

2018 SUSTAINABILITY REPORT

# The journey goes on

EXECUTIVE SUMMARY





# LETTER TO STAKEHOLDERS

Over the past few years we have intensified our efforts to make all our business activities more sustainable with the conviction that now, more than ever, sustainability is vital for success in the modern world

As a large company in the transport sector, we take responsibility for our impact, aware of how our choices can affect people's lives and natural balances, and we intend to draw on our experience and innovation to deliver solutions that create real, widespread and long-lasting value.[...]

## The Chairman

Gianluigi Vittorio Castelli

## The CEO and Managing Director

Gianfranco Battisti

## VISION

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

### Economic commitment

Be a mobility leader, driving high-quality and efficient transport and infrastructure services



### Social commitment

Lead an integrated mobility plan that promotes fairness, equality and engagement through a virtuous business model



### Environmental commitment

Pioneer the development and sweeping implementation of integrated mobility solutions that help regenerate natural capital



# SUSTAINABILITY FOR FS

Being a great company comes with **great responsibilities**. At a time of important transformations, the FS Group is called to set an **example**: planning for the future, while bearing in mind the long-term interest of shareholders, stakeholders and the entire national community.

**Sustainability** is one of the cornerstones of our business strategy for the future, and one of the key factors to the way people in the Group **act on a daily basis**.

For the FS Group, sustainability means basing every **decision** not just on the short term effects, but with a clear sense of a much more distant future.

We conducted **materiality analyses** to find out the most important aspects for the Group and our stakeholders.

**Personal safety**



**Energy, climate change and air quality**

**Service quality**



**Human resource value**

**Intermodality**



**Circular economy**

**Human rights and responsible production chain**



**Privacy and data security**

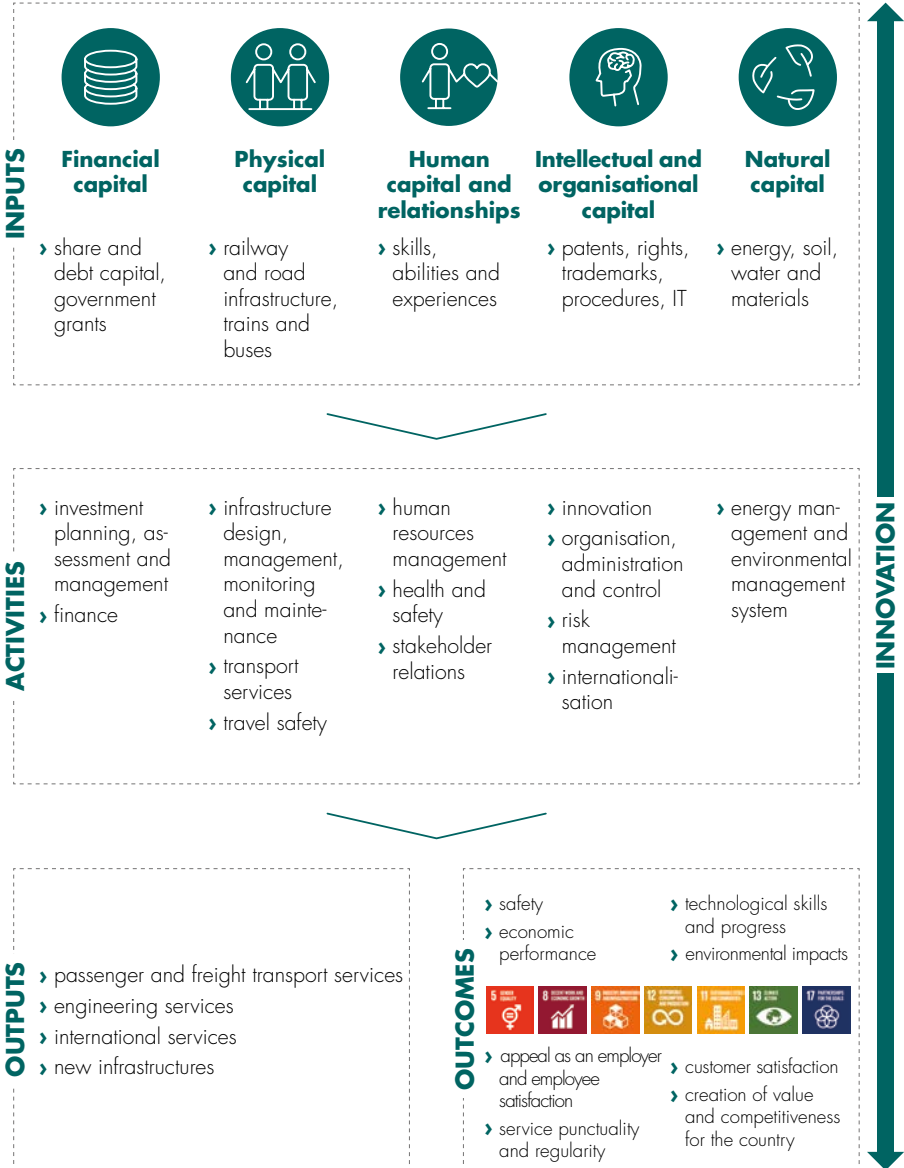
**Ethics and integrity in business**



**Innovation and digitalisation**

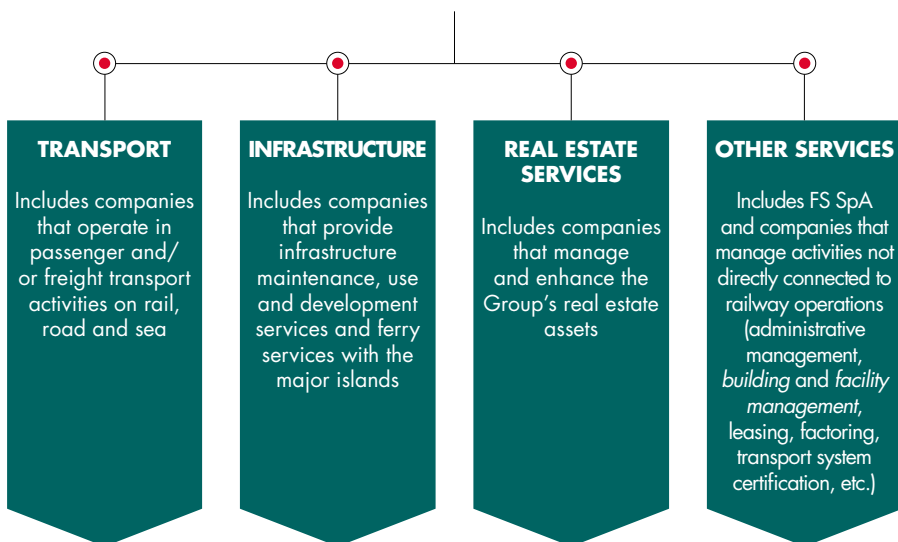
# THE BUSINESS MODEL

Our **business model** intends to create medium and long-term value for all stakeholders by making the best use of different types of capital.



# BUSINESS SECTORS

We operate in Italy and abroad, creating and managing rail, road and motorway transport, passenger and freight works and services, and in public road transport.



**€7.5 BILLION**

INVESTMENTS of which

**€3.5 BILLION**

IN SAFETY, TECHNOLOGY AND EFFICIENCY MAINTENANCE

**€500 MILLION**

FOR THE FLEET RENEWAL



**€12.2 BILLION**

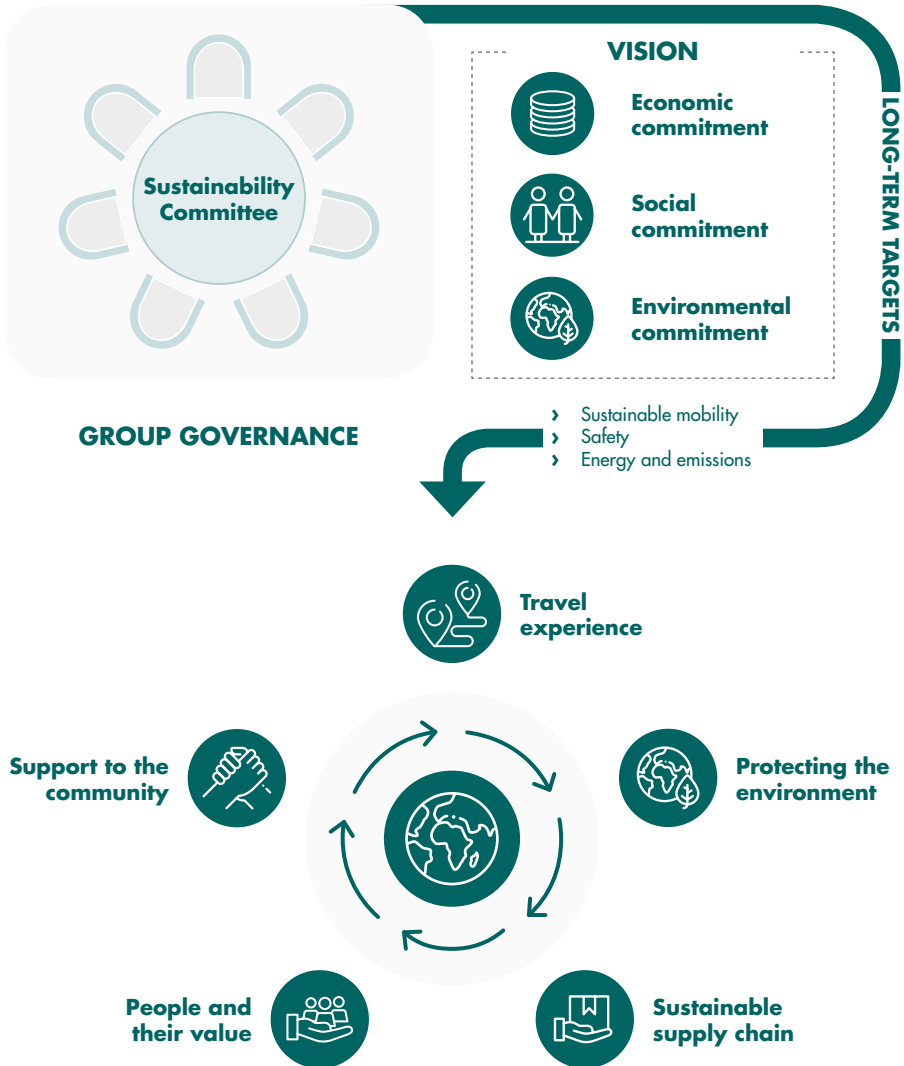
DIRECTLY GENERATED ECONOMIC VALUE

**€10 BILLION**

ECONOMIC VALUE DISTRIBUTED

# COMMITMENT TO A SUSTAINABLE FUTURE

We are aware that we can significantly contribute to improving the wellbeing of millions of people, directly and indirectly, by helping develop mobility and logistics systems in the countries where it operates.





## PEOPLE AND THEIR VALUE

As it considers its people to be invaluable assets, the Group puts them at the centre of its strategies and undertakes to ensure their wellbeing and growth through information, training and development programmes at all organisational levels. The recruitment of new talent, development and career advancement are based on equal opportunities and merit.



**82,944 PEOPLE**

+11% FROM 2017

**MORE THAN 573,000**

TRAINING DAYS

**+31%** FROM 2017

**14% REDUCTION**

ACCIDENTS AND THE FREQUENCY RATE

# PROTECTING THE ENVIRONMENT

We aim to continuously improve the environmental performance of the entire transport chain (design, construction, management and maintenance of infrastructure and buildings) in order to promote sustainable choices.

## ELECTRICITY USE

**5,800 GWh**

+9.4% FROM 2017  
due to change in reporting scope

**82%** OF WHICH  
FOR RAIL TRACTION

## WATER USE

**20 MILLION M<sup>3</sup>**

-14.2% FROM 2017

## WASTE

**332,000 TONS**

MORE THAN **95%** RECYCLABLE





# TRAVEL EXPERIENCE

Our main focus is to offer quality services to travellers to meet their integrated mobility needs in a safe and sustainable way.



**95.7%**

RAIL TRANSPORT PUNCTUALITY  
LH transport

**86.4%**

ROAD TRANSPORT PUNCTUALITY  
Urban transport

**92.5%**

PASSENGERS SATISFIED  
BY THEIR RAIL JOURNEY  
LH transport

**86.3%**

PASSENGERS SATISFIED  
BY THEIR ROAD JOURNEY  
Urban transport

**97.6%**

RAIL TRANSPORT PUNCTUALITY  
Regional transport

**87.5%**

ROAD TRANSPORT PUNCTUALITY  
Suburban transport

**84.5%**

PASSENGERS SATISFIED  
BY THEIR RAIL JOURNEY  
Regional transport

**84.9%**

PASSENGERS SATISFIED  
BY THEIR ROAD JOURNEY  
Suburban transport



# SUSTAINABLE SUPPLY CHAIN

Our contractual standards require the suppliers to know and comply with the commitments signed within the code of ethics, which encourages the development of virtuous practices to improve working conditions and reduce environmental impacts along the entire value chain.



**MORE THAN  
€5 BILLION**

CORE PROCUREMENT 2018

**84%** IN ITALY

**48%** FOR WORKS CONTRACTS

**MORE THAN  
€500 MILLION**

NON CORE PROCUREMENT 2018



# SUPPORT TO THE COMMUNITY

We believe that solidarity is a fundamental value; we put this into practice by implementing projects and initiatives in favour of disadvantaged people.

## 138,000 M<sup>2</sup>

SURFACE AREA PROVIDED TO THE COMMUNITY GRANTED ON FREE LOAN

THE HELP CENTRE NETWORK IS PRESENT IN

## 18 RAILWAY STATIONS

FS FOUNDATION

## €18.1 MILLION

IN VALUE CREATED FOR LOCAL COMMUNITIES (2014-2018)



## STRATEGY AND GOVERNANCE

### **2030 - 2050 TARGETS**

A SHARED AND COLLABORATIVE PATH PROMOTED BY THE SUSTAINABILITY COMMITTEE WITH ITS STAKEHOLDERS, TO ESTABLISH LONG-TERM OBJECTIVES ON PRIORITY ISSUES FOR THE FS ITALIANE GROUP, STARTING FROM SAFETY, ENERGY AND EMISSIONS, AND SUSTAINABLE MOBILITY

### **THE NEW GROUP CODE OF ETHICS HAS BEEN ISSUED**

CONFIRMING THE GROUP'S COMMITMENT TO MAINTAINING THE HIGHEST LEVELS OF ETHICS AND INTEGRITY

## FINANCIAL

### **FIRST GREEN BOND BY FS ITALIANE**

### **EXTERNAL FACTOR ASSESSMENT**

PILOT PROJECT FOR ASSESSING (DIRECT, INDIRECT AND INDUCED) SOCIAL, ENVIRONMENTAL AND FINANCIAL GROUP INVESTMENTS IMPACTS

## SUPPLIERS

### **2018 PROCUREMENT AWARD**

WINNER

"ETHICAL AND SUSTAINABLE PURCHASES" CATEGORY

### **ENI AND FS ITALIANE**

WORKING TOGETHER FOR EXCELLENCE IN WORKPLACE SAFETY: MEMORANDUM OF UNDERSTANDING SIGNED BY ENI AND THE FS GROUP TO INCREASE SAFETY STANDARDS IN THE CONTRACTING SECTOR

## THE ENVIRONMENT

### **NEW ENVIRONMENTAL POLICY ISSUED**

BY THE FS GROUP, INSPIRED BY THE PRINCIPLES OF THE CIRCULAR ECONOMY AND PROMOTING THE USE OF A LIFE CYCLE ASSESSMENT APPROACH

APPLICATION OF THE

### **ENVISION™ PROTOCOL**

THE FIRST RATING SYSTEM FOR DESIGNING AND CONSTRUCTING SUSTAINABLE INFRASTRUCTURES

## CLIENTS AND PASSENGERS

FIRST

### **COMMUTER CARE**

IS CREATED

TRENITALIA C2C WON AWARD FOR

### **BEST UK RAIL OPERATOR**

## HUMAN RESOURCES

### **BEST EMPLOYER OF CHOICE**

FOR THE FIFTH YEAR RUNNING

INTRODUCTION OF

### **SMART-WORKING**

INTRODUCED AS A STRUCTURAL MEASURE TO BUILD A HEALTHY WORK-LIFE BALANCE

## COMMUNITY

HELP CENTRE NETWORK

**ASSISTANCE PROVIDED TO APPROX.  
20,700 PEOPLE IN NEED**

**“COME AND SHARE”**

FUNDRAISING INITIATIVE HELD TO SUPPORT THE FOOD BANK  
CHARITY IN RECOVERING AND DISTRIBUTING FOOD



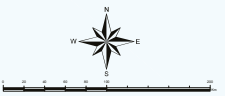
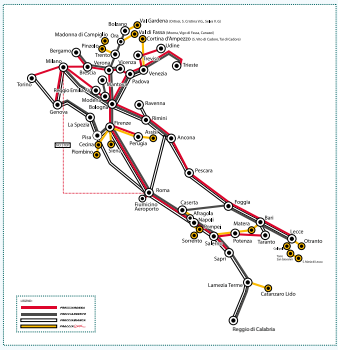


# Rail Network managed by RFI



**Legend**

- High Speed/High Capacity lines (ERTMS)
- Conventional lines
- Secondary lines
- Nodes





**THE GLOBAL GOALS**  
For Sustainable Development



**THE GLOBAL GOALS**  
For Sustainable Development