-traffic stations (over 10,000 average users per day approximately) and high-quality passenger services for long, medium and short haul journeys;
- **silver:** includes medium/small large-traffic stations/stops (generally over 2,500 average users per day approximately) and services for long, medium and short haul journeys;
- **bronze:** includes small low or very low-traffic stations/stops (generally over 500 average users per day), with no passenger buildings open to the public, unmanned by RFI personnel and only equipped with regional/metropolitan services.

115. Through companies selected via European calls for tender (the most recent was awarded to RTI GN Research SpA/Scenari Srl for 2014-2016).

Suppliers

Purchase sustainability

The criteria used by various Group companies to select suppliers are described below.

FERSERVIZI

Ferservizi uses environmental criteria as rewarding factors in selecting operators to supply goods and services. Following the awarding of the contract, such criteria become contractual clauses to all intents and purposes. The purpose of such environmental criteria is to ensure sustainable use of resources. For example, in 2015 they covered the following:

- using eco-friendly materials (e.g., packaging) and having product certification (e.g., FSC® and Ecolabel certifications);
- reducing energy consumption (e.g., reducing energy consumption in electric equipment compared to the threshold amount - Energy Star 5.0 certification);
- noise levels.

RFI

Based on the negotiation plan, RFI manages the order procedures with specific tenders, vetting suppliers by verifying that they meet the necessary requirements, or using the "Qualification Systems" set up pursuant to article 232 of Legislative Decree no. 163/2006, with the aim of identifying operators that meet specific moral, technical and financial requirements, and which are certified in accordance with ISO 9001 standards.

Since 2011, RFI has established another supplier qualification requirement, i.e., companies registered with the SQ007 "Control services for vegetation infesting railway areas" system operate with an environmental management system (EMS) that is certified in accordance with UNI EN ISO 14001 standards.

Since 2014, EMS certification has been mandatory for companies/suppliers that have obtained the certification under the following systems:

- SQ001 "Work on electrical traction and power systems";
- SQ004 "Work on the railway superstructure".

In general, the standard format for work contracts includes clauses requiring that the contractor, when the project is being approved or during the work, comply with current legislation on the environment and meet the requirements of environmental bodies.

As for the remote assignment of contracts for work, services and supplies, RFI continues the expansion of e-procurement system functions "RFI Purchase Portal" to enable online registration with Qualification Systems and help reduce production and transmission of paper documentation. Since 2015, the e-procurement system, previously only active for the supply and services sector, has been also available for managing work contracts.

For purchases of stone chippings, RFI mainly focuses on increasing the number of mines that have received specific approval from the appointed Technical Department in accordance with the criteria in the Technical Specifications issued in June 2012, in order to improve the environmental impact.

Furthermore, suppliers of wood sleepers must have obtained FSC® certification.



TRENITALIA

Some time ago, Trenitalia introduced specific green procurement policies and initiatives. The “Operating instructions for the management of negotiations” define the criteria for managing environmental aspects in procurement procedures. Furthermore, the Purchase Portal includes a section devoted to green procurement.

Where possible, Trenitalia has included environmental criteria in its supplier vetting procedure, which consist of mandatory requirements and offer evaluation requirements. The latter are given percentage weights that range from 1.5% to 10.7%.

A few examples of environmental requirements in tenders:

TYPE OF TENDER	REQUIREMENTS
Rolling stock cleaning	<ul style="list-style-type: none"> • ISO 14001 certification • Rewarding requirement: use of environmentally-friendly products and materials; use of energy-efficient machines
Demolition of railway carriages and sale of resulting metal scraps	<ul style="list-style-type: none"> • ISO 14001 certification
Printing of Trenitalia tickets, upon supply of paper	<ul style="list-style-type: none"> • Using paper from forested managed responsibly or from verified sources

ITALFERR

In contracts in which Group companies are the customer, in addition to the standard contractual clauses, Italferr requires external contractors implement Quality, Environmental and Safety Management Systems.

In particular, Italferr requires that the companies that are assigned the construction works design and implement, for the entire duration of the works, an Environmental Management System for site activities that provides the company and environmental protection bodies evidence of the environmental control performed during work by the contractor’s qualified personnel. These systems provide that, before starting the work, the contractor company prepares, as an extension of the environmental project for setting up the site, an environmental analysis of site activities to identify the material environmental aspects to be managed during the work and to define how to correctly manage environmental surveillance of the site in line with the applicable legislative requirements. Italferr has applied Quality requirements since 1994, Environmental Management System requirements since 2001 and Health and Safety Management System requirements since 2010.

NETINERA

The Netinera group has drafted specific purchase terms valid for orders since September 2013.

In particular, suppliers are required to comply with the 10 principles of the Global Compact, the ILO agreements, the human rights and children’s rights principles established by the United Nations and the OECD principles. In addition, suppliers are made responsible for the correct disposal of the packaging material used to transport the purchased material.

Our role in the community

Highlights

WHAT WE HAVE ACCOMPLISHED

Community	<ul style="list-style-type: none"> • Opening of the new Reggio Calabria Help Center. • Upgrading/expansion of the Help Centers in Rome, Bari, Messina, Catania and Bologna. • Assessment activities for the opening of the green station in Brenna-Alzate, in the province of Como. • Fund raising campaign to support solidarity projects for the expansion, renovation and furnishing of the “Don Luigi Di Liegro” shelter. • Start of the <i>Train in Stations</i> project, promoted together with the French, Bulgarian and Luxembourg railways to tackle social hardship at stations. • Signing of the memorandum of understanding with the Italian Association of Youth Hostels, to allocate FS areas and/or properties that are no longer in use to youth hostels. • Organising the “Winter emergency plan” to support the Help Center network’s activities in the winter months (Rome, Reggio Calabria, Messina, Bari and Naples) and large national charitable organisations (Rome Caritas, Caritas Ambrosiana, Centro Astalli, Comunità di Sant’Egidio).
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WHAT WE AIM TO DO

Community	<ul style="list-style-type: none"> • Opening of new Help Centers in Trieste, Brescia and Viareggio. • Implementing a “Winter emergency plan” to reinforce the activities planned for the winter months at the main Italian stations. • Organising the traditional fund raising campaign to support solidarity projects. • Feasibility studies for opening Help Centers at various stations in Tuscany (Livorno, Pisa, Pistoia, Prato) and the Genoa Piazza Principe station.
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Solidarity initiatives

Reuse of real estate asset and railway lines no longer in use

A few examples of areas redeveloped for social purposes are:



Ronciglione railway station	Shelter and vacation centre for families with children suffering from cancer
Milan - San Cristoforo railway station Milan-Mortara section	Unitalsi warehouse for trains departing for Lourdes
Ceccano (Frosinone) railway station Rome-Naples section	Tolerus research centre, which promotes projects and initiatives about environmental issues
Civitella Roveto (Aquila) railway station Avezzano-Roccasecca section	Location of the Croce Verde station for 118 ambulances and meeting place for locals
Ceggia (Venezia) railway station Venice-Trieste section	Location of the Accademia Nuova Musica, which offers singing, piano and guitar classes to differently-abled young people
Cotignola (Ravenna) railway station Bologna-Ancona section	Location of the "Teatro Binario", which promotes and develops various forms of culture: shows, family events and theatre, music and dance laboratories for primary and secondary schools
Luino (Varese) railway station Gallarate-Bellinzona section	"Fiocco Rosa", a listening centre for the problems of young people, non-nationals and women facing difficulties
Meina (Novara) railway station Milan-Domodossola section	Clothing collection/distribution centre for people facing difficulties, the location of the Food Bank and the Alpini Corps and Civil Protection association

Other examples of reusing spaces for social purposes are:

- **protocol signed with Legambiente:** the Group granted premises at the Potenza Superiore, Pescara Centrale and Brenna-Alzate (Como) stations on free loan as part of the Green Station project¹¹⁶;
- **agreement with the Italian Association of Youth Hostels:** social redevelopment of railway spaces and reusing unused buildings and areas no longer in use for tourist purposes, especially for young people¹¹⁷.

Another aspect of reuse, of a strictly environmental character, relates to the railway lines no longer in use, only partly owned by the Group, which could potentially be used for greenways. The Group currently owns approximately 1,700 km of these lines¹¹⁸.

Contacts have been launched with associations, the academic world and political parties to launch a greenways national plan as early as next year.

116. The objective of the Green Station project is to reuse spaces at railway stations that are no longer in use to set up centres to promote environmental sustainability and innovative mobility.

117. The Italian Association of Youth Hostels offers the railway service as the first choice for the mobility of its members, offering special tourist packages, "train plus hostel", dedicated to schools, families and groups with special attention paid to the world of disability.

118. Of over 1,700 km, approximately 780 km are owned by RFI, while roughly 950 km are owned by FS. A memorandum of understanding is under study for the reuse of lines no longer in use with the Committee for Soft Mobility, which comprises the leading Italian associations committed to environmental, cycling and sustainable tourism issues.

Social and cultural activities

National and European projects

As part of the Expo, the Group supported the “Travelling and the right to food” initiative promoted by the Action-Aid association, aimed at informing and creating awareness in public opinion about problems linked to global hunger and the fair distribution of resources¹¹⁹.

Partnerships were set up to organise important awareness campaigns with:

- the *Telefono Amico* association for the prevention of suicides;
- *Mettiamoci in gioco* against gambling addiction;
- WeWorld non-profit association against violence against women¹²⁰.

Following the completion of the “Hope in Stations” and “Work in Stations” projects, the European Commission approved financing for a new project called “Train in Stations” in which the Italian, French, Luxembourg and Bulgarian railways will jointly plan training courses on social issues together with charitable organisations¹²¹.

Fund raising campaign

The shelter was structurally and functionally overhauled, in order to both provide basic services and to foster the inclusion of disadvantaged people, above all thanks to the foundation of a new day centre that will be up and running next year¹²². Approximately 70 group volunteers, together with volunteers from Caritas Diocesana, offered bars of chocolate on board trains in exchange for a donation. Furthermore, there was the option to donate via the ticket offices, the Trenitalia self-service ticket machines and *FrecciaClub*. In this way, the shelter can provide 500 meals and accommodate up to 300 people experiencing difficulties. Finally, in January 2015, the solidarity campaign “*Per uscire dalla povertà non servono solo cose*” (“Not just things to get out of poverty”) for the restructuring of the new Caritas day shelter at Milan Centrale came to an end. The total amount raised was roughly €180,000.

Ferrovie dello Stato Italiane Group supporting culture

The Group's main partnerships in 2015 were with:

- the Venice Biennale (Art and Film Festival), Venice;
- Palazzo Strozzi, Florence;
- Scuderie del Quirinale and Palazzo delle Esposizioni, Rome;
- Palazzo Grassi, Punta della Dogana, Venice;
- Fondazione Musei Civici di Venezia, Venice;
- Fondazione Musei Civici di Firenze, Florence;
- Museo Egizio, Turin;
- Museo delle Culture, Milan;
- Reggia di Venaria Reale, Turin;
- Filarmonica della Scala, Milan;
- Opera di Firenze, Florence.



119. During the six months of the Expo, on one weekend of every month, the stations of Messina, Reggio Calabria, Naples, Rome, Turin, Genoa, Verona and Milan hosted various activities on the issue of food wastage.

120. The Group supported important awareness campaigns on social issues via its information channels at stations and on board trains. Specifically, as part of the “*Mettiamoci in Gioco*” national campaign against the risks of gambling, the Help Centers distributed information material on the issue and, to mark the “*Violenza sulle donne. Se la riconosci, la combatti*” (Violence against women. If you recognise it, you fight it) campaign, the “Help Women’s Centre” project was set up to train operators working at the Rome and Naples Help Centers to provide them with the necessary tools to design individual paths that help women to escape situations of violence and abuse.

121. The project was included among those funded by the European Union, with financing of €210,000.

122. The results achieved led to the extension of the shelter, canteen and listening centre and the building of the day shelter, located in the area above the canteen, to offer guests ongoing support throughout the day. In this manner, the shelter has now become one of the largest and most modern night and day shelters in Europe for homeless people, occupying a total surface area of 4,700 m².

The Ferrovie dello Stato Italiane Group's commitment to crucial social issues

The projects developed in 2015 include:

- **Frecciarossa: Prevention travels at high speed**

An initiative dedicated to the treatment and prevention of breast-related diseases and education on correct lifestyles, sponsored by the Ministry of Health and promoted by the IncontraDonna non-profit making organisation. The FS Italiane Group held a series of activities on board *Frecciarossa* trains with specialised doctors and volunteers from the non-profit making organisation, distributing information material in the *FrecciaClub* and activating all of the FS web and social network channels, including the on board magazine, *La Freccia*. Particular attention was paid to southern Italy, with a prevention itinerary on board trains in Sicily, Calabria and Puglia.

- **Treno Verde (Green Train)**

The Green Train, set up in partnership with Legambiente was particularly well received. Over 35,000 visitors, including students and residents, visited the train all over the country, from Sicily to Lombardy, to find out about the best experiences of high-quality Italian agriculture travelling to the Expo.

- **Children's train**

An event promoted and organised by the "Pontificio Consiglio della Cultura" in partnership with "Cortile dei Gentili". A special *Frecciargento* train left Bari on 30 May 2015 bringing to Rome, arriving at the Vatican City railway station, over 350 children of inmates of the Bari and Trani prisons to meet the Pope.

- **MUBA, Explora and Città della Scienza**

A project aimed at promoting and creating awareness with new generations about railway transport culture, especially issues related to environmental impact, technological innovation, mobility and safety.

In the three main children's museums in Italy, Museo dei Bambini in Milan, Explora in Rome and Città della Scienza in Naples, themed installations about the *Frecciarossa 1000* train were created and various laboratories were launched where children can become familiar with railway objects, actions and situations via simulation and role-playing games.

- **"DyMove - DiversitY on the MOVE"**

To mark the International Day for the Elimination of Racial Discrimination on 21 March, the FS Italiane Group offered its support to the DyMove project promoted by the Italian Prime Minister, setting up a photography exhibition at Milan's Stazione Centrale, distributing approximately 50,000 flyers on board *Frecciarossa* trains and broadcasting videos on monitors on board *Frecciarossa*, and also promoting the initiatives on its social and web channels.

- **"Mia mamma è (anche) una donna"**

To mark Mother's Day, the Group supported the We-

World non-profit making organisation's project, sponsored by the Italian Senate and Chamber of Deputies. The goal was to create awareness about the rights of mothers as women and their crucial role within the family and society. The Group's commitment was seen on board *Frecciarossa* trains (distribution of 35,000 flyers, videos of the project broadcast on the on board monitors), the regional transport stations (hanging up posters), at Milan's Stazione Centrale (photography exhibition by Fabio Lovino: «Mothers. *L'amore che cambia il Mondo*»), in the Rome and Milan *FrecciaClub* (corners with distribution of brochures and videos of the project), in addition to the station Help Centers.

- **"Io non rischio" ("I don't risk")**

Ferrovie supported the publicity of the information campaign "Io non rischio". The objective was to inform civil society about good practices related to civil protection. On 17 and 18 October 2015, the initiative involved 400 Italian municipalities where thousands of volunteers informed residents about the correct way to act before, during and after events such as earthquakes and floods. Flyers and leaflets were distributed. The Group showed its commitment on board trains (monitors at Grandi Stazioni and Centostazioni circuit stations and monitors on board *Frecciarossa* and *Frecciargento* trains).

- **"Liberi dal gioco d'azzardo"**

The Group supported the campaign "Liberi dal gioco d'azzardo" promoted by "Mettiamoci in gioco", a group of parties (institutions, charitable organisations, consumer associations) coordinated by National Coordinator of Shelter Communities. The aim was to raise awareness about the risks of gambling.

The Group showed its commitment through monitors on board trains and in stations and in the 15 station Help Centers (where posters were hung).

- **"Violenza sulle donne. Se la riconosci la combatti"**

To mark the International Day for the Elimination of Violence against Women on 25 November, the FS Italiane Group supported the project "Violenza sulle donne. Se la riconosci la combatti" ("Violence against women. If you recognise it, you fight it") with the sponsorship of the Italian Senate and the Prime Minister. The objective was to fight violence against women, raise awareness and inform passengers on trains and in stations. 50,000 brochures/handbooks were distributed on this issue on board *Frecciarossa* trains and at the 15 station Help Centers.

- **Consumer associations**

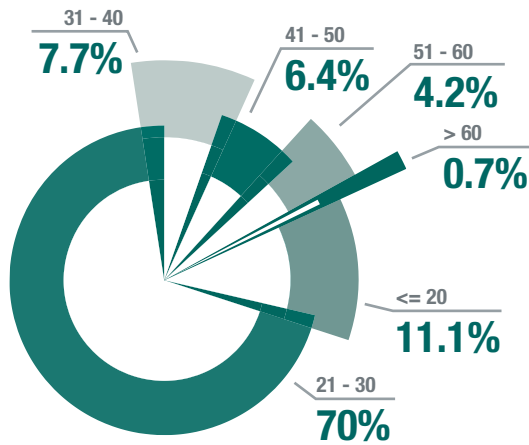
A meeting was held in November with consumer associations with the involvement of Trenitalia managers. Issues linked to regional transport and the long haul service were discussed.

Our people

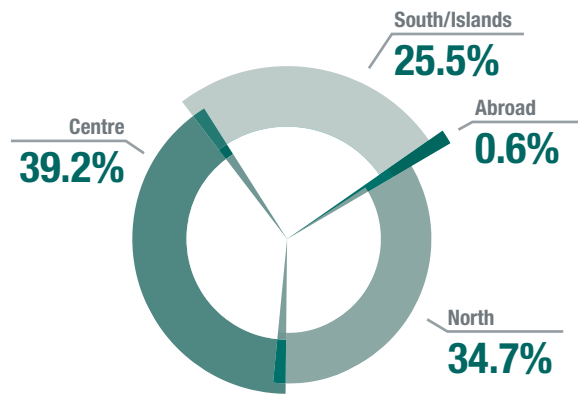
Workforce breakdown

Additional graphical analyses of workforce breakdown and turnover are provided below.

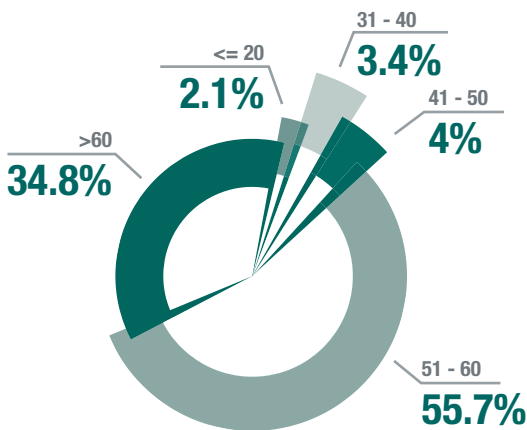
INCOMING EMPLOYEES BY AGE BRACKET - 2015



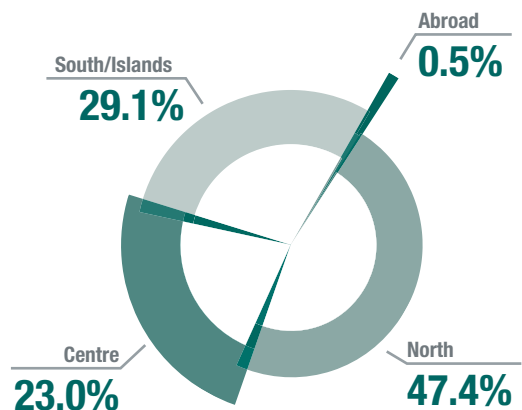
INCOMING EMPLOYEES BY GEOGRAPHICAL AREA - 2015



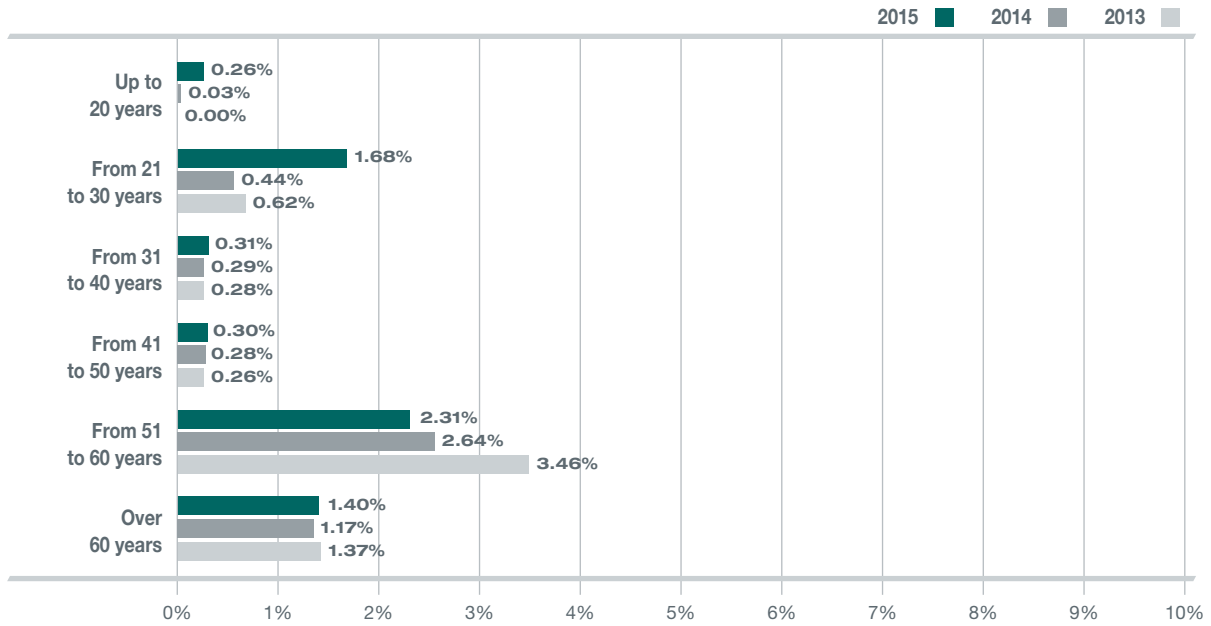
OUTGOING EMPLOYEES BY AGE BRACKET - 2015



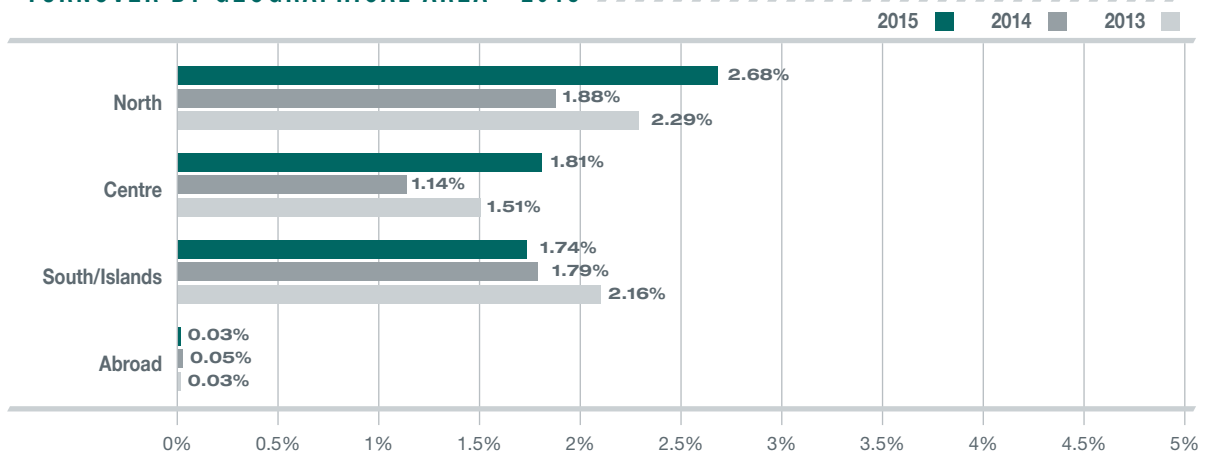
OUTGOING EMPLOYEES BY GEOGRAPHICAL AREA - 2015



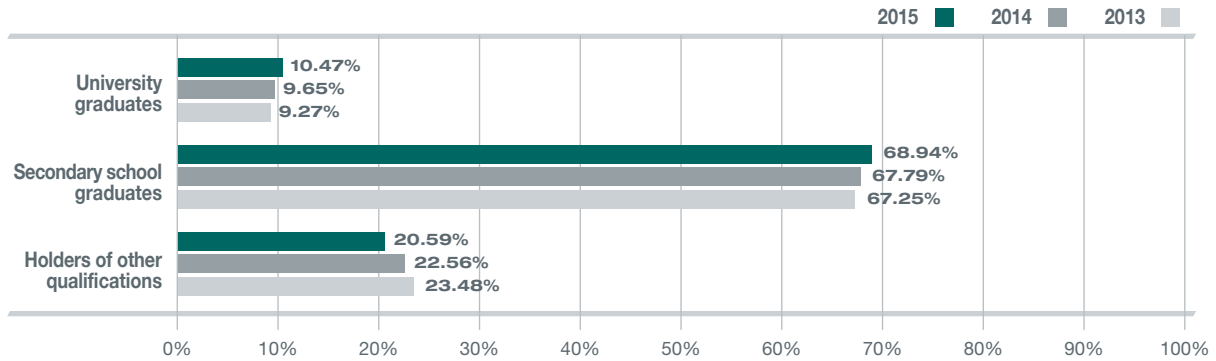
TURNOVER BY AGE BRACKET - 2015



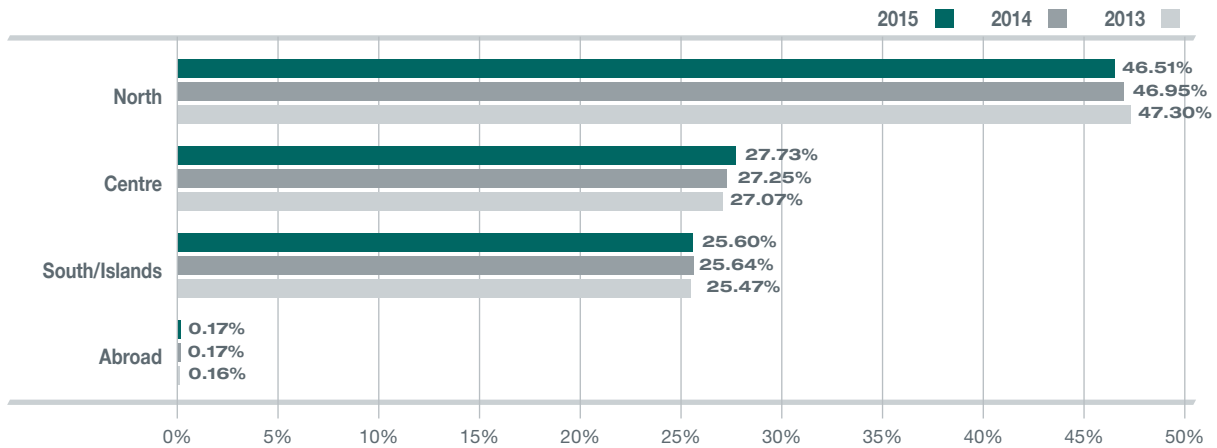
TURNOVER BY GEOGRAPHICAL AREA - 2015



BREAKDOWN OF PERSONNEL BY EDUCATION LEVEL



GEOGRAPHICAL BREAKDOWN OF PERSONNEL



Human capital

Training activities performed in 2015 are detailed as follows.

INSTITUTIONAL TRAINING

Projects continue for fresh graduates and experts: the **Induction programme and behavioural training** involved approximately 180 young people for 25 days of training provided in the classroom, through field trips and by developing innovative projects. In 2015, the training programme placed fourth in a competition between 40 Italian and international companies organised by Università La Sapienza and CampusMentis.

MANAGERIAL TRAINING

The training programme for Group junior managers in charge of operating structures: *La leadership a colori* (Coloured Leadership) involved 100 junior managers for seven days of training aimed at training and developing the management of human resources in terms of the objective assessment of people, team building and leadership, motivation management, setting objectives and managing feedback.

In 2015, the Group launched a project related to **leadership** and **management** involving 513 Group managers. The course had 12 sessions that took place over two days and its objective was to bring management up to date with new strategic guidelines on communication and development.

The Group continued to participate, with 130 managers and junior managers, in the seminars of the **Permanent Updates catalogue** organised by The European House Ambrosetti focused on updating on various market and business issues and managerial considerations.

All target groups (managers, junior managers and university graduates) received training courses, with different levels of depth, on economics, involving more than 200 people.

PROFESSIONAL TECHNICAL TRAINING

Professional technical training, with roughly 314,000 man-days of training provided, focused on imparting and updating specialised know-how for the main professional families.

The Parent involved approximately 600 people in training and update activities on certain specific issues, involving a cross-section of Group resources from the professional groups involved (updates on: IFRS legislation, tax matters, Legislative Decree no. 231 and anti-corruption, asset management, assessors and coaching, health and safety in the workplace).

The operating companies centred their training on supporting their various businesses. Over 80% of training was focused on technical courses related to operations, maintenance and specialist skills.

Special attention was paid to training related to customers, health and safety in the workplace from the point of view of behaviour and awareness of role, in addition to ongoing improvement and efficiency of operating processes.

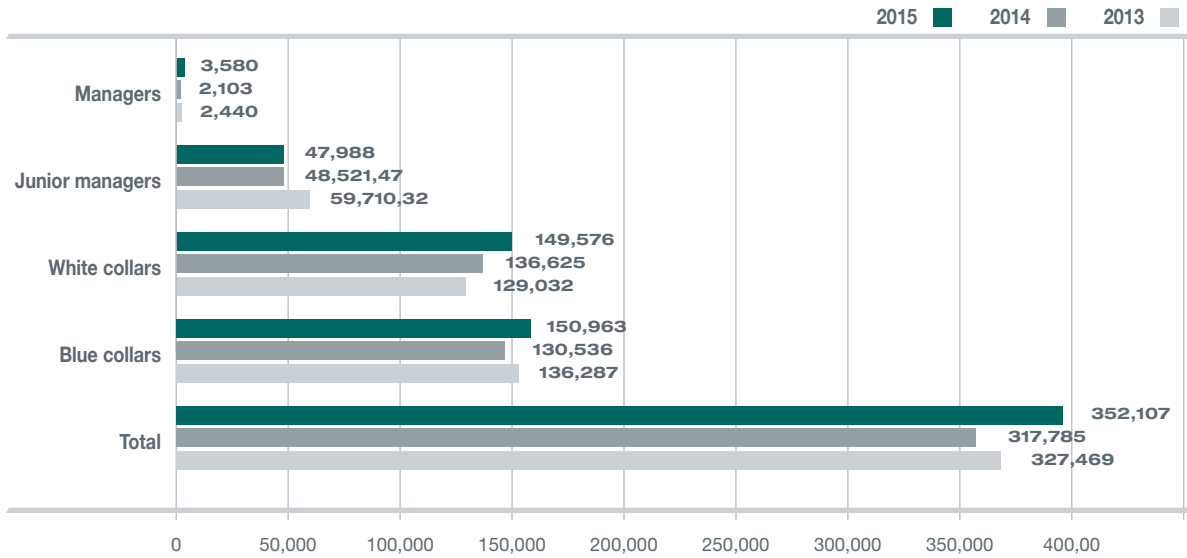
Within technical training, significant weight was given to training on safety in railway operation, based on instructions provided by the National Agency for Railway Safety, in addition to training on Integrated Safety and Environmental Management Systems.

Significant training was also provided to promote good health for workers in terms of management work-related stress for operating rooms and anti-aggression training.

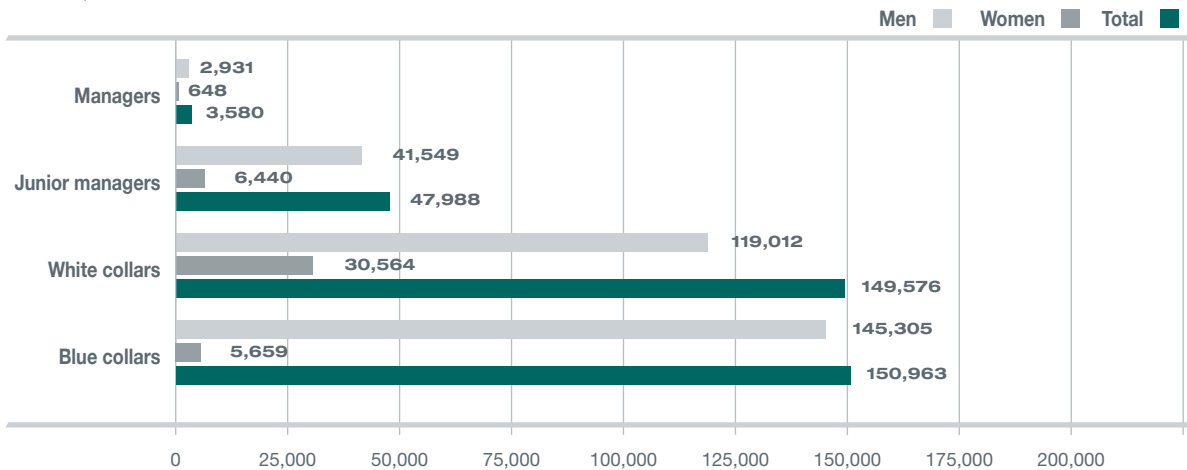
SHARED CROSS TRAINING

Significant investments continued in language training in terms of budget and volume. 2015 saw a notable increase in community involvement, with more positions and professions throughout the Group taking part.

FREQUENCY MAN/HOURS TREND



FREQUENCY MAN/HOURS BY PROFESSIONAL POSITION



Content index

G4-EC8 / G4-32

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Strategy and analysis			
G4-1	✓	✓	Letter to the stakeholders (pp. 6-7) Strategy and objectives (pp. 26-27) Our approach to sustainability (pp. 28-30) Respecting and protecting the environment - Our approach (pp. 138-139) 2015 Annual report (paragraphs "Macroeconomic context", "Main events of the year", "Events after the reporting date")
G4-2	✓	✓	Letter to the stakeholders (pp. 6-7) The Group's sustainability in short (pp. 8-12) Methodology (pp. 12-15) Strategy and objectives (pp. 26-27) Our approach to sustainability (pp. 28-30) The internal control and risk management system (pp. 40-43) Results of operations – highlights (pp. 44-45) Customers – highlights (pp. 50-52) Suppliers – highlights (pp. 100-101) Our role in the community - highlights (pp. 106-107) Our people – highlights (pp. 116-117) Environmental respect and protection - Our approach (pp. 138-139) Environmental performance – highlights (pp. 140-141) Environmental performance – The Group's main environmental issues (pp. 142-144) Annexes: Individual company attachments (pp. 209-248) 2015 Annual report (paragraph "Risk factors")
Organisation			
G4-3	✓		Methodology (pp. 12-15)
G4-4	✓		The business model (pp. 20-21) The transport segment and the reference market (pp. 22-25)
G4-5			The Parent, "Ferrovie dello Stato Italiane", is based in Rome, Piazza della Croce Rossa, 1
G4-6	✓		The transport segment and the reference market (pp. 22-25)
G4-7	✓	✓	The business model (pp. 20-21) The governance system (pp. 36-39) 2015 Annual report (paragraph "Equity investments"; "Annexes-Scope of consolidation and Group's equity investments")
G4-8	✓	✓	The transport segment and the reference market (pp. 22-25) Transport: mobility services (pp. 52-54) Infrastructure sector: mobility services (p. 55) 2015 Annual report (paragraph "Transport, Infrastructure, Real Estate Services and Other Services sectors")
G4-9	✓	✓	The business model (pp. 20-21) The Group's sustainability in short (pp. 8-12) 2015 Annual report (paragraph "The Group's performance")
G4-10	✓		Workforce (pp. 118-121) People Care (pp. 128-130)

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
G4-11	✓		Remuneration and pensions (pp. 125-127) Relationships with trade unions (pp. 134-136)
G4-12	✓		Suppliers' profile and assessment (pp. 103-104)
G4-13	✓	✓	Methodology (pp. 12-15) The business model (pp. 20-21) Suppliers' profile and assessment (pp. 103-104) 2015 Annual report (paragraph "Main events of the year")
G4-14	✓		Land development and protection (pp. 154-159) The Group applies the precautionary principle in the assessment and management of economic, environmental and social risks
G4-15	✓		Management systems (p. 35) Our approach to sustainability (pp. 28-30) Service quality (pp. 56-89) Travel safety (pp. 90-99) Relationships with trade unions (pp. 134-136)
G4-16	✓		Stakeholders (pp. 31-34)
Significant aspects and scope			
G4-17	✓	✓	The business model (pp. 20-21) The transport segment and the reference market (pp. 22-25) 2015 Annual report (paragraph "Annexes-Scope of consolidation and Group's equity investments" pp. 216-225)
G4-18	✓		Methodology (pp. 12-15)
G4-19 G4-20 G4-21	✓		Methodology (pp. 12-15)
G4-22	✓		Methodology (pp. 12-15) Any restatements/reclassifications are individually indicated in this document
G4-23	✓		Methodology (pp. 12-15) Any restatements/reclassifications are individually indicated in this document
Stakeholder engagement			
G4-24 G4-25 G4-26 G4-27	✓		Stakeholders (pp. 31-34) The criteria used to identify stakeholders are as follows: responsibility, influence, proximity, representation, strategy
Report profile			
G4-28	✓		The reporting period is 2015
G4-29	✓		Methodology (pp. 12-15)
G4-30	✓		Sustainability Reports are annual
G4-31	✓		Evaluation survey <i>E-mail:</i> rapportosostenibilita@fsitaliane.it <i>Fax:</i> 0644102077
G4-32	✓		Methodology (pp. 12-15) Content index (pp. 193-208) Independent Auditors' report (pp. 249-252) The report was prepared using the "in accordance – Comprehensive" option

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
G4-33	✓	✓	Methodology (pp. 12-15) Independent Auditors' report (pp. 249-252)
Governance			
G4-34	✓		The governance system (pp. 36-39) The internal control and risk management system (pp. 40-43)
G4-35 G4-36	✓		The governance system (pp. 36-39) Ferrovie dello Stato Italiane SpA establishes and coordinates the Group operating companies' policies and business strategies. It also ensures governance processes made up of Divisions to define strategic lines and promote the consensus on decisions. Specifically, the Central Strategies, Planning and Systems Department is responsible for developing and updating the Group companies' Environmental Management Systems Governance Model and preparing the Sustainability Report. The "External Communication and Media Department" is responsible for cultural and social initiatives, in collaboration with the "Central Strategies, Planning and Systems Department". FS SpA manages institutional affairs with the Government, considered in the broadest sense (Central Government, Ministries, Regions and public administrations in general).
G4-37			In accordance with current corporate legislation and considering the ownership structure, there are no specific mechanisms available to employees to provide direct recommendations or suggestions to the highest Governance Body.
G4-38	✓	✓	The governance system (pp. 36-39) The internal control and risk management system (pp. 40-43) 2015 Annual report (paragraph "Report on corporate governance and ownership structure - Board of Directors of FS SpA")
G4-39		✓	2015 Annual report (paragraph "Report on corporate governance and ownership structure - Board of Directors of FS SpA")
G4-40	✓	✓	The governance system (pp. 36-39) 2015 Annual report (paragraph "Report on corporate governance and ownership structure - Board of Directors of FS SpA")
G4-41	✓		The governance system (pp. 36-39) The internal control and risk management system (pp. 40-43) Directors' interests are governed by article 2391 of the Italian Civil Code and the Code of Ethics of Ferrovie dello Stato Italiane Group which 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 contrast with said provision shall be reported to the relevant managers or the Ethics Committee. www.fsitaliane.it/fsi-en/About-us/Governance/Code-of-Ethics/Code-of-Ethics

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
G4-42	✓	✓	<p>The internal control and risk management system (pp. 40-43) 2015 Annual report (paragraph "Report on corporate governance and ownership structure")</p> <ul style="list-style-type: none"> • The BoD puts forward changes to the by-laws, including the business object, to the Shareholders' Meeting • The BoD is responsible for defining, upon proposal of the CEO, the Company's and the Group's strategic lines • By setting up the Audit, Risk Control and Corporate Governance Committee, the BoD also entrusted the latter with the responsibility for expressing an opinion on specific issues related to the identification of the main business risks, including in respect of the strategic plans and initiatives to be submitted to the BoD's proposal (e.g., strategic, business and financial plans, non-recurring transactions, etc.).
G4-43		✓	<p>2015 Annual report (paragraph "Report on corporate governance and ownership structure")</p> <p>For information on the measures adopted to ensure that the highest governance body is aware of economic, environmental and social issues, reference is made to the by-laws or the law that directly applies to the Company.</p>
G4-44	✓	✓	<p>The governance system (pp. 36-39) 2015 Annual report (paragraph "Report on corporate governance and ownership structure")</p>
G4-45 G4-46	✓	✓	<p>The governance system (pp. 36-39) The internal control and risk management system (pp. 40-43) 2015 Annual report (paragraph "Report on corporate governance and ownership structure")</p> <p>Projects with a significant impact on the Group's performance are brought to the Board of Directors' attention who analyses the related risks and opportunities. Furthermore, the BoD confirmed the setting up of an Audit, Risk Control and Corporate Governance Committee responsible for supporting the board's internal control and risk management assessments, the Company's and the Group's corporate governance and social responsibility, by presenting proposals and providing advisory activities. Moreover, the BoD periodically receives a report from the Central Internal Audit Department that describes the activities carried out by all the Group's internal audit departments in relation to Internal Control System assessments.</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"> • defining the guidelines for the internal control and risk management system so that the main risks related to FS SpA and the companies it controls are fully identified and adequately measured, managed and monitored; • identifying the degree of compatibility of the above risks with business management that is in line with the strategic goals identified and setting the Company's financial risk; • assessing, at least annually, the adequacy of the internal control and risk management system against business characteristics and the risk profile in force, as well as the efficiency of said system; • approving, at least annually, the work plan prepared by the head of the Internal Audit Department, after hearing the Board of Statutory Auditors; • assessing, after hearing the Board of Statutory Auditors, the results as described by the independent auditors in the management letter, if any, and the report on the main issues that arose during the legally-required audit.
G4-47	✓		<p>Sustainability performance is analysed and the risk map is updated each year</p>

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
G4-48	✓		Methodology (pp. 12-15) The BoD approves the Sustainability Report
G4-49			The head of the Internal Audit Department is responsible for reporting any critical issues to the highest governance body. In accordance with the General Ministries' Decree no. 198/P of 25 November 2015, the former reports every quarter on the progress of the activities carried out by all internal audit departments and, where necessary, describes any aspects requiring immediate attention. Furthermore, the same Decree provides for "urgent reporting" to the highest governance body concerning facts and circumstances identified during internal audit activities which require immediate action prior to the issue of the final report. Reporting to the highest governance body is also carried out by FS Italiane's Supervisory Body pursuant to Legislative Decree no. 231/2001.
G4-50			In 2015, approximately 95 significant issues were reported to the highest governance body. They are not widespread, but they may be classified as structural weaknesses of the Internal Control System (ICS). The ICS is the set of tools available to the highest governance body to carry out governance activities. With respect to all reported issues, the relevant managers planned and implemented, in part, the related impairment actions whose success is constantly monitored and periodically reported on the highest governance body.
G4-51	✓		Remuneration and pensions (pp. 125-127)
G4-52		✓	2015 Annual report (paragraph "Report on corporate governance and ownership - Board of directors of FS SpA - Directors' remuneration")
G4-53			To date, no stakeholder involvement mechanism is in place with respect to remuneration policies.
G4-54			The ratio of the annual remuneration of the person with the highest pay compared to the average annual remuneration of all employees is 19.43.
G4-55			The percentage increase in the annual remuneration of the person with the highest pay compared to the percentage increase in the average annual remuneration of all employees is zero.
Ethics and integrity			
G4-56	✓	✓	Our approach to sustainability (pp. 28-30) The governance system (pp. 36-39) 2015 Annual report (paragraph "Report on corporate governance and ownership structure - Profile and values") www.fsitaliane.it/fsi-en/About-us/Governance/Code-of-Ethics/Code-of-Ethics Although the recommendations of the code of conduct which listed companies adopts on a voluntary basis do not apply to the Company, the latter applied the provisions of said code to some governance aspects, specifically, setting up the two FS board committees: the Audit, Risk Control and Corporate Governance Committee and the Remuneration and Appointment Committee.

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
G4-57			<p>The Group's Code of Ethics states its commitment to reply to any suggestion, claim or request for clarification filed by customers or consumer associations, using suitable and punctual communication systems (post, e-mails, faxes, website, call centre).</p> <p>Furthermore, employees requesting clarification and support about the interpretation and implementation of the Code's provisions should contact their managers or the relevant Company's Ethics Committee or that of the Parent.</p> <p>The Code includes the address to which requests may be sent (e-mail: ComitatoEtico@ferroviedellostato.it; post: Ferrovie dello Stato Italiane SpA Direzione Centrale Audit, Piazza della Croce Rossa, 1 – 00161 Rome).</p>
G4-58			<p>Under the Code of Ethics, anyone (employees, customers, suppliers and free lancers) becoming aware of unlawful conduct or violations of the Code by any of the parties with which the Group operates, shall inform – in writing and not anonymously – the Ethics Committee of the relevant Company or the Parent's Ethics Committee.</p> <p>The confidentiality of the reporting party is ensured, without prejudice to legal obligations.</p> <p>The reporting obligation is made public through Ferrovie dello Stato Italiane's institutional website which includes the addresses to be used for complaints and reports.</p> <p>With respect to whistle blowing, the confidentiality of the reporting party is ensured and management is committed to preventing any type of retaliation against the reporting party.</p> <p>Further whistle blowing obligations include those related to Supervisory Bodies pursuant to Legislative Decree no. 231/2001 set out in the Group companies' Management and organisational models.</p> <p>The models include the e-mail and postal addresses to be used to send complaints and reports about violations of the Models or suspected crimes as covered by Legislative Decree no. 231/2001 to the relevant bodies.</p>



CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Financial aspects			
G4-DMA			
Letter to the stakeholders (pp. 6-7) The business model (pp. 20-21)			
The Planning And Management Control System ensures consistency with the strategic guidelines and goals set by the Board of directors. For additional information, reference should be made to the paragraph "The internal control and risk management system" (pp. 40-43).			
Through a Group Measure, the Parent defined the principles and the criteria that each company must comply with to ensure consistent and common processes within the Group in relation to capital expenditure and the divestment of property, plant and equipment which are no longer useful. Specifically, it defines the guidelines for the processes concerning the approval of the Investment and Divestment Plan, the authorisation, control, re-authorisation, if any, and termination of investment/divestment programmes/projects. The investment and divestment management process focuses on the company's explicit and independent authorisation of each programme/project. Consequently, the approval of the Investment and divestment plan does not require the authorisation of individual programmes/projects. In this respect, the Plan coincides with the strategic consolidation of investment/divestment strategies, at both company and Group level. The Parent is responsible for defining and checking the correct application of the rules governing the approval, authorisation and control processes, including by monitoring the correct development of the approved investment/divestment programmes/projects. Responsibility for the authorisation and re-authorisation processes of individual investment/divestment programmes/processes rests with individual companies. When the programmes/projects cover the Group, as detailed below, the Parent's preliminary approval is necessary. The Group's Investment Committee approves the strategic, economic and financial aspects of the Group's Investment and divestment plan/budget and validates the list of the Group's significant investment/divestment programmes/plans, previously identified by the Central Strategies, Planning and Systems Department (CSPSD), as well as the parameters necessary for the financial valuation of each company's initiatives.			
The Group has started to analyse, and will later improve, the sustainable performance of the supply chain by sending, for the first time, a self-assessment questionnaire to the companies' strategic suppliers (stage 1). In 2016, stage 1 will be improved by updating and integrating the self-assessment questionnaire, expanding the scope of the assessment to include additional strategic suppliers and increasing their awareness of sustainability issues. Stage 2 will select "high risk" suppliers, based on an analysis of the self-assessment questionnaire, which will be subject to internal audits (stage 3) in order to jointly identify corrective actions and monitor the action plans implemented to resolve the critical issues identified.			
Procurement policies (p. 102) Suppliers' profile and assessment (pp. 103-104) Methodology - Materiality matrix (pp. 12-15)			
Economic performance			
G4-EC1	✓		Economic highlights (pp. 46-48) Solidarity initiatives (pp. 108-113)
G4-EC2		✓	2015 Annual report (paragraph "Risk factors") To date, the Group's management has not estimated the possible financial impact of climate change.
G4-EC3	✓	✓	Remuneration and pensions (pp. 125-127) 2015 Annual report (paragraph "Notes to the consolidated financial statements - Post-employment benefits and other employee benefits")
G4-EC4	✓	✓	Investments (pp. 48-49) 2015 Annual report (paragraph "Main events of the year")

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Market presence			
G4-EC5	✓		Remuneration and pensions (pp. 125-127)
G4-EC6	✓		Workforce (pp. 118-121) As the Group is mainly active in Italy, this indicator is of little significance.
Indirect economic impacts			
G4-EC7	✓		Investments (pp. 48-49) Solidarity initiatives (pp. 108-113)
G4-EC8			<p>A study on a High Speed railway line* has analysed new trends in demand for transport generated by the construction of the Italian HS system, identifying and calculating the money value of its impact on the environment, safety, health, economic development and well being.</p> <p>For example, the Milan-Rome HS line alone has an estimated benefit on the community worth no less than €2.1 billion, with significant impacts on the entire logistics system, especially thanks to a decrease in accidents, a reduction in the production of greenhouse gas, savings in time and travel costs, with economic/social repercussions that are estimated to total at least €8.7 billion thanks to greater flows for tourism, education and business, in addition to boosting property values in the areas near the stations.</p> <p>Freight transport is another choice that generally offers lower external costs, as demonstrated by the external cost calculator**, an online tool used to calculate the external costs, in terms of accidents and greenhouse gas emissions, of road, rail, ship and intermodal transport services for individual journeys.</p> <p>* Agici Finanza d'Impresa compiled the survey <i>The benefits of having built the Turin-Milan-Naples High Speed railway line</i> in 2012.</p> <p>** The calculator was developed by a team made up of CE Delft (Netherlands), INFRAS (Switzerland) and IVE mbH (Germany) with the support of UIC and CER and is available at www.externalcost.eu.</p>
Supplies			
G4-EC9	✓		Suppliers' profile and assessment (pp. 103-104)

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Environment			
G4-DMA			
Respecting and protecting the environment - Our approach (pp. 138-139) Management systems (p. 35)			
The Group's commitment to managing environmental aspects is described in the Environmental policy: www.fsitaliane.it/fsi-en/Commitment/Environmental-Commitment/Environmental-Policy/Environmental-policy-2014			
Methodology - Materiality matrix (pp. 12-15)			
Materials			
G4-EN1	✓		Land development and protection (pp. 154-159) At present, the percentage of non-renewable resources used cannot be identified.
G4-EN2	✓		Land development and protection (pp. 154-159) At present, the percentage of materials used that are recycled input materials cannot be identified.
Energy			
G4-EN3	✓		Energy (pp. 145-149) Land development and protection (pp. 154-159)
G4-EN4	✓		Energy (pp. 145-149) Land development and protection (pp. 154-159)
G4-EN5	✓		Energy (pp. 145-149)
G4-EN6	✓		Energy (pp. 145-149)
G4-EN7	✓		Energy (pp. 145-149)
Water			
G4-EN8	✓		Other impacts (pp. 164-167) Land development and protection (pp. 154-159)
G4-EN9	✓		Other impacts (pp. 164-167) Land development and protection (pp. 154-159)
G4-EN10	✓		Other impacts (pp. 164-167)
Biodiversity			
G4-EN12	✓		Land development and protection (pp. 154-159)
Emissions			
G4-EN15	✓		Emissions (pp. 150-153)
G4-EN16	✓		Emissions (pp. 150-153)
G4-EN17	✓		Emissions (pp. 150-153)
G4-EN18	✓		Emissions (pp. 150-153)
G4-EN19	✓		Emissions (pp. 150-153)
G4-EN20	✓		Emissions (pp. 150-153)
G4-EN21	✓		Emissions (pp. 150-153)

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Waste and discharges			
G4-EN22	✓		Land development and protection (pp. 154-159) Other impacts (pp. 164-167)
G4-EN23	✓		Land development and protection (pp. 154-159) Waste management (pp. 160-161)
G4-EN24	✓		Land development and protection (pp. 154-159) Other impacts (pp. 164-167)
G4-EN25	✓		Land development and protection (pp. 154-159) Waste management (pp. 160-161)
G4-EN26	✓		Land development and protection (pp. 154-159) Other impacts (pp. 164-167) There are no discharges in protected areas.
Products and services			
G4-EN27	✓		Environmental performance
Compliance			
G4-EN29	✓		Compliance (p. 43) In 2015, no significant administrative or legal fines were imposed for violation of environmental regulations or laws.
Transport			
G4-EN30	✓		Emissions (pp. 150-153)
Overall			
G4-EN31	✓		Land development and protection (pp. 154-159) Environmental performance - The Group's main environmental issues (pp. 142-144) Noise (pp. 162-163) Other impacts (pp. 164-167)
Supplier environmental assessment			
G4-EN32	✓		Procurement policies (p. 102) Suppliers' profile and assessment (pp. 103-104) Sustainable purchases (p. 105)
G4-EN33	✓		Suppliers' profile and assessment (pp. 103-104) In 2015, there were no significant negative events caused by real or potential environmental impacts related to the Group's supply chain.
Environmental complaints mechanisms			
G4-EN34	✓		In 2015, 319 complaints were received. Of the 317 complaints considered, 290 were resolved during the year. 38 complaints were received before the reporting period and were resolved in 2015.

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Social			
Employment practices and adequate working conditions			
G4-DMA			
<p>The Group manages and organises human resources in full compliance with the rights established by the law and the Code of Ethics which it adopted and which expressly states: "human resources are the Group's main assets". Through the Code of Ethics, the Ferrovie dello Stato Italiane Group formally and substantially commits to operate without any distinction whatsoever on grounds of sex, race, language, religion, political opinion, personal or social origin. Furthermore, thanks to the Equal Opportunities Committee, the Group also undertakes to promote actions that provide female workers with more favourable conditions and greater opportunities.</p> <p>The Group constantly spreads, strengthens and updates prevention measures in accordance with ruling legislation, promotes responsible behaviour by all personnel and regularly introduces new training and best practice tools. Furthermore, the Group's main companies implemented OHSAS 18001-certified management systems.</p> <p>The Group is constantly committed to supporting the professional growth of its resources. As the Parent, Ferrovie dello Stato Italiane plans and provides Group companies with cross training. Furthermore, each Group company ensures the professional growth and updating of its resources by offering specific business courses.</p> <p>Our approach to sustainability (pp. 28-30) Management systems (p. 35) www.fsitaliane.it/fsi-en/About-us/Governance/Code-of-Ethics/Code-of-Ethics Methodology - Materiality matrix (pp. 12-15)</p>			
Workforce			
G4-LA1	✓		Workforce (pp. 118-121)
G4-LA2	✓		Remuneration and pensions (pp. 125-127)
G4-LA3	✓		Relationships with trade unions (pp. 134-136) There is a 100% rate of return to work after parental leave. There is a 100% retention rate after parental leave except for voluntary resignation.
Relationships with trade unions			
G4-LA4	✓		Relationships with trade unions (pp. 134-136)
Occupational health and safety			
G4-LA5			A Health And Safety Committee has not yet been set up.
G4-LA6	✓		Health and safety (pp. 131-133) Relationships with trade unions (pp. 134-136) 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. In 2014, the last year of available data, the frequency of occupational diseases reported (i.i. mp = number of occupational diseases reported/average workforce *1000) was 2.3 (scope: RFI, Trenitalia, Italferr, Ferservizi, FS, Italcertifer and FS Logistica). Disease prevention measures include an important scheme of regular health monitoring by Group doctors in accordance with the occupational health and safety and train traffic safety legislation. Specifically, in 2015, 45,970 employees underwent at least one medical check-up.
G4-LA7	✓		Health and safety (pp. 131-133)
G4-LA8	✓		Relationships with trade unions (pp. 134-136)

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Training and education			
G4-LA9	✓		Human capital (pp. 122-124)
G4-LA10	✓		Workforce (pp. 118-121) Human capital (pp. 122-124) Remuneration and pensions (pp. 125-127)
G4-LA11	✓		Human capital (pp. 122-124)
Diversity and equal opportunities			
G4-LA12	✓		The governance system (pp. 36-39) Workforce (pp. 118-121) People care (pp. 128-130) 57% of FS SpA's Directors are men, while women account for 43% thereof. 71% are aged between 30 and 50, while the remaining 29% is over 50. The Group is compliant with current regulations regarding protected groups.
Equal remuneration for men and women			
G4-LA13	✓		Remuneration and pensions (pp. 125-127)
Suppliers' assessment based on employment policies and conditions			
G4-LA14	✓		Suppliers' profile and assessment (pp. 103-104)
G4-LA15	✓		Suppliers' profile and assessment (pp. 103-104) In 2015, there were no significant negative events caused by real or potential impacts related to employment policies concerning the Group's supply chain.
Employment conditions' complaints mechanisms			
G4-LA16			In 2015, 26 complaints were received. Of the 25 complaints considered, 18 were resolved during the year. Three complaints were received before the reporting period and were resolved in 2015. Furthermore, 742 letters of formal notice were received in connection with labour law claims from employees, Group companies' former employees or contractors' employees. Almost all complaints become legal disputes.
Human rights			
<p>G4-DMA The Code of Ethics is a "charter of fundamental rights and responsibilities" whereby the Ferrovie dello Stato Italiane Group establishes and clarifies its responsibilities and commitments to internal and external stakeholders.</p> <p>Our approach to sustainability (pp. 28-30) www.fsitaliane.it/fsi-en/About-us/Governance/Code-of-Ethics/Code-of-Ethics</p>			

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Investments			
G4-HR1			<p>The Ferrovie dello Stato Italiane Group makes its purchases in accordance with EU Directives, as implemented by the Contracting Code (Legislative Decree no. 163/2006), and its own "Regulation for Negotiations with Group companies", issued on 27 March 2012.</p> <p>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).</p> <p>The standard contractual clauses include requirements that the contractor comply with:</p> <ul style="list-style-type: none"> labour and social security laws, with the application of national labour agreements; occupational safety and hygiene obligations; the standards in the "Group's Code of Ethics". <p>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.</p> <p>As reported in the Code of Ethics, the FS Group safeguards and promotes human rights in all areas of operation, creating equal opportunities for its people and fair treatment for all, regardless of race, nationality, political opinions, religion, gender, age, ability, sexual orientation and personal or social conditions.</p>
G4-HR2			No specific training is provided in relation to human rights.
Non-discrimination			
G4-HR3			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.
Freedom of association and bargaining			
G4-HR4			All Group contracts require the full acceptance of the Code of Ethics. There are no suppliers or activities in which the freedom of association and collective bargaining is exposed to significant risk.
Child labour			
G4-HR5			All Group contracts require the full acceptance of the Code of Ethics. There are no suppliers or activities with significant risk of child labour.
Forced labour			
G4-HR6			All Group contracts require the full acceptance of the Code of Ethics. There are no suppliers or activities with significant risk of forced labour.
Safety practices			
G4-HR7			No specific training is provided about human rights. Any action in this respect may be included in training on prevention promoting the health of employees and, hence, referring to occupational safety training.
Rights of indigenous people			
G4-HR8			There were no violations of the rights of indigenous people.
Assessment			
G4-HR9			To date, no human rights assessments have been conducted.
Suppliers' assessment based on human rights			
G4-HR10			All Group contracts require the full acceptance of the Code of Ethics. In 2015, no contracts were entered into with suppliers, contractors and other partners that provided for the inclusion of provisions on human rights or that were subject to specific actions following the assessment of human rights.
G4-HR11			There were no real or potential impacts related to the Group's supply chain in respect of human rights.

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Human rights' complaints mechanisms			
G4-HR12			In 2015, no violations of human rights were reported using formal mechanisms.
Company			
G4-DMA Our approach to sustainability (pp. 28-30) The governance system (pp. 36-39) The internal control and risk management system (pp. 40-43)			
Local communities			
G4-SO1	✓		Stakeholders (pp. 31-34) Making the most of land and protection (pp. 154-159) Solidarity initiatives (pp. 108-113)
G4-SO2	✓		Making the most of land and protection (pp. 154-159)
Anti-corruption			
G4-SO3	✓		The internal control and risk management system (pp. 40-43) The Group Measure no. 172/AD "Guidelines for the prevention of corruption between private parties in the FS Italiane Group" was issued in 2014. The Internal Audit Department launched a survey to propose a document on anti-corruption to be adopted by the Group in order to: mitigate the risk of corrupt practices and strengthen ethical culture; promote the spreading of transparent practices among the personnel, customers, suppliers and all other stakeholders; raise the awareness of the risk of corruption and the fact that each employee can contribute to identifying and combating illegal practices and empower management to preserve the integrity of personnel. The Group Measure no. 178/AD of 6 October 2014 "Risk management Group model" includes a risk glossary which comprises the "Integrity risk" (wrongful acts against the Company) category. In accordance with the Group measure, during risk assessment meetings, the Process Owners may identify, where present, specific risks attributable to this category. Again, based on the Group measure, of the 20 macro-processes identified at Group level, 11 (55%) are potentially exposed to the integrity risk.
G4-SO4	✓		The internal control and risk management system (pp. 40-43)
G4-SO5	✓		The internal control and risk management system (pp. 40-43) Compliance (p. 43)
Public policy			
G4-SO6	✓		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. Relationships with political parties, movements, committees and political and trade unions organisations are managed exclusively by formally designated company departments. www.fsitaliane.it/fsi-en/About-us/Governance/Code-of-Ethics/Code-of-Ethics
Unfair competition			
G4-SO7	✓	✓	Compliance (p. 43) 2015 Annual report (paragraph "Other information - Litigation and disputes")
Compliance			
G4-SO8	✓	✓	Compliance (p. 43) Disputes with employees (p. 137) 2015 Annual report (paragraph "Other information - Litigation and disputes")

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Supplier Assessment for Impacts on Society			
G4-SO9	✓		Suppliers' profile and assessment (pp. 103-104)
G4-SO10	✓		Suppliers' profile and assessment (pp. 103-104)
Grievance Mechanisms for Impacts on Society			
G4-SO11			In 2015, no complaints were received about negative impacts on the company or the communities in which it operates.
Product liability			
G4-DMA			
<p>The Group companies are constantly committed to ensuring the utmost level of safety for customers, the community or employees, focusing, in particular, on a culture of risk prevention and involving all players.</p> <p>Travel safety is one of railways' advantages over other means of transport and is an example of excellence for the Ferrovie dello Stato Italiane Group, which shows results in line with those of the top European sector companies. In Italy, the legislative system governing regulations and assessments for train traffic safety has always been based on safeguarding human life.</p> <p>RFI and Trenitalia manage railway traffic safety in connection with train operation each to the extent that it is concerned.</p> <p>Each Group company devotes significant attention to offering passengers quality services.</p> <p>The travel conditions and Service charters of Group companies are given below:</p> <ul style="list-style-type: none"> • Trenitalia's general terms of passenger transport - www.trenitalia.com/cms-file/html/frecciarossa_en/Info_Tariffe_en_LeFrecce.html • Long-haul passenger Service charter - www.trenitalia.com/tcom/Informazioni/Carta-dei-servizi • Regional Service charter - 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 (www.trenitalia.com/tcom/Treni-Regionali) • RFI's Service charter - www.rfi.it/cms/v/index.jsp?vgnextoid=6544212caafbd410VgnVCM1000008916f90aRCRD • Busitalia - Sita Nord's Service charter - Sita Nord - www.fsbusitalia.it/fsb/Clienti/Carta-dei-servizi • Ataf's Service charter - www.ataf.net/it/servizio-clienti/carta-dei-servizi.aspx?idC=70&LN=it-IT • Busitalia Veneto's Service charter - www.fsbusitaliaveneto.it/index.php/clienti/carta-dei-servizi • Travel guide - www.trenitalia.com/tcom/Informazioni/La-guida-del-viaggiatore/La-guida-del-viaggiatore <p>The Group operates in full compliance with legislation governing the protection of passengers' and stakeholders' privacy.</p> <p>Our approach to sustainability (pp. 28-30) www.fsitaliane.it/fsi-en/About-us/Governance/Code-of-Ethics/Code-of-Ethics Methodology - Materiality matrix (pp. 12-15)</p>			
Consumer health and safety			
G4-PR1	✓		Management systems (p. 35) Service quality (pp. 56-89) Travel safety (pp. 90-99) Emissions (pp. 150-153) Making the most of land and protection (pp. 154-159) Other impacts (pp. 164-167)
G4-PR2	✓		Travel safety (pp. 90-99)
Product and service labelling			
G4-PR3	✓		Transport: mobility services (pp. 52-54) Infrastructure sector: mobility services (p. 55) Emissions (pp. 150-153) Land development and protection (pp. 154-159)
G4-PR4	✓		Service quality (pp. 56-89)
G4-PR5	✓		Service quality (pp. 56-89)

CONTENT INDEX (G4-EC8 / G4-32)

GRI INDICATORS	SUSTAINABILITY REPORT	ANNUAL REPORT	REFERENCE/COMMENTS
Marketing			
G4-PR7	✓		Stakeholders (pp. 31-34)
Protection of privacy			
G4-PR8	✓		Service quality (pp. 56-89) In 2015, no complaints were received for alleged violation of customers' privacy.
Compliance			
G4-PR9	✓		Compliance (p. 43) Service quality (pp. 56-89) In 2015, no complaints were received for alleged violation of customers' privacy.

Annexes Individual company attachments

G4-2

Ferrovie dello Stato Italiane SpA

Environmental highlights

OUR APPROACH

The Company intends to incorporate the protection of the environment into the strategies and performance of the whole Group, by promoting and developing sustainable mass mobility built around rail transport.

Ferrovie dello Stato Italiane considers it essential to establish, carry out and maintain objectives which require the rational use of resources, the prevention and reduction of pollution and 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 the Governance Model of the environmental management systems address the processes and actions aimed at continuous improvement, carefully taking into account the value of natural capital by spreading the knowledge of environmental matters and supporting the monitoring of the impact on the environment.

FINAL ENERGY CONSUMPTION

		2015	2014	2013
Electricity	MWh	6,579	6,176	6,608
Natural gas	Sm ³	262,380	275,760	356,990

Comments on the trend

Energy consumption relates mainly to the management of the Central Headquarters' building at Villa Patrizi, Rome. The trend is affected by weather conditions and, accordingly, varying needs for air conditioning.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	3,603	2,783	3,387

WATER

		2015	2014	2013
Withdrawals for non-industrial use	m ³	135,044	142,844	135,267

Comments on the trend

The figures in the table mainly refer to water withdrawals by the Villa Patrizi site in Rome. The 2014 figures move away from the trend, which usually remains constant, given the type of office activity carried out at Villa Patrizi. This was due to a leak detected during the year, which was then resolved in 2015.

WASTE

		2015	2014	2013
Hazardous special waste	t	0.3	1.3	1.0
Non-hazardous special waste	t	11.1	10.2	3.0
Recovered special waste		100%	100%	100%

Comments on the trend

The figures in the table refer to waste produced by the Villa Patrizi site in Rome. The figures for non-hazardous special waste increased due to the refurbishing of rooms used by the staff. The 2015 figures for hazardous special waste, on the other hand, have decreased with respect to previous years as there were no air conditioners to be disposed of.

WHAT WE HAVE ACCOMPLISHED

As part of the Environmental Management System (EMS), the Parent carried out a second-party audit of its proprietary assets in Italy.

In accordance with the revised version of the Governance Model, environmental targets have been set out for the Group companies, certified in accordance with ISO 14001 standard.

A new set of Guidelines was issued with the purpose of introducing tools to monitor the environmental effect of the Group companies' proprietary assets.

The print management project for the centralised management of printers and multi-function devices and for monitoring the consumption of toner and paper was made operational.

WHAT WE AIM TO DO

The EMS and the Governance Model will be updated in order to include the rules of the new ISO standard 14001 and to reinforce the Parent's role regarding guidance and coordination.

Second-party audits of proprietary assets in Italy will continue, and new tools will be put in place to support the implementation of the relevant EMSs, including verification activities coordinated by the Parent.

Renovation work on Villa Patrizi, including, among other things, the replacement of around 2,000 air conditioners with a centralised air conditioning system, has been postponed until 2016.

To ensure that the sustainability issues are an integral part of the Group's strategy, a Sustainability Committee will be established and a vision will be defined, identifying the commitments and targets for each of the 3 areas of analysis (economic, social and environmental).

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

RFI

Environmental highlights

OUR APPROACH

For RFI, the commitment to the environment constitutes a strategic element of its business mission which runs across all its production activities and those of its subsidiaries, and aims not only to protect, but also to create shared value in terms of corporate responsibility and care for local 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 everyday 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 the vocations and the natural, social, urban and historical-archaeological heritage of the area, in close collaboration with the institutional bodies and the other stakeholders.

In order to do this, RFI bases all its work on the principles 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

		2015	2014	2013
Diesel*	t	16,204	16,745	24,605
Electricity**	MWh	416,764	399,696	401,782
Natural gas	Sm ³	8,913,116	8,029,684	11,611,908

* The 2013 figures include diesel for the subsidiary Blufferies' navigation.

** Including the electricity produced and consumed by solar power systems.
Excluding the high-voltage electricity absorbed by the railway companies' trains operating on the national network.

Comments on the trend

The energy consumption trend over the last three years reveals an overall reduction both in terms of the diesel used by RFI* - attributable to the adoption of more energy efficient system solutions and to the streamlining of work activities that require the use of it, and in terms of gas, as a result of the analysis and rationalisation of individual users and an improved management of the natural gas supply.

Electricity consumption, on the other hand, when compared with the substantially stable usage in 2013 and 2014, recorded a modest increase in 2015 due to the higher consumption for activities other than railway traction, linked to the introduction of new equipment and railway traffic safety systems.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	217,247	216,724	267,342

WATER

		2015	2014	2013
Withdrawals for non-industrial use	m ³	16,967,138.15	17,092,223	16,734,766

Comments on the trend

The change in consumption is linked to the progress of maintenance activities. The ongoing rationalisation of water assets has also contributed to the decrease recorded in 2015.

WASTE

		2015	2014	2013
Hazardous special waste	t	49,160.3	36,311.1	34,412.5
Non-hazardous special waste	t	117,281.4	101,602.1	91,845.2
Recovered special waste		99%	98%	97%

Comments on the trend

The increase in waste production is closely connected to the progress of maintenance activities. Specifically, the increase of around 30,000 tonnes in 2015 compared with 2014, is due almost exclusively to the European Waste Catalogue (EWC), attributable to the railway superstructure, including tracks, wood sleepers, etc.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

RFI's subsidiaries

Environmental highlights

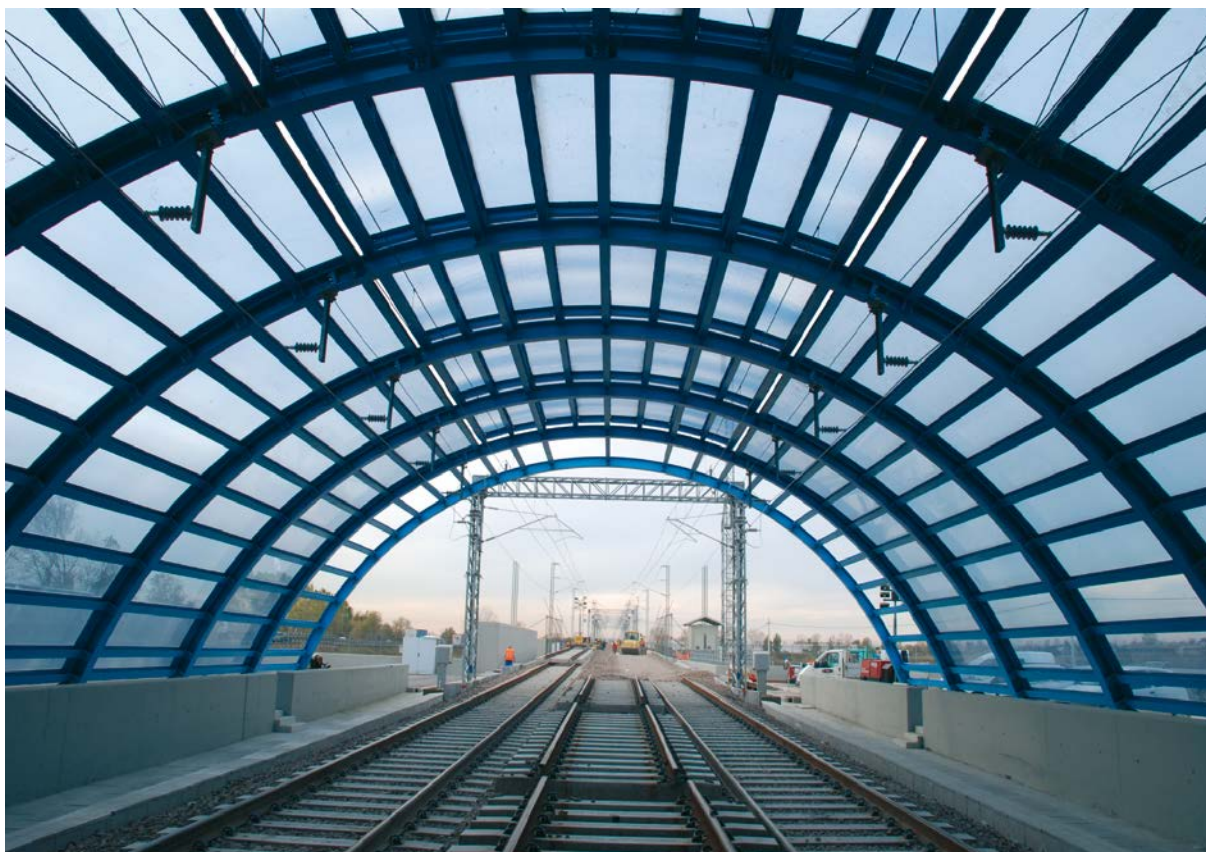
FINAL ENERGY CONSUMPTION

		2015	2014	2013
Diesel	t	7,116	6,803	1,195
Electricity	MWh	2,611	2,296	2,853
Natural gas	Sm ³	0	0	0

Comments on the trend

The increased diesel consumption recorded in 2015 is due to the shunting services offered by Terminali Italia becoming fully operational. Blufferies' diesel consumption, on the other hand, is unchanged in view of the substantial stability of the 2014 operating schedule (routes and number of journeys).

The change in electricity consumption is related to the progress of Terminali Italia's commercial activities, and is linked to the increased use of gantry cranes in 2015.



TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	24,308	23,222	4,911

WATER

		2015	2014	2013
Withdrawals for non-industrial use	m ³	4,330	15,586	13,899

Comments on the trend

The subsidiaries use utilities in RFI's name, with the exception of two utilities contracts in the name of Terminali Italia on the sites that do not belong to RFI, namely, the Third Verona Module and the Milan Shunting site. At the latter, in the second quarter of 2015, a leak in the supply lines caused by an irregular withdrawal in the two previous years was identified and resolved.

WASTE

		2015	2014	2013
Hazardous special waste	t	109.3	172.3	43.0
Non-hazardous special waste	t	143.4	208.5	82.0
Recovered special waste		44%	78%	73%

Comments on the trend

In 2015, both subsidiaries recorded significant changes in waste production: Terminali Italia's increase was due to the extended hours of usage of mobile cranes and some non-routine works (such as cleaning the storage tank at the Third Verona Module terminal); Blufferies' dramatic decrease due to the reduction in maintenance works on ships in the shipyard carried out at prearranged intervals. (in accordance with the current legislation, waste produced by working ships – as opposed to that produced by ships in the shipyard – is managed by the local Port Authority).

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

The figures include amounts reported by the subsidiaries Terminali Italia and Blufferies, which were included in the scope of the 2014 Sustainability Report.

WHAT WE HAVE ACCOMPLISHED

RFI

The financing for the adoption of LED technology in stations (shelters, underpasses, light towers and station buildings) and in offices has been approved. The internal procedures to launch a European tender to acquire more than 100,000 new LED lighting systems has begun.

The process of replacing thermal systems running on diesel with more energy efficient systems presenting a lower environmental impact has continued. In 2015, the replacements were carried out across the country on the basis of the maintenance needs and availability of resources. They mainly took place in the station buildings of the Milan Local Production Unit.

The long-term plan to replace all lights used for railway traffic control signals with LED lights continued. By the end of 2015 this reached 25% for "low signals" (around 10,000 lights in total) and 50% for "high signals" (around 46,000 lights in total).

The separate energy supply scheme has been made fully operational to allow for a more effective calculation and monitoring of the electrical consumption linked to railway traction (attributed to companies that use the RFI network) and other uses (attributed to RFI).

GreenNebula, the information system, based on cloud technology, has been consolidated to improve the checks of the authorisation of suppliers managing special waste; one of the benefits that has already been obtained is the reduction of over 80% of the personnel employed in the activity and the complete standardisation in the application of verification criteria.

The final steps for the deployment of the *Atlantide* information system, for the electronic management of forms and registers about the loading and unloading of special waste and for the transfer of information regarding hazardous waste using SISTRI have been completed.

The design and implementation of noise dampening barriers have continued in accordance with the four year noise reclamation plan prepared by RFI pursuant to the Decree of the Ministry of the Environment of 29 November 2000. Specifically, the implementation activities in the Verona and San Martino Buon Albergo municipalities continued, and the construction works of the barriers in Rome on the line from Ostiense station, Via della Magliana, to Fiumicino airport have been delivered.

The "Design manual for civil works" has been issued, and in the "Environment" section, it includes, among other things, a revision of the standard executive plan for the HS noise dampening barrier in compliance with current legislation and according to the know-how acquired in the field.

The phase of *INAC 3D* acoustic simulation software inspection, necessary to identify the tracks which require mitigation regarding rail traffic has been completed.

A trial system applied directly to the track to reduce the sound and mitigate the track vibration produced by train transit has been launched; there are two active trial sites: one is in the Novara municipality, where the trial is coming to a close, the other is in Francavilla a Mare.

The procedure for the management of the environmental impacts relating to ordinary and extraordinary investment and maintenance activities to be carried out in protected natural areas or in those subject to landscape restrictions has been issued.

The implementation of an environmental data bank has begun to improve the management of the information regarding environmental assets. To date, data are stored in printed form in DVS (Documents of Identification and Valuation of the Significance of environmental impacts).

Terminali Italia

Refresher courses about the management of waste have been provided for all personnel.

Terminals in Bari and Verona Quadrante Europa have been merged into the Integrated logistics platform for the optimisation and streamlining of the inter-modal information flows between members of the logistic chain.

Blufferies

A specific training and practice programme was provided for the crew on board, focusing on the management of environmental emergencies (particularly linked to mineral oil spillages) as part of the safety and environmental pollution prevention management system.

The certificates attesting compliance to the pollution prevention rules (I.A.P.P. and I.O.P.P.) have been renewed for the ships operated by Blufferies following the positive outcome of the checks carried out both internally and by the Maritime Authority pursuant to the International Safety Management Code for ships (ISM Code).

The feasibility study has begun for the installation of a new waste water treatment system on high-speed craft (HSC) to be certified and put into operation by January 2016, as required by the most recent legislation issued by the Maritime Authority.

WHAT WE AIM TO DO

RFI

Energy diagnosis activities will continue pursuant to Legislative Decree no. 102/2014 aimed at drafting the related reports and improvement plans through inspections, analyses and specific measurements at the 23 RFI sites identified on the basis of the functional analyses carried out in 2015.

A technical-illumination study will be launched at the four RFI workshops, aimed at implementing a complete re-lamping.

Education and training programmes focusing on the RFI's energy management will be provided for the local energy managers, and operators will be selected for the Expert in Energy Management certification training.

The European tender for the supply of over 100,000 new LED lighting systems to be installed in stations and offices will be completed.

The Atlantide information system for the electronic management of forms and registers about the loading and unloading of special waste and for the transfer of information regarding hazardous waste using SISTRI will be completed.

Training sessions about the safeguarding of protected areas and biodiversity also aimed at guaranteeing the application of the new procedure issued in 2015 will be provided for local unit personnel.

The environmental data bank will be updated with all the information about environmental assets.

The central divisions' scope of environmental certification will be widened, launching the activities necessary for ensuring compliance with the new ISO 14001:2015 standard.

Terminali Italia

A contract with a specialist firm, guaranteeing prompt intervention in case of an emergency due to the accidental spillage of hazardous substances and pollutants will be signed.

Training sessions about dangerous goods and crisis management will be provided for all personnel.

The merger of the Bologna terminal into the integrated logistics platform will be pursued.

Bluferries

In order to strengthen the crew's awareness of the continuous monitoring and improvement of environmental performance, training sessions about the safety management system and environmental compliance will be provided.

The new waste water treatment system will be installed and the certificates provided for high-speed craft (HSC) as prescribed by the most recent legislation issued by the Maritime Authority.

Trenitalia

Environmental highlights

OUR APPROACH

Trenitalia 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. It has, therefore, established an Integrated Policy (Quality, Environment, Health and Safety at Work and Energy) that identifies the general approach and guidelines to achieve its mission and gain a competitive advantage which promotes sustainable transport by exploiting the environmentally-friendly nature of rail transport.

For these reasons, Trenitalia has implemented a Management System that conforms to the requirements of the OHSAS 18001, ISO 14001, ISO 9001 standards. With regard to energy efficiency, through investments targeted, in particular, at thermal power stations, lighting and compressed air, Trenitalia is conducting a large-scale energy diagnosis campaign within its industrial plants, aimed at continuously improving the energetic performance of its maintenance activities. In the tenders, Trenitalia is also endeavouring to include a series of clauses that will allow for significant progress in terms of the energy efficiency of the new rolling stock.

FINAL ENERGY CONSUMPTION

		2015	2014	2013
Diesel	t	47,611	46,460	54,412
Electricity totale	MWh	4,030,149	3,746,274	3,992,867
– for railway traction	MWh	3,957,506	3,670,262	3,910,433
– for other uses	MWh	72,643	76,012	82,434
Natural gas	Sm ³	17,889,855	16,011,033	21,228,831

Comments on the trend

The increase in the overall electricity consumption between 2014 and 2015 was caused by an extended use of energy for railway traction, principally linked to an increase in production and the roll-out of the first 18 *Frecciarossa 1000* trains.

During the same period, the increase in diesel and natural gas was principally caused by the harsher weather conditions in the last winter. Diesel consumption was also affected by the extended operating hours of some plants, which required more heating as a result.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	1,534,425	1,487,093	1,737,081

WATER

		2015	2014	2013
Withdrawals for industrial use	m ³	2,880,756	3,113,613	3,283,727
Withdrawals for non-industrial use	m ³	1,023,565	997,637	1,159,249

Comments on the trend

Overall water consumption decreased, principally due to the decline in withdrawals of underground water for industrial use due to the closure of certain wells.

WASTE

		2015	2014	2013
Hazardous special waste	t	3,182.7	4,211.1	5,625.4
Non-hazardous special waste	t	34,760.2	66,150.2	87,643
Recovered special waste		82%	86%	85%

Comments on the trend

There is a downward trend in the production of waste, due to the mitigation of the demolition of obsolete railway carriages (mainly recovered) previously used for freight transport.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

Trenitalia's subsidiaries

Environmental highlights

FINAL ENERGY CONSUMPTION

		2015	2014	2013
Diesel	t	2,185	2,126	1,996
Electricity totale	MWh	171,034	175,596	157,348
– for railway traction	MWh	170,050	175,004	156,768
– for other uses	MWh	984	592	580

Comments on the trend

The trend for diesel and electrical consumption between 2014 and 2015 can be considered substantially steady.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	83,726	87,365	77,409

WATER

		2015	2014	2013
Withdrawals for non-industrial use	m ³	12,150	12,900	12,900

Comments on the trend

The subsidiaries Serfer and TX Logistik do not withdraw water for industrial use. The non-industrial withdrawals, which are estimated to be substantially steady over time, principally refer to Serfer.



WASTE

		2015	2014	2013
Hazardous special waste	t	1,026.6	504.8	367.9
Non-hazardous special waste	t	1,438.1	164.4	102.4
Recovered special waste		100%	95%	100%

Comments on the trend

The overall increase in waste, refers predominantly to Serfer, specifically in work sites for railway superstructures and shunting activities.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

The figures include amounts reported by the two subsidiaries, Serfer and TX Logistik.

WHAT WE HAVE ACCOMPLISHED

Trenitalia

The new remote energy consumption measurement system was released, installed and implemented in five new maintenance workshops.

The rationalisation of gas and electrical use has been applied and the guidelines for the “management of Trenitalia plants’ electricity consumption” and the “monitoring of electrical energy and natural gas in industrial plants” have been issued to check the consumption, cost and energy efficiency of maintenance systems.

The transition to a single supplier for around 1,600 business electricity consumers has been put in place, with concurrent electronic invoicing and the implementation of an internet portal to allow for an analysis of electrical consumption and costs.

The obsolete thermal power stations running on liquid fuel have been replaced with more efficient power plants run on methane (Regional Passenger Division in Sulmona and other replacements or downgrading/closures of water heaters in the freight division’s workshops, including plants in Cervignano, Turin, Bologna, Milan).

The first campaign for Energy Diagnosis was launched and included seven maintenance plants and the train system. The guidelines for the “management of Trenitalia’s plant energy diagnosis” were issued.

An *ad hoc* training course aimed at local energy nominees was planned and five modules dedicated to the energy sector’s market, regulations and technology were provided (for a total of 11 days).

The control activities on the water networks continued, in particular in production facilities, which allowed for leaks to be identified and waste to be minimised.

The car sharing service “Enjoy” run by Eni in partnership with Trenitalia and Fiat already present in Milan, Rome and Florence, has been extended to Turin, with 400 cars, bringing the total number of Fiat 500s being shared up to over 1,800 in the cities where the service is available. In Milan, the first scooter sharing service has also been launched.

The agreement between Trenitalia and Clear Channel for the promotion of bike sharing in Verona and Milan has been renewed. In Milan, 1,000 electric bikes have been added to the 3,600 traditional bikes that were already present.

Serfer

The solar power system to generate solar energy for the Udine workshop has become fully operational. In 2015, the system produced 72,579 kWh, 20% more than the 60,477 kWh expected.

The personnel awareness campaigns for the proper management of raw materials and waste and the rational use of water have continued.

WHAT WE AIM TO DO

Trenitalia

The construction of two new solar power systems will commence at the Roma San Lorenzo and Naples Santa Maria La Bruna sites and another system will be installed at the Milan Martesana workshop, for a total of approximately 4,000 kWp.

The Energy Diagnosis campaign launched in 2015 will continue at ten more industrial sites.

The company's entire methane gas supply to business customers will be put up for tender with the aim of having a single supplier, similarly to electrical energy.

The electricity consumption measurement system for the *Frecciarossa 1000* train will be fully implemented.

The new trains dedicated to regional transport that will be purchased in the coming years will be selected on the basis of specific energy efficiency requirements.

Two more energy training modules will be provided to keep approximately 40 local energy nominees up to date.

Serfer

Revamping works will be carried out on the owned vehicles, also aimed at reducing pollutant emissions.

Lighting in the workshop will be replaced with LED systems.

As part of non-routine maintenance to the vehicle fleet, catalytic converters will be installed on about 15 vehicles to replace the existing ones, thereby cutting atmospheric emissions.

Works to improve energy efficiency will be launched, including, for example, the installation of LED lighting systems at the headquarters, the replacement of obsolete locomotives with more modern traction rented vehicles, the monitoring of energy consumption at worksites and energy awareness activities for personnel.

Italferr

Environmental highlights

OUR APPROACH

In line with the FS Group's strategies, Italferr's primary objectives are to maintain the high quality of its activities and services, to protect the environment and to prevent pollution, always with a view to continuous improvement and innovation.

In particular, Italferr aims to reduce:

- the consumption of natural resources;
- the production of waste;
- the supplying of materials, which will then result in a reduced CO₂ output and less traffic linked to the relative transport.

Italferr values the environmental sustainability of its projects, highlighting the shared benefits for the region brought about by the work.

In its projects it applies criteria aimed at:

- promoting the reuse of infrastructural assets and existing buildings;
- redeveloping degraded areas/sites;
- promoting the community's well-being through environmental and social monitoring;
- reducing the consumption of environmental resources and the production of waste by reusing materials more;
- making the most of the historical cultural heritage of the area in which the worksite is located.

"Climate" has been made a component of all the Environmental Impact Surveys in order to highlight the way in which the railway infrastructure controls the climate-altering emissions compared to road transport. Italferr's methodology to measure greenhouse gas emissions is applied during the construction phase. Italferr evaluates the selected design solution (feasibility studies and preliminary drafts), taking into consideration the figures for CO₂ emissions for the parts and type of work as well as the cost.

FINAL ENERGY CONSUMPTION

		2015	2014	2013
Diesel	t	117	125	125
Electricity	MWh	2,290	2,113	2,417
Natural gas	Sm ³	39,276	42,151	58,832

Comments on the trend

The drop in diesel consumption is due to the rationalisation of the car fleet, as well as the updating of the procedure for the use of vehicles.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	1,286	1,280	1,530

WATER

		2015	2014	2013
Withdrawals for non-industrial use	m ³	11,750	9,489	13,532

Comments on the trend

Consumption is in line with previous years.

WASTE

		2015	2014	2013
Hazardous special waste	t	0.0	0.0	3.9
Non-hazardous special waste	t	23.2	17.5	81.3
Recovered special waste		100%	100%	95%

Comments on the trend

Waste production in 2015 is in line with 2014, the figures from 2013 reflect relocations and office closures.

WHAT WE HAVE ACCOMPLISHED

At the Rome site, an energy diagnosis was carried out pursuant to Ministerial Decree no. 102 of 4 July 2014, which identified the actions to be taken in order to improve energy efficiency, to be evaluated during the year, using the relative intervention programmes.

Contractual arrangements for the reduction of greenhouse gas emissions have been introduced into the work contracts for the Bicocca-Augusta rail section (on the Catania-Siracusa line) 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 AIM TO DO

New rationalisation actions regarding energy consumption at the sites will be assessed.

Following the analyses and suggestions that came from energy audit carried out at the Via Galati 71 site in Rome, it has been decided that the study of two following projects will continue:

- upgrading of the walls to improve the efficiency of the air conditioning and reduce consumption;
- inversion of the cooling system, in order to take advantage of the various performance coefficients.

The opportunity to apply a bidirectional inverter to modulate the start-up current in order to recover the energy produced and inject it into the building's network will also be assessed.

A report will be issued about the application of the climatic footprint calculation, which is currently being applied, with the involvement of the contractors in projects in the realisation phase.

The next contracts worth more than €30 million will be subject to contractual agreements for the reduction of greenhouse gas emissions during the development phases.

A work group is being set up to develop the Guidelines for the application of the EMS regulations in work contracts by FSI Group's companies.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

The data refers to amounts reported by Italferr's sites. The main consumption at "Sites" is described in the paragraph on "Land" in this Sustainability Report.

Ferservizi

Environmental highlights

OUR APPROACH

Ferservizi considers environmental protection and enhancement as strategic aspects of its business development, and believes that reducing its impact on the environment acts as a stimulus for the continuous improvement of the services it offers to the Group companies and all stakeholders. In the management of its activities, Ferservizi agrees to:

- use natural resources and raw materials rationally and efficiently;
- stimulate energy saving and recovery, increase the use of highly energy-efficient technologies, encourage energy efficient conduct and promote and support the use of renewable energy sources;
- monitor greenhouse gas emissions and develop initiatives aimed at reducing them;
- optimise the cycle of waste, limiting the production of it and promoting recovering initiatives;
- promote and implement the continuous improvement of its environmental performance;
- inform, spread environmental awareness and get its employees involved through training and internal communications;
- inform, spread awareness and get the stakeholders involved in the Company's Environmental Policy;
- integrate environmental criteria into the process of buying and procuring materials, products and services to select solutions with a reduced environmental impact;
- respect and overcome the legal regulations and requirements.

FINAL ENERGY CONSUMPTION

		2015	2014	2013
Diesel	t	169	243	401
Electricity	MWh	4,206	4,585	5,289
Natural gas	Sm ³	379,417	467,754	635,014

Comments on the trend

The reduction in diesel consumption was due to the closure of several Ferrotel utilities and, in some cases, to the shift in the fuel supply from diesel to district heating. The reduction in electrical energy and natural gas is also due to the closure of certain Ferrotel utilities as well as the suspension of various plants undergoing maintenance (Turin Ferrotel), as well as constant awareness on the part of the personnel regarding the reduction of energy consumption.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	2,898	3,391	4,709

WATER

		2015	2014	2013
Withdrawals for industrial use	<i>m</i> ³	0	0	0
Withdrawals for non-industrial use	<i>m</i> ³	36,438	56,584	76,639

Comments on the trend

The reduction in consumption was due to the closure of some Ferrotel utilities.

WASTE

		2015	2014	2013
Hazardous special waste	<i>t</i>	6.0	2.9	8.5
Non-hazardous special waste	<i>t</i>	178.0	172.2	207.7
Recovered special waste		100%	94%	84%

Comments on the trend

The increase of hazardous and non-hazardous special waste is partly due to the relocation of the Trieste and Genoa sites and partly to the replacement of equipment containing dangerous elements (in Rome and Naples) and the return of the Salerno Ferrotel. The increase in special waste recovered is an effect of the implementation of the EMS and the ongoing awareness campaign put in place by the company.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

WHAT WE HAVE ACCOMPLISHED

Throughout 2015, plans for the relocation of the Genoa and Trieste sites to new sites equipped with LED lighting systems and heat pump air conditioning were launched and completed. At the new Genoa site, new solar panels for the production of electricity for own-use were installed (not yet active).

Pursuant to Legislative Decree no. 102/2014, energy diagnostics have been carried out on three office buildings in Rome and Verona, on the Porta Maggiore (Rome) Ferrotel as well as on the Foligno archive.

In terms of mobility management, an agreement with Atac has been renewed to facilitate the purchase of discounted passes for use on the Metrebus in Rome and Lazio for FS Group employees.

Electronic lunch vouchers that can be used in the company cafeterias or other restaurants equipped with the appropriate card reader have been provided to employees and are automatically topped-up on a monthly basis.

The scope of the company's Environmental Management System has been extended to all the Ferservizi processes.

A dematerialisation process has started, reducing the amount of paper used through the use of e-invoicing and e-archiving.

A qualification system has begun for the electrical energy supply and related services, (a single supplier for the Group).

WHAT WE AIM TO DO

A solar power system will be activated at the Genoa site and the preliminary project for a new system at the Verona site will be submitted.

The thermal plant at the Venice Ferrotel will make the transition from diesel to gas. By 2016 the efficiency project will be approved for the archive's lighting system at the Foligno site.

A new tender will be launched for company car leases, including environmental requirements aimed at reducing CO₂ emissions. The vehicles shall belong to the top "environmental class" for model and type of fuel in effect at the time of delivery. As premium requirements, the proposal of electric cars with a low environmental impact (limited CO₂ emissions) will also be included.

Throughout Italy, agreements have been made with the company Onlus, for the recovery and reuse of obsolete materials such as computers and furnishings.



Grandi Stazioni

Environmental highlights

OUR APPROACH

Grandi Stazioni guarantees the redevelopment, enhancement and management of properties at Italy's main railway stations, and in line with the FS Group's environmental policies, it considers environmental sustainability to be a strategic aspect of the integrated management of maintenance and cleaning, commercial development and design and construction activities.

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 it releases into the atmosphere, the soil and water;
- guaranteeing the proper management of waste, promoting sorted waste collection and recovery;
- implementing its own Environmental Management System and striving to continuously improve its environmental performance;
- respecting and, where possible, overcoming the legal requirements governing safety and environmental protection;
- assisting with the spreading of awareness about environmental matters to its stakeholders.

The above commitments of Grandi Stazioni will be transformed into measurable objectives to be periodically assessed.

FINAL ENERGY CONSUMPTION

		2015	2014	2013
Diesel	t	66	135	161
Fuel oil	t	182	171	202
Electricity	MWh	74,043	66,126	63,661
District heating	MWh	2,318	2,143	2,779
Natural gas	Sm ³	7,892,085	7,077,786	6,861,295

Comments on the trend

Over the last three years the increase in electricity and gas consumption was essentially due to the start-up and roll-out of systems serving the newly redeveloped areas, as well as to the seasonal conditions. Diesel consumption fell as old thermal power stations were discontinued, while district heating and fuel oil consumption have largely remained stable.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	38,644	35,490	36,675

WATER

		2015	2014	2013
Withdrawals for non-industrial use	m ³	2,075,839	1,827,693	2,484,822

Comments on the trend

The increase of the last year, which follows the optimisation of the system carried out the year before, is due to the opening of new water utilities connected to the redevelopment of the station's properties.

WASTE*

		2015	2014	2013
Waste classified as urban waste	t	18,048	18,048	18,048

* Station network and operating sites

Comments on the trend

There were no changes in the waste production and the basis of estimates adopted since 2013 has been confirmed.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies. Consumption of customers in the station included.



WHAT WE HAVE ACCOMPLISHED

The preliminary energy diagnostics have been carried out pursuant to Legislative Decree no. 102/2014 for the Milan Centrale, Turin Porta Nuova, Venice Mestre and Venice Santa Lucia stations to implement the long-term energy efficiency plan, which provides for a 5% reduction in energy consumption by 2020.

During the public opening period of Expo, the energy supply for the new “Asse Attrezzato” route for the Naples Centrale and Milan Centrale stations was 100% renewable and was certified with Guarantee of Origin Certificates.

The study into the reduction of energy consumption at the Tiburtina station in Rome was carried out, placing particular emphasis on the air-conditioning system (analysis to be completed at the beginning of 2016), with identification of the work solutions to be implemented.

The new Genoa Brignole thermal power station has been activated to replace the previous diesel power station, and connections to the district heating/cooling at Bologna Centrale station are under construction, with the consequent closure of the current local power stations (methane gas and diesel) and the cooling systems.

Actions to improve differentiated waste collection at the network’s stations have continued through the preparation of centralised areas, with the inclusion of controls for the monitoring and reporting of the waste collection and the involvement of the stations’ cleaning companies.

The tenders for environmental and maintenance services have been finalised with more stringent environmental requirements, such as: more information on the quantity of waste collected/produced, the use of more efficient machinery, the reduction of water consumption, plans for a higher percentage of sorted waste collection, etc.

The requests for single integrated environmental authorisation for the properties at the Rome Termini and Venice Mestre stations have been finalised.

WHAT WE AIM TO DO

Carry out the energy diagnostics pursuant to Legislative Decree no. 102/2014 for the Rome Termini and Naples Centrale stations.

Carry out the study into the reduction of energy consumption and the increase of comfort at the Milan Centrale station.

Set up/restructure the waste collection areas in the stations and update the management procedure with the new integrated environmental service contractors and with the municipal companies.

Implement and improve the environmental management system by reviewing the procedures, operating instructions and environmental analyses and by providing training sessions for the personnel involved in maintaining the EMS.

Obtain the ISO 14001 certification for the properties at the Rome Termini, Milan Centrale and Venice Santa Lucia stations.

Centostazioni

Environmental highlights

OUR APPROACH

By adhering to the FSI Group's policies, Centostazioni is required to adopt actions aimed at maximising the environmental benefits and minimising the negative impacts of the works they perform.

In the management of station properties, safeguarding the environment is an essential aspect of operations and is put into effect through:

- specific environmental analyses on all stations for the identification and evaluation of the environmental aspects that can have a significant environmental impact, and also in order to guarantee adherence to the EU, national and regional legislative requirements.
- the implementation of specific monitoring and operational control programmes to guarantee the control of the negative environmental impacts and the safety conditions of the assets;
- the adoption of innovative technologies, the acquisition of renewable energies and the efficiency maintenance of the systems designed to reduce energy consumption;
- the development of design and management solutions aimed at increasing the energy efficiency of the properties;
- the selection of suppliers whose work takes ethical, environmental and safety matters into account, with a view to continuous improvement.

The management of environmental aspects regarding 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

		2015	2014	2013
Diesel	t	256	296	467
Electricity	MWh	14,120	15,931	13,105
Natural gas	Sm ³	1,773,356	1,541,512	1,798,104

Comments on the trend

The increased methane gas consumption and relative decrease in diesel is due to the conversion of some thermal power stations.

The reduced electricity consumption is due to the correction boards and flow optimisers installed in the last quarter of 2015.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	9,444	9,962	10,635



WATER

		2015	2014	2013
Withdrawals for non-industrial use	m ³	467,437	511,745	1,036,700

Comments on the trend

The decrease in water consumption was due to the ongoing monitoring of the water meters with the introduction of monthly readings, and to the promptness of works carried out on circuits following the reported breakdowns or abnormal consumption.

WASTE*

		2015	2014	2013
Waste classified as urban waste	t	1,708	1,719	1,742

* Station network and operating sites

Comments on the trend

The downward trend is also attributable to greater awareness on the part of the users and the cleaning companies regarding sorted waste collection.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

WHAT WE HAVE ACCOMPLISHED

30% of the electricity supplied came from certified renewable sources and the process of replacing traditional fluorescent lighting with LED lighting continued in some areas (platforms, underpasses, lobbies) at the Verbania, Termoli, Novara, Mantua, Pavia, Arezzo, Milan Porta Garibaldi, Milan Lambrate, Como San Giovanni, Alessandria, and Piacenza stations and in the shopping centres at Padua and Milan Porta Garibaldi stations.

Electronic devices (flow optimisers and correction boards) aimed at reducing electricity consumption by around 6% per year, have been installed at 40 network stations.

The energy diagnostics have been carried out pursuant to Legislative Decree no. 102/2014, at the Milan Porta Garibaldi, Sanremo, Padua, Vicenza and Milan Rogoredo stations, in which the TEP consumption accounts for 50% of total consumption of the Centostazioni network.

Energy diagnostics have been included in the specifications of the tender regarding station maintenance pursuant to Legislative Decree no. 102/2014 to be carried out at 20 stations, which are still to be specified, within 18 months from the start of the contract, expected by October 2016. As a result of this activity, the specifications of the energy efficiency plans will be defined.

The thermal power station optimisation plan continued, including through the construction of two new gas-powered thermal power stations at the Mantua and Verbania stations.

As part of the "Printer Consolidation" project, data extracted from the network's printers showed a reduction of printed matter. The consumption of paper used for photocopying, scanning and printing appears to be progressively decreasing, down to 45% in 2015 compared with 68% in 2014.

Sorted waste collection has been strengthened at the Mantua, Barletta and Rapallo stations and ecological areas have been planned for the following network stations: Milan Rogoredo, Bergamo, Gallarate, Bolzano, Treviso, Desenzano, Castelfranco Veneto, Pisa, Ancona and Salerno.

Monitoring activities have continued on the water meters with the introduction of monthly readings; these activities have allowed for prompt intervention in the case of breakdowns or abnormal consumption, saving around 10%.

As part the "Operational Station Control" management model, the following activities were carried out:

- Centostazioni personnel training and awareness building on environmental issues (specifically personnel operating at the restyling sites);
- 204 internal audits at the offices and stations in the network.

WHAT WE AIM TO DO

We will continue to sign supply agreements requiring that at least 30% of the electricity supplied comes from certified renewable sources. In addition, as part of the integrated maintenance service at the network stations, other energy diagnosis activities and the mapping of computer graphics for the electric circuits to help monitor usage will continue.

The plan for the monitoring of output and emissions from all the thermal power stations will be launched, also installing at least 30 room-temperature probes, connected to the company's information system at each of the network stations.

In relation to sorted waste collection, a daily process for the systematic monitoring of data will be launched at the headquarters and all network stations.

The mapping out of computer graphics for the water supply at the stations will begin.

The following actions will be taken within the scope of the "Operational Station Control" management model:

- training and awareness building on environmental issues to be provided to all personnel;
- 206 internal audits at the offices and network stations;
- environmental analyses, that meet the ISO 14001 standard, for the 103 network stations;

The extension of the environmental management system certification will continue at six network stations: Rome Ostiense, Padua, Milan Porta Garibaldi, Naples Mergellina, Novara and Modena.

Busitalia - Sita Nord

Environmental highlights

OUR APPROACH

Busitalia - Sita Nord's company policy resolves to adopt a management system that is spread 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 changing needs of customers, the evolving rules and regulations, the Ferrovie Dello Stato 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 regarding sustainable mobility, also with plans discussed with stakeholders.

FINAL ENERGY CONSUMPTION

		2015	2014	2013
Diesel	t	3,927	10,177	10,500
Electricity	MWh	580	1,086	1,167
Natural gas	Sm ³	69,358	242,936	281,461

Comments on the trend

The significant reduction in consumption recorded in 2015, compared with the previous years is a result of the change to the Busitalia - Sita Nord reporting scope, following the contribution of the Veneto business unit to Busitalia Veneto, Busitalia - Sita Nord's subsidiary set up in 2015.

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	12,714	32,825	34,008

WATER

		2015	2014	2013
Withdrawals for industrial use	<i>m</i> ³	1,728	13,689	19,703
Withdrawals for non-industrial use	<i>m</i> ³	4,999	8,474	9,665

WASTE

		2015	2014	2013
Hazardous special waste	<i>t</i>	297.2	200.6	103.8
Non-hazardous special waste	<i>t</i>	117.1	291.3	256.1
Recovered special waste		77%	37%	16%

Comments on the trend

In 2015, Busitalia - Sita Nord's reporting scope changed following the contribution of the Veneto business unit to Busitalia Veneto, Busitalia - Sita Nord's new subsidiary.

However, in 2015, the Tuscany Regional Management of Busitalia - Sita Nord recorded a significant increase in non-hazardous waste (+58.19%) and hazardous waste (+281.08%) compared with 2014, as a result of the damage to the Sansepolcro depot, following an extraordinary weather event, and as a consequence of the significant amount of buses being scrapped, which has also caused the percentage of recovered waste to increase.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

2014 and 2013 figures include the amounts reported by the Veneto operating site which became Busitalia - Sita Nord's new subsidiary.

Controllate di Busitalia - Sita Nord

Environmental highlights

FINAL ENERGY CONSUMPTION

		2015	2014
Diesel	t	19,439	11,815
Electricity	MWh	12,518	7,208
Natural gas	Sm ³	10,989,574	7,703,412

Comments on the trend

The increase in consumption, recorded in 2015, is essentially due to the change to the reporting scope, with the addition of Busitalia Veneto, Busitalia - Sita Nord's new subsidiary.

TOTAL CO₂ EMISSIONS

		2015	2014
CO ₂	t	87,256	54,859

WATER

		2015	2014
Withdrawals for industrial use	<i>m</i> ³	32,410	13,513
Withdrawals for non-industrial use	<i>m</i> ³	67,313	53,712

Comments on the trend

The increase in consumption, recorded in 2015, is essentially due to the change to the reporting scope, with the addition of Busitalia Veneto, Busitalia - Sita Nord's new subsidiary.

WASTE

		2015	2014
Hazardous special waste	<i>t</i>	488.7	867.6
Non-hazardous special waste	<i>t</i>	374.2	169.2
Recovered special waste		69%	76%

Comments on the trend

In 2015, the reporting scope changed with the addition of Busitalia Veneto, Busitalia - Sita Nord's new subsidiary. However, the significant decrease in hazardous special waste in 2015 is essentially due to the reduction in waste produced by Ataf Gestioni, from the scrapping of buses. The increase in non-hazardous special waste is due to the inclusion of the new subsidiary Busitalia Veneto into the reporting scope.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

The data include amounts reported by the two subsidiaries, Ataf Gestioni and Umbria Mobilità Esercizio, included in the 2014 reporting scope and the amounts reported by the newco Busitalia Veneto, included in the 2015 Sustainability Report.

WHAT WE HAVE ACCOMPLISHED

Busitalia - Sita Nord

In the offices, five old R-22 air conditioning units have been replaced with new R-410a refrigerant gas units.

20 new Euro6 buses have been added to the fleet, boasting construction technologies and devices for low consumption and reduced particulate matter and nitrogen-oxide emissions. The tire-pressure monitoring system saves on consumption (and therefore reduces emissions) by up to 3%.

The Euro6 vehicle suppliers have been contracted for the progressive installation of the fleet's new digital monitoring systems, through which it will be possible to constantly check the drivers' performance, and identify the areas that need improvement, which will then be explained through individual training programmes, including in order to reduce consumption.

At the Sansepolcro depot, the partial replacement of the traditional neon lighting for energy-saving LED lighting has been carried out in the outdoor areas.

At the Florence depot, the new bio-oxidation treatment plant for water left over from washing the buses has been rolled out. A system that allows for the recovery of treated water and for it to be reused to wash the buses has also been designed, in order to reduce the amount of water withdrawn from wells for industrial use.

The new buses have been decorated with adhesive films, without PVC or phthalate, and no chlorine or other halogenated substances were added either, resulting in a 60% reduction in solvents used.

The certification for the Integrated Quality, Environment And Security Management System was obtained, meeting the UNI EN ISO 9001, UNI EN ISO 14001 and BS OHSAS 18001 standards.

Busitalia Veneto

The company replaced 16 old generation Euro0/Euro2 vehicles with new Euro6 buses boasting construction technologies and devices ensuring low consumption.

The new software, "Mercurio", was implemented for the preventive management of bus maintenance in order to reduce the use of spare parts and consumable raw materials (fuels, lubricants, anti-freeze).

Ataf Gestioni

The "Mercurio" software was rolled out to monitor energy consumption.

19 diesel-powered Euro6 vehicles and 4 electric buses were acquired, achieving a considerable reduction in energy consumption; in addition, training was provided to the line's drivers and to the workshop and operating personnel, about the vehicles and the correct conduct while driving in order to reduce consumption, noise and atmospheric emissions.

The digital transfer and archiving of company documentation has continued, as well as the spread of travel documents (tickets) sent via text message and the installation of new validating machines for ticket books and e-tickets.

The installation plan for the new bio-oxidation water treatment systems has been postponed until 2016. The management of these systems requires maintenance of the analyses regarding the incoming and outgoing water flows for environmental monitoring.

Umbria Mobilità Esercizio

24 old generation Euro0/Euro1 vehicles were replaced with 20 new Euro6 buses and 4 electric buses.

At the Terni site, the heating system was replaced with a condensation boiler.

Within the scope of water provisioning and drainage, the monitoring operations continued for close monitoring of the use of water at the various company sites.

The ship fuelling systems were partially updated at the Passignano site: thanks to a double safety valve, the new system divides the tank from the dispenser, reducing the probability of accidental spills.

The structural improvements to the industrial drains at the Todi depot have been implemented (replacement of the well and the connecting pipes between the water purifier and the sewage). At the same time, the management activities for recovery washing water have continued, with the aim of reducing water consumption.

WHAT WE AIM TO DO

Busitalia - Sita Nord

The company plans to purchase 37 Euro6 buses to replace old generation Euro0/Euro2 vehicles.

The plan to progressively install new digital monitoring systems in the fleet will be activated.

In the offices, old air conditioning systems will continue to be replaced with the latest generation's systems.

In the new Euro6 vehicles, higher-performing lubricating liquids will be used for the drive-train, which will increase service intervals, consequently reducing the amount of waste being disposed of.

At the Florence depot, a system will be activated that allows for the recovery of industrial water to be treated and for it to be reused to wash the buses, in order to reduce the amount of water withdrawn from wells.

Busitalia Veneto

The rolling out of 20 new Euro6 buses for public use in the municipalities and provinces of Padua and Rovigo is expected.

The company will continue to bring the fleet into line with the EU environmental standards, simultaneously investing in technological innovation.

The transport service in Padua will be streamlined to limit the overlapping between the urban and suburban services, reducing production costs and generating benefits in terms of energy consumption.

Ataf Gestioni

The company will continue the fleet renewal plan, with the introduction of 39 new diesel-powered Euro6 buses and related drivers' training so they have all the tools for efficient driving.

The acquisition of new bio-oxidation treatment systems will be completed and the sustainability policy in the procurement and use of products and materials will continue.

Umbria Mobilità Esercizio

The company will continue to renew the fleet with the expected introduction of 18 new diesel-powered and 15 methane-powered Euro6 buses and three electric vehicles, to replace the Euro0/Euro1 buses.

New internal procedures will be prepared to reduce paper consumption.

Within the scope of water provisioning and drainage, the operational issues identified will be resolved, and monitoring operations will begin for an accurate control of the use of water at the various company sites.

FS Logistica

Environmental highlights

OUR APPROACH

In order to stimulate continuous improvement and enhance its assets, FS Logistica acts in accordance with the FS Italiane Group's environmental policy guidelines and policy for health and safety at work. Furthermore, in continuity with its commitment to integrated management of the main international requirements, FS Logistica considers the quality of its services, the protection of the environment and health and safety at work to be strategic elements in the development of its activities.

The company's commitment to the environment is demonstrated by its decision to use rail carriers for the delivery of its integrated logistic services, achieving an advantage in terms of sustainable mobility and reduced emissions. This environmental awareness was also confirmed back in 2007, when it installed a solar powered system at the Rome San Lorenzo site, which actively helps to prevent pollution by avoiding emitting CO₂ into the atmosphere.

FINAL ENERGY CONSUMPTION*

		2015	2014	2013
Diesel	t	23	28	43
Electricity	MWh	2,291	2,576	2,261

* Including the electricity produced and consumed by solar power systems

Comments on the trend

The decrease in consumption is linked to the transfer of certain utilities to sites included in the reporting scope of the previous year.

PRODUZIONE DI ENERGIA DA FONTI ENERGETICHE RINNOVABILI

		2015	2014	2013
Solar energy	MWh	600	577	597

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	827	951	952

WATER

		2015	2014	2013
Withdrawals for non-industrial use	m ³	7,367	6,845	6,562

Comments on the trend

Water withdrawals for non-industrial use mainly refer to consumption for the Rome San Lorenzo site; the data show a nearly steady trend.

WASTE

		2015	2014	2013
Hazardous special waste	t	0.7	0.0	2.5
Non-hazardous special waste	t	292.3	7.9	90.2
Recovered special waste		77%	15%	42%

Comments on the trend

The production of hazardous and non-hazardous special waste in 2015 is linked to extraordinary cleaning activities at the local sites.

WHAT WE HAVE ACCOMPLISHED

Energy diagnostics were performed at the Rome San Lorenzo, Pomezia Santa Palomba and Bologna San Donato sites, to analyse the energy consumption and identify possible energy efficiency solutions.

The company provided specific training on the environmental aspects of company operations and, in particular, on waste management, plants, emissions and water disposal, in addition to training on how to use the company's Integrated Management System's tools.

The certification for the environmental management system has been extended to the Bologna San Donato and Catania Bicocca sites.

WHAT WE AIM TO DO

The company will continue to extend the Integrated Management System (Safety, the Environment and Quality) to other sites throughout Italy. Specifically, it expects to obtain the ISO 14001 certification, for the Pomezia and Verona Porta Nuova sites.

Environmental training courses will be provided to company personnel, particularly regarding regulatory updates for the management of hazardous special waste.

The figures refer to the environmental aspects managed directly by the Company or on behalf of other Group companies.

Gruppo Netinera

Environmental highlights

FINAL ENERGY CONSUMPTION

		2015	2014	2013
Diesel	t	16,029	22,212	17,561
Electricity totale	MWh	132,825	153,900	27,337
– for traction	MWh	130,900	144,750	19,837
– for other uses	MWh	1,925	9,150	7,500
Natural gas	Sm ³	372,503	1,600,850	1,600,000

TOTAL CO₂ EMISSIONS

		2015	2014	2013
CO ₂	t	116,644	148,410	71,715

WATER

		2015	2014	2013
Withdrawals for industrial use e civile	m ³	32,739	22,096	22,601



WASTE

		2015	2014	2013
Special waste	t	494.7	300	120
Recovered special waste		85%	100%	100%

WHAT WE HAVE ACCOMPLISHED

The digital system, *Traveltainer*, has been installed on all Die Länderbahn, Erix and Vlexx trains. This system is capable of monitoring the driver's driving style, evaluating its impact from an energy point of view and suggesting how consumption could be reduced while improving performance.

The *Bahnbook* System (based on an online browser through which drivers set the driving approach to take during the journey) began operating.

Again this year, the subsidiary Metronom participated in the "*Blätterwälder*" project organised by the Ministry of Agriculture of Lower Saxony (one of the 16 German states), promoting the purchase and planting of new trees to compensate for the carbon dioxide emissions in the atmosphere.

WHAT WE AIM TO DO

Greater environmental awareness will be promoted at the Netinera group companies, through the planning of workshops, employee awareness activities and the preparation of an implementation plan for an environmental management system.

At each of the subsidiaries that fall within the reporting scope of the Sustainability Report, a "process owner" will be identified and will be made responsible for all the sustainability data, using a two-level reporting approach in order to make the most of the opportunities that the company information systems can provide.

In 2015, the reporting scope for the Netinera group changed compared with previous years and it is, therefore, not possible to estimate a trend.

FS Sistemi Urbani

Environmental highlights

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.

The company's "*mission*" is, therefore, attentive to environmental matters, managing potentially critical environmental aspects through the transformation and redevelopment of land from an inter-modal and urban-planning point of view.

WHAT WE HAVE ACCOMPLISHED

Monitoring activities continued on the company's assets, with over 100 inspections carried out in order to prevent any irregularities; in disused areas, in addition to ordinary maintenance activities, ongoing patrols are necessary in order to discourage possible unauthorised settling and waste dumping. During the year, nine cleaning and waste disposal operations took place.

To the extent of its powers and, specifically, with respect to environmental aspects, Metropark was entrusted the task of surveying, risk assessing and identifying any corrective actions to be undertaken in the parking areas belonging to FS Sistemi Urbani. The survey covered 46 sites, paying particular attention to water disposal and the management of electricity, while concurrently drafting up the related asset reports. The result of the analyses revealed that all the sites that were surveyed have a low environmental risk.

Lastly, the company carried out activities to extend the scope of the Environmental Management System certification.

WHAT WE AIM TO DO

The monitoring of the company's assets will continue, and a plan will be drawn up to resolve the anomalies identified by the survey of the parking areas.

A detailed environmental survey will be carried out on some of the most complex company assets, in order to identify cases that can be used in the future to extend the analyses to include all assets.

The environmental certification ISO 14001 will be extended to all company processes.

Figures for the main environmental aspects are not reported as the data concerning direct environmental aspects relate to office activities and are therefore included in FS SpA's data, as it owns the company's office.

Independent Auditors' Report

G4-33



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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 carried out a limited assurance engagement of the 2015 sustainability report of the Ferrovie dello Stato Italiane Group (the "Group").

Directors' responsibility for the sustainability report

The parent's directors are responsible for the preparation of the sustainability report in accordance with the "G4 Sustainability Reporting Guidelines", issued in 2013 by GRI – Global Reporting Initiative, that are detailed in the "Methodology" section of the sustainability report, as well as for that part of internal controls that they consider necessary for the preparation of a sustainability report that is free from material misstatement, including due to fraud or unintentional conduct or events. 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 matters to report.

Auditors' responsibility

Our responsibility is to issue this report based on our procedures. 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 (ISAE 3000)", issued by the International Auditing and Assurance Standards Board (IAASB) applicable to limited assurance engagements. This standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. These procedures include inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.



The procedures we performed on the sustainability report aimed at checking that its content and quality complied with the "G4 Sustainability Reporting Guidelines" and may be summarised as follows:

- comparing the information and data presented in the "Economic highlights" section of the sustainability report to the corresponding financial information and data included in the Group's consolidated financial statements as at and for the year ended 31 December 2015, on which we issued our report dated 9 May 2016 pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010;
- 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 matters process, specifically how these matters are identified and prioritised for the 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 Busitalia Sita Nord S.r.l., Ferservizi S.p.A., Netinera Deutschland GmbH, Rete Ferroviaria Italiana 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;
- 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 "G4 Sustainability Reporting Guidelines", the data and information covered by our procedures are set out in the "GRI Content Index" table of the sustainability report.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000, 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.



Ferrovie dello Stato Italiane Group
Independent auditors' report on the sustainability report
31 December 2015

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2015 sustainability report of the Ferrovie dello Stato Italiane Group has not been prepared, in all material aspects, in accordance with the "G4 Sustainability Reporting Guidelines", issued in 2013 by GRI – Global Reporting Initiative, that are detailed in the "Methodology" section of the sustainability report.

Rome, 29 July 2016

KPMG S.p.A.

(signed on the original)

Marco Maffei
Director of Audit

Assessment questionnaire

G4-5 / G4-31

Dear readers,

This is the tenth edition of the Ferrovie dello Stato Italiane Group's Sustainability Report.

We have improved the report each year, and it has grown increasingly comprehensive, thanks to our stakeholders, who have contributed with their ideas and opinions.

To this end, we ask that you please fill out the online questionnaire, which you will find at fsitaliane.it in the *Commitment* section.

Requests for information on the 2015 Sustainability Report can be sent by e-mail to rapportostenibilita@fsitaliane.it.



GRI 2.4

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