

A high-speed train, primarily black with a prominent red stripe, is shown in motion, traveling from left to right across the middle of the frame. The background features a vast, open landscape with rolling hills and several tall electrical pylons. In the foreground, several large, golden-brown hay bales are scattered across a field, with one particularly large bale dominating the lower-left corner. The overall scene suggests a harmonious relationship between modern transportation and agriculture.

» Sustainability Report 2014

Translation from the Italian original which remains the definitive version



Registered office: Piazza della Croce Rossa, 1 - 00161 Rome (Italy)

Share capital: €36,340,432,802 fully paid-up

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Contact number 06 44101

Webpage www.fsitaliane.it



Corporate bodies

Corporate bodies

of Ferrovie dello Stato Italiane SpA and the independent auditors

Board of Directors

	In office until 29 May 2014	Appointed on 29 May 2014*
CHAIRMAN	Lamberto Cardia	Marcello Messori
CEO	Mauro Moretti	Michele Mario Elia ¹
DIRECTORS	Antimo Prosperi Mauro Coletta Maria Teresa Di Matteo	Daniela Carosio Vittorio Belingardi Clusoni Giuliano Frosini Gioia Maria Ghezzi Simonetta Giordani Federico Lovadina Wanda Ternau

Board of Statutory Auditors

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

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

Ernesto Basile

Manager in charge of the Company's financial reports

Roberto Mannozi

Independent auditors

KPMG SpA²

* As per the Shareholders' Meeting resolution passed on the same date
1. Appointed by the Board of Directors on 30 May 2014
2. For 2014-2022 period





Contents

Contents

»

6

Letter to stakeholders

GRI 1.1 | 1.2 | 4.12

»

8

Sustainability for the Ferrovie dello Stato Italiane Group

GRI 1.1 | 2.10

»

12

Introduction

Sustainability Reporting: methodology

GRI 1.2 | 3.1 | 3.2 | 3.3 | 3.5 | 3.6 | 3.7 | 3.8 | 3.9 | 3.10 | 3.11 | 3.12 | 3.13 **12**

»

17

1 Business identity

1.1 History **17**

1.2 Ferrovie dello Stato Italiane Group

GRI 2.1 | 2.2 | 2.3 | 2.6 | 2.8 | 2.9 | 3.8 **18**

1.3 Markets and services

GRI 2.2 | 2.3 | 2.5 | 2.7 **22**

1.3.1 Domestic market **22**

1.3.2 International market **24**

»

29

2 Corporate Governance and Sustainability management

2.1 Corporate Governance

GRI 2.6 | 4.1 | 4.3 | 4.4 | 4.5 | 4.6 | 4.7 | 4.9 | 4.10 | EC2 | LA13 | SO2 | SO3 | SO4 **29**

2.1.1 Governance bodies **30**

2.1.2 The internal control and risk management system **33**

2.2 Stakeholders

GRI 1.2 | 3.5 | 4.12 | 4.13 | 4.14 | 4.15 | 4.16 | 4.17 | SO1 | SO5 | SO6 | PR6 | PR7 **36**

2.2.1 The stakeholder panel **37**

2.2.2 Other forms of dialogue **38**

2.3 Mission and Strategies of the Ferrovie dello Stato Italiane Group

GRI 1.1 | 1.2 | 4.8 | 4.12 | EC2 | EC8 | SO5 **43**

2.4 The Ferrovie dello Stato Italiane Group companies'

Management Systems GRI 4.8 | 4.12 | PR1 | SO9 | SO10 **46**

2.5 Protection of human rights

GRI HR1 | HR2 | HR3 | HR5 | HR6 | HR7 | HR8 | HR10 | HR11 **53**

2.6 Compliance

GRI EN28 | HR4 | HR9 | PR9 | SO4 | SO7 | SO8 **55**

2.6.1 Investigations and legal proceedings **55**

» 57

3 Economic responsibility

Highlights GRI 1.2	57
3.1 Results of operations GRI EC1	58
3.2 Investments GRI EC8	60
3.3 Significant financial assistance received from Public Entities GRI EC4	62
3.4 External costs and benefits GRI EC9	63
3.5 Procurement policies GRI EC6 HR1 SO9 SO10	64

» 69

4 Product liability

Highlights GRI 1.2	69
4.1 Transport: mobility services GRI 2.7 PR3	72
4.1.1 Passenger and cargo transport	72
4.1.2 Main types of services offered	73
4.2 Infrastructure sector: mobility services GRI 2.7 PR3	75
4.3 Service quality GRI 2.10 4.12 PR4 PR5 PR8	76
4.3.1 Trenitalia	76
4.3.2 Rete Ferroviaria Italiana ("RFI")	89
4.3.3 Busitalia - Sita Nord and its subsidiaries/investees	96
4.4 Travel safety GRI 4.12 PR1 PR2	110
4.4.1 Traffic safety	110
4.4.2 Safety services	117

» 121

5 Social responsibility

Highlights GRI 1.2	121
5.1 Human resources	123
5.1.1 Our people GRI EC7 LA1 LA2 LA11 LA13	123
5.1.2 Remuneration and social security contributions GRI EC3 EC5 LA1 LA3 LA4 LA11 LA14	129
5.1.3 Making the most of human capital GRI EC7 LA10 LA11 LA12	132
5.1.4 Diversity and equal opportunities GRI LA13	138
5.1.5 Safety in the workplace and protecting health GRI LA6 LA7 LA8	140
5.1.6 Industrial Relations GRI 4.12 HR5 LA5 LA7 LA9 LA11 LA15	142
5.1.7 Disputes with employees GRI SO8	144
5.2 Community GRI 2.10 4.12 EC1 EC8 HR3 LA8 PR1 SO1	145
5.2.1 Solidarity initiatives	145
5.2.2 Social and cultural activities	156
5.2.3 Relationships with the media and new media	157
5.2.4 Fondazione FS Italiane	164

» 167

6 Environmental responsibility

The Group's main environmental issues GRI 1.2 EN30	167
6.1 Energy GRI EN3 EN4 EN5 EN6 EN26	170
6.2 Emissions GRI EN7 EN16 EN17 EN18 EN19 EN20 EN26 EN29 PR1 PR3	174
6.3 Land GRI 4.11 4.16 4.17 EN1 EN2 EN3 EN4 EN7 EN8 EN9 EN11 EN12 EN13 EN14 EN15 EN21 EN22 EN25 EN26 EN30 EC8 SO1 SO9 SO10 PR1 PR3	178
6.4 Waste GRI EN22 EN24 EN26	188
6.5 Noise GRI EN26 EN30	190
6.6 Other impacts GRI EN8 EN9 EN10 EN21 EN23 EN26 EN30 PR1	192

Annexes: Individual company attachments GRI 1.2	197
Independent auditors' report GRI 3.13	235
Questionnaire GRI 3.4	239

» Letter to stakeholders

GRI 1.1 | 1.2 | 4.12

We are one of the most important industrial companies in Italy, with 70 thousand people building and managing transport works and services, mainly on rails, and helping develop a vast mobility and logistics for the country while focusing on its economic, social and environmental sustainability. This is our mission, as clear as it is challenging to achieve. Nonetheless, we believe that we have continued in the right direction in 2014, and this is demonstrated by the figures summarised below, which provide a few examples to shed some light on our world. The FS Italiane Group performed positively in terms of operating profit, up by €80 million (+3.9%), in line with the targets set forth in the 2014-2017 Business Plan, while the net profit for the year was influenced by the negative impact of, in particular, legislative measures that were passed at year end.

Moreover, the FS Italiane Group was able to continue pursuing the actions it had scheduled in the Investment Plan, confirming its crucial role in the development in the domestic transport and logistics sector.

The Group's expenditure for investments in the year (€4,261 million, €1,495 million of which was self-financed and €2,766 million raised through government grants) grew significantly (+9.4%) on the previous year, confirming the positive trend recorded since 2011.

In 2014, the FS Italiane Group also posted growth in traffic, building on the increase seen in the previous year: it registered roughly 42.5 billion passenger-km, some 20.3 billion of which on long-haul journeys (+5.0%) and 22.2 billion on regional and metropolitan trains (-0.9%).

These results, like the others detailed further on, are the fruit of efforts rooted deep in the Group's history, from





over a century ago. Indeed, the Ferrovie dello Stato Italiane Group is aware of the importance of its history, and to keep the story of railway transport alive, the new Fondazione Ferrovie dello Stato Italiane seat opened on 6 October 2014 in Rome, which houses a library with 50 thousand volumes, some of which date back to before the Unification of Italy, and makes a decisive contribution in maintaining the integrity of trains with a strong historical value.

Alongside this rich history is the present day filled with success, not only in terms of the Group's economic results or its significant contribution to the country's passenger and cargo mobility, but also, for instance, its contribution to the success of the Expo 2015, its commitment to help resolve the current humanitarian crises –

poverty, immigration and social disadvantage – and the many initiatives it has undertaken to spread awareness about more sustainable lifestyles, in addition to its tangible commitment to improving the environmental performance of Italy's largest transport operator. All these details and much more, are included in this report. Moreover, the best evidence of our efforts lies in the fact that each FS Group employee upholds a work ethic that is the main strength of our business.

The Chairman
Marcello Messori

The CEO
Michele Mario Elia

» Sustainability for the Ferrovie dello Stato Italiane Group

GRI 1.1 | 2.10

» **€270** million
invested in **Innovation**
and **Safety**

Transported volumes

The FS Italiane Group saw growth in traffic, both for passenger and cargo services, confirming the positive performance of the previous year.

» TOTAL TRAFFIC

		Volumes	Change 2014 vs. 2013
Railway passengers	<i>billion pkm*</i>	42.5	+1.8%
Cargo	<i>billion tkm**</i>	23	+1.5%
Road passengers	<i>million pkm***</i>	899	+0.6%

* *billion passenger-km*

** *billion tonne-km*

*** *million passenger-km*

In railway passenger » **+1.8%**
volumes

In Cargo » **+1.5%**
volumes

In road passenger » **+0.6%**
volumes

» TYPE OF SERVICE

		Volumes	Change 2014 vs. 2013
Long hauls	<i>billion pkm*</i>	20.3	+5%
Regional	<i>billion pkm*</i>	22.2	-0.9%

* *billion passenger-km*

» FOCUS ON THE *FRECCIE* TRAINS (VOLUMES TRANSPORTED BY SERVICE)

	Change 2014 vs. 2013
<i>Freccie*</i>	+10.9%
<i>Frecciarossa</i>	+13.3%

* *Frecciarossa and Frecciargento*

Satisfaction levels

The analysis of customer satisfaction with overall transport services shows that the high satisfaction levels recorded in 2013 were confirmed for 2014 as well.

» TYPE OF SERVICE

	% of satisfied customers*	Change 2014 vs. 2013
Long haul passenger division (LHPD)	91.4%	+1.4%
Regional (LPT)	74.1%	+0.3%

* on a scale of one (least satisfied) to nine (most satisfied)

» **91.4%** of LHPD customers satisfied

» **74.1%** of LPT customers satisfied

Stakeholder engagement

The Group held its second stakeholder panel for stakeholders to propose improvements to company sustainability

Approximately **» 50** stakeholders involved

» **20** new proposals for the Group

Management systems

Two of the Group companies received their first ISO 14001 certification for their Environmental Management Systems (EMS): now eight of FS SpA's direct subsidiaries are certified (FS SpA is also certified).

The Group companies' Environmental Management Systems Governance Model was updated.

» **8** of the Group's operating companies, direct subsidiaries of the Parent Company, are ISO 14001 certified



Products and solutions: innovation, safety and respect for the environment

The Group has invested approximately €270 million in traffic safety and the best railway transport system technologies on board trains.

Climate change initiatives

The Group conducts ongoing research for the sustainable use of resources, through energy efficiency programmes and by promoting the use of renewable sources.

The “Enjoy” car sharing service, which Eni manages in partnership with Trenitalia and Fiat, has been extended to Rome, Florence and, during the summer only, Rimini, bringing the total number of shared cars to over 1,000.

Over **» 1,000** cars are used
in sharing programme
in Florence, Milan,
Rome and Turin



Social disadvantage initiatives

The Group has made **» 18,187** m² of surface area
available for free use

It hosts **» 15** help centres
at railway stations

The help centres have increased
the number of users served by **» +26%**

Its commitment to projects and initiatives to help disadvantaged people demonstrates how solidarity is a crucial value for the Group.

The Group has granted a total surface area of roughly 18 thousand m² for free use for social activities, with a total estimated value of over €30 million.

It hosts a total of 15 help centres in areas granted for free use inside and/or near railway stations, which helped about 30 thousand users, up 26% on 2013.

Communications and sharing sustainability

This is the sixth edition of the Sustainability Report prepared in accordance with the Global Reporting Initiative Guidelines and certified by KPMG SpA.

The Green Station project was kicked off in Pescara, in collaboration with Legambiente, to manage redevelopment initiatives and sustainable land development.

The Group has participated in UIC³ and CER⁴ European UIC initiatives.

A Sustainability section on its website has been created.

Sustainable procurement

The Group continues its commitment to extend the principles of sustainable procurement throughout all Group companies.

Trenitalia has established environmental sustainability criteria (e.g., ISO 14001 certification) for its supplier vetting procedures.

Ferservizi has included environmental sustainability clauses in agreements for non-core procurement for the entire Group (e.g., FSC® certification for office supplies and Energy Star certification for IT equipment).

Italferr has required that external contractors implement quality, environment and safety management systems. RFI has required that contractors with specific qualification systems certify their environmental management systems.

Netinera requires that suppliers comply with the 10 principles of the United Nations' Global Compact.

Awards

Federmobilità awarded Trenitalia for its "Green Express" project for combined rail/road cargo transport.

RFI received the Italian Maintenance Association's "Excellence in Maintenance" award.

» **Trenitalia Cargo**
"Green Express" project

» **RFI for "Excellence
in Maintenance"**

3. International Union of Railways.

4. Community of European Railway and Infrastructure Companies.

Introduction

Sustainability Reporting: methodology

GRI 1.2 | 3.1 | 3.2 | 3.3 | 3.5 | 3.6 | 3.7 | 3.8 | 3.9 | 3.10 | 3.11 | 3.12 | 3.13

The information in the 2014 Sustainability Report is compared with the previous two years⁵. Any differences with the information published in previous Sustainability Reports are due to the fine-tuning of the recording methods used and are specified in detail. Indeed, since 2011, an IT solution (SuPM – Sustainability Performance Management) has been adopted for the data collection process to monitor and report information. The Group plans to implement SuPM gradually throughout all the Group's operating companies at various reporting 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 companies, because they fall within the scope of the Sustainability Report, are included in the system with one single reporting level, which is the equivalent of the entire company.



The Group's 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:

- corporate identity and governance: Ferrovie dello Stato Italiane and its subsidiaries, as per the consolidated financial statements;
- compliance: Ferrovie dello Stato Italiane and its subsidiaries, as per the consolidated financial statements;
- economic responsibility: Ferrovie dello Stato Italiane and its subsidiaries, as per the consolidated financial statements;
- product liability: Ferrovie dello Stato Italiane, RFI, Trenitalia, Busitalia - Sita Nord and the Netinera group (main companies with significant activities in terms of product liability);
- social responsibility⁶: Ferrovie dello Stato Italiane, Trenitalia, RFI, Italferr, Ferservizi, FS Logistica, FS Jit Italia and FS Sistemi Urbani (the scope of analysis includes 88% of the total Group)⁷;
- environmental responsibility: Ferrovie dello Stato Italiane, Ferservizi, RFI, Terminali Italia, Blufferies, Italferr⁸, Trenitalia, Serfer, TX Logistik, Grandi Stazioni, Cen-

5. The publication is annual. The 2013 report was published in August 2014.

6. The "Social responsibility" section includes data presented within the scope for the reporting period.

7. The GRI.3.1 LA10 indicator is reported for the following companies: Ferrovie dello Stato Italiane, Italferr, RFI, Trenitalia, Ferservizi and FS Sistemi Urbani.

8. In the reporting, the environmental impacts of Italferr's sites were separated from the environmental impacts of other Group's 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.



tostazioni, FS Sistemi Urbani, the Netinera group, FS Logistica, Busitalia - Sita Nord, Umbria Mobilità Esercizio and Ataf Gestioni; this scope includes the parent, the companies under its direct control (excluding those that perform financial activities for the Group and railway transport certification/inspection activities) and the companies that the parent controls indirectly through its subsidiaries and that have more than 100 employees.

The content of the 2014 Report relates to the organisation's values, strategies, policies, management systems and objectives for organisations in line with the GRI G3.1 Guidelines defined in 2011 by the Global Reporting Initiative (GRI)⁹. 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 sources¹⁰. The Board of Directors of Ferrovie dello Stato Italiane SpA examined the 2014 Sustainability Report during its meeting on 28 July 2015.

The approach taken has enabled the Group to report the standard elements and performance indicators required by the GRI's G3.1 Guidelines at application level A+, as verified by an independent expert (KPMG). The audit was conducted to evaluate the accuracy of data and the compliance of contents with such Guidelines. In accordance with the GRI Guidelines, the disclosures on the management approach (DMA) summarise the Ferrovie dello Stato Italiane Group's approach to sustainability management. The DMA is available on the website fsitaliane.it (Commitment/Sustainability Report). The parts of the document containing standard information on the organisation and its performance are indicated in the GRI Content Index, as required by the GRI Guidelines. The GRI Content Index is also available online: fsitaliane.it (Commitment/Sustainability Report).

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

10. For additional details, in certain cases, reference should be made to the Group's 2014 Annual Report.

Materiality analysis

This report includes the results of the most material issues for internal and external stakeholders. In order to identify which issues were most material, approximately 50 social, economic and environmental issues were analysed, leading to the creation of the materiality matrix indicated below.

The Group has identified the following internal sources:

- the 2013 Sustainability Report;
- the Business Plan;
- management;
- internal policies and codes of conduct (e.g., the Code of Ethics, Environmental Policy, Charter of Values and Anti-Trust Manual).

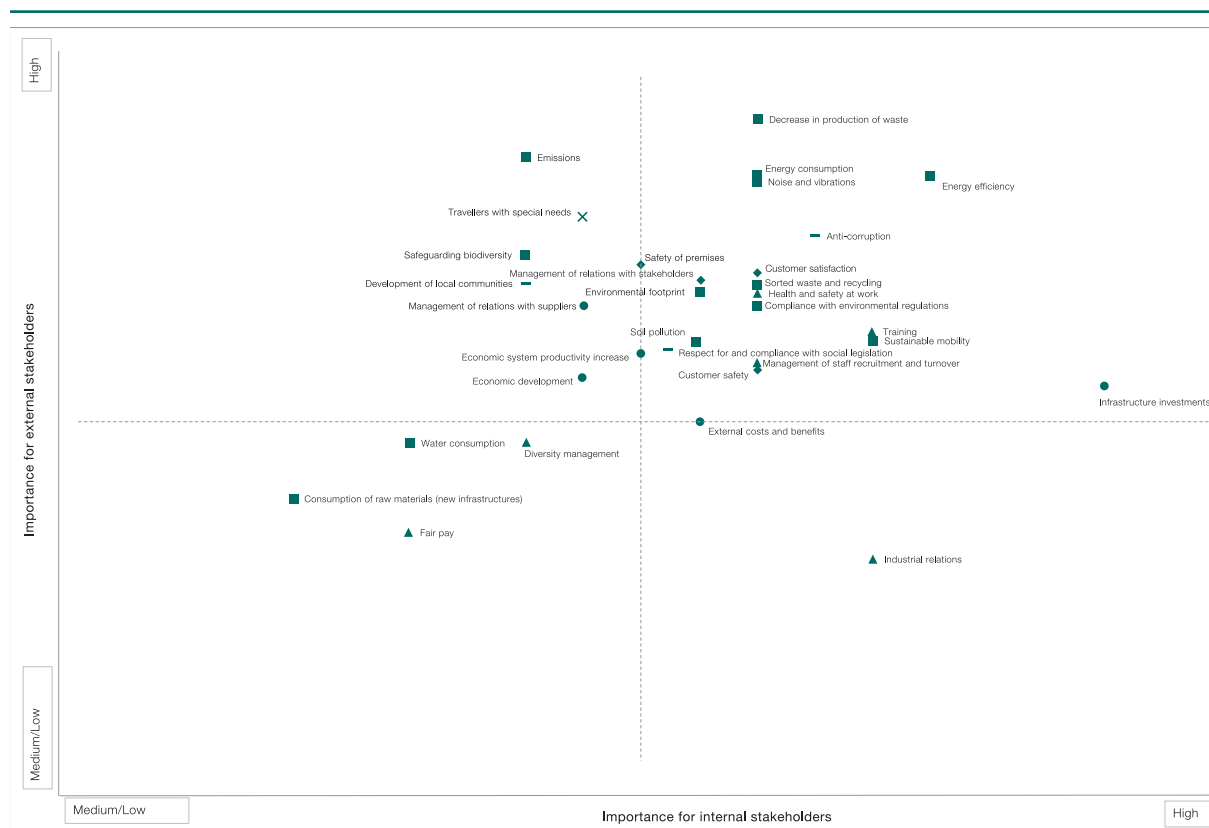
The following external sources have been considered:

- the guidelines of the International Union of Railways (UIC);

- the Sustainability Report of a major European railway group¹¹;
- the main reporting standards for the sector (the Guidelines of the Global Reporting Initiative - GRI G4 for the sector and GRI 3.1);
- the requirements of ethical indexes and socially responsible investors (e.g., the Dow Jones Sustainability Indexes);
- the Group's media exposure;
- the main regulations applicable to the sector;
- focus groups with external stakeholders (see the paragraph on Stakeholders).

The “materiality” of each issue has been calculated as the weighted average of the internal and external stakeholders’ reviews. This Report covers issues that reached the materiality limit that the Group has set¹² and are mapped in the matrix below.

>> MATERIALITY MATRIX



Key - Material issue

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

11. Deutsche Bahn - 2013 Sustainability Report.

12. Certain aspects, although they are under the threshold, have been reported in any case, for the purposes of consistency with previous reports.





FERROVIE
DELLO STATO
ITALIANE

FERROVIE
DELLO STATO
ITALIANE



1. Business identity

1.1 History

The Italian Railways began operating in 1839 with the opening of the first railway line. Azienda Unitaria delle Ferrovie dello Stato was established in 1905 and it became a public entity in 1985. Seven years later, it was transformed into a joint-stock company. In 2000, after a radical reorganisation process in com-

pliance with the European directives on the deregulation of railway transport, Trenitalia was established, and Rete Ferroviaria Italiana was set up the following year, with Ferrovie dello Stato becoming the Parent Company. In May 2011, the latter's name was changed to Ferrovie dello Stato Italiane.



1.2 Ferrovie dello Stato Italiane Group

GRI 2.1 | 2.2 | 2.3 | 2.6 | 2.8 | 2.9 | 3.8

The Group's current structure is that of an industrial group with a Parent Company, i.e., FS SpA, whose business purpose is¹³:

- to build and manage railway transport infrastructure networks;
- to carry out cargo and passenger transport activities, mainly by rail, including the promotion, implementation and management of initiatives and services in the field of transport;
- to 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.

The Ferrovie dello Stato Italiane Group is organised into four operating segments¹⁴: Transport, Infrastructure, Real Estate Services and Other Services.

The Parent Company heads the companies operating in the segments. These companies have their own corporate characteristics and enjoy operational autonomy in the pursuit of business targets.

In particular, the Group companies active in passenger and/or cargo transport by rail, road or sea operate in the Transport segment. By far, the most important of these is Trenitalia, and the segment also includes the Netinera and TX Logistik groups (both operating mainly in Germany), FS Logistica and its subsidiaries/investees and Busitalia - Sita Nord and its subsidiaries/investees, in addition to other smaller companies.

The main company operating in the Railway Infrastructure segment is RFI which manages the maintenance, use and development of the infrastructure. RFI

also ensures sea connections to Italy's largest islands. Moreover, RFI manages some of its own assets that are not functional to railway operations. To a lesser extent, the Group's engineering company, Italferr, and other companies contribute to the Infrastructure segment results¹⁵.

The Real Estate Services segment includes the companies that manage the main railway stations and the companies that manage and develop the FS Italiane Group's real estate assets that are not functional to railway operations. These companies are, in particular, Grandi Stazioni, Centostazioni and FS Sistemi Urbani, with its subsidiary Metropark (which handles property development in parking areas), and the Parent Company (for real estate management activities only).

The companies that operate in the Other Services segment are FS SpA, as the Group's holding company; Ferservizi, which manages activities not directly related to railway operations (e.g., administration, building and facility management) on behalf of the FS Italiane Group companies; Ferccredit, active on the lease, factoring and consumer credit market mainly on the Group's behalf; and Italcertifier, which certifies, evaluates and tests transport and infrastructure systems.

In 2014, there were no significant changes in FS SpA's size, structure or ownership structure (in terms of the ownership of shares and the amount of subscribed capital as well). Non-recurring transactions involving the Group's main companies are described in the Group's 2014 Annual Report (Ferrovie dello Stato Italiane Group's consolidated financial statements at 31 December 2014, Notes to the consolidated financial statements).

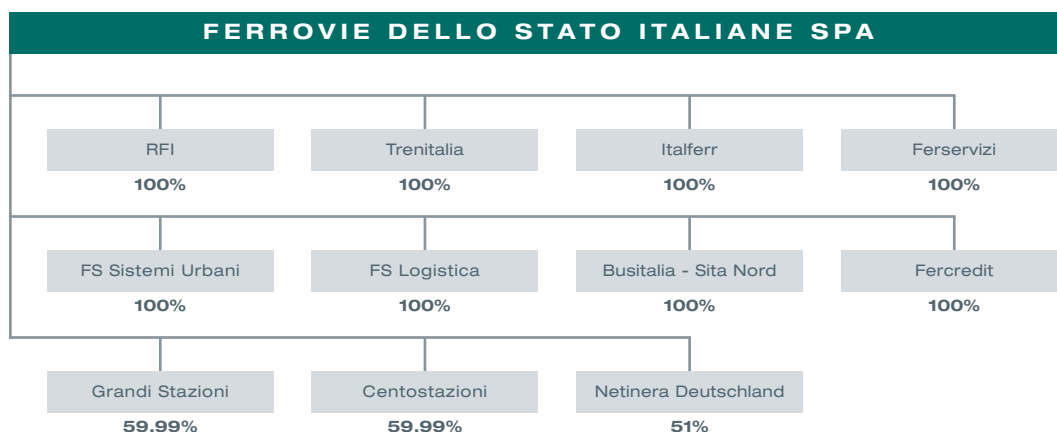
13. Art 3.1 of the version of the by-laws approved by the resolution passed during the extraordinary shareholders' meeting on 19 May 2010.

14. In accordance with IFRS 8 "Operating segments", given that the parent issued a bond in 2013 that is listed on a regulated EU market.

15. Tunnel Ferroviario del Brennero ("TFB"), Brenner BasisTunnel ("BBT") and Lyon Turin Ferroviare ("LTF" and now called Tunnel Eurpalin Lyon Turin TELT Sas); the latter two are both European companies in which the Group holds an interest, and their core business is the construction of tunnels linking Italy-Austria and Italy-France, respectively, while TFB is a financial company that owns the Italian equity interest in BBT.



» FERROVIE DELLO STATO ITALIANE SPA'S MAIN INVESTEEES[



Trenitalia is the largest FS Italiane Group company operating on the market. Active in both passenger and freight transport domestically and internationally, it manages over 7 thousand trains each day and transports 500 million passengers and 38 million tonnes of freight per year. The company is committed to consolidating its position in the ever more competitive high speed transport sector. In recent years, it has also increasingly developed international operations, offering connections with France with Thello and operating in Germany and the rest of Europe with TX Logistik AG in the cargo business.

The **Netinera Deutschland** group offers regional passenger transport services through about 40 companies

operating in Germany. The group is mainly active in rail and road transport in Germany's local public transport and metropolitan market, with services that, in certain cases, extend internationally from Germany to the Czech Republic, Poland and the Netherlands.

RFI, the company holding the Italian railway infrastructure management concession, manages the railway lines, stations and other equipment. It guarantees that the various railway companies have access to the Italian network and that the network is maintained and operating, in addition to managing investments to strengthen and develop railway lines and facilities. Through its subsidiary, Blufferies, RFI also guarantees sea connections between Calabria and Sicily.



Italferr, an engineering company, operates on the Italian and international market in the field of traditional, high speed and metropolitan railway transport engineering. Its activities also extend to other transport systems and all related engineering sectors, giving the company a strategic role in the modernisation and development of Italy's railway network and putting it on the international map as well, where it has received important contracts. In 2014, Italy's domestic situation, with public spending cuts, generated a negative impact on Italferr's operations, entailing a decline in production volumes for mainly captive contracts, while non-captive contracts grew. Indeed, the company managed to benefit from the still growing trend in railway engineering services in most of the world. **Ferservizi** is the service company for the centralised management of the support activities to the Ferrovie dello Stato Italiane Group's core business.

FS Logistica, using infrastructure located throughout Italy, carries out integrated logistics activities, offering deposit and handling services and the management of orders from production sites to the large-scale supermarket chain consumer market. It also designs and builds infrastructures for terminals¹⁶. It also creates ad hoc projects for the management of industrial product flows and waste cycle management solutions.

Busitalia - Sita Nord, directly and through its subsidiaries Ataf Gestioni and Umbria Mobilità Esercizio, operates in the local public transport by road. The company carries out its activities in various business segments, including urban and suburban local public transport, long-haul roadway lines, tourism, rentals and bus service to replace railway service.

FS Sistemi Urbani is responsible for developing the Ferrovie dello Stato Italiane Group's real estate and assets that are not functional for railway operations.

Grandi Stazioni is a service company that is 60% owned by Ferrovie dello Stato Italiane and 40% by Eurostazioni SpA¹⁷. It is responsible for completely redeveloping and managing the commercial spaces in the network of Italy's largest 14 railway stations.

Similarly to Grandi Stazioni, **Centostazioni**, the result of the partnership between Ferrovie dello Stato Italiane (which owns 60%) and Archimede 1¹⁸ redevelops and manages the commercial spaces in 103 medium-sized railway stations throughout Italy.

Fercredit is a financial services company that not only supports Ferrovie dello Stato Italiane Group companies, but also provides solutions to the specific financial needs arising from the Group's agreements for the supply of goods and/or services.

16. Activities are focused mainly in large institutional customers and multi-modal transport and logistics services for consumer goods.

17. Company in which Edizione Srl (Benetton group), Vianini Lavori SpA (Caltagirone group), Pirelli & C. SpA (Pirelli group) and SNCF Participations SA (Société Nationale des Chemins de Fer) hold interests.

18. Private shareholders: SAVE - Aeroporto Marco Polo di Venezia, Manutencoop, Banco Popolare and Pulitori & Affini SpA.

» FERROVIE DELLO STATO ITALIANE GROUP IN FIGURES: 2014

Gross operating profit/revenue		25.18%
ROS (operating profit/revenue)		7.85%
Personnel expense/revenue		(46.69%)
Number of employees at year end		69,115
Average number of employees		69,487
Length of the railway network	km	16,723
Train-km on long-haul lines	thousands	78,782
Train-km on regional lines	thousands	189,574
Rail passenger-km	millions	42,471
Road passenger-km	millions	899
Tonne-km*	millions	23,188

* railway transport - traction only

Train-km (trkm) 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.

Passenger-km (pkm) 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.

Tonne-km (tkm) This is the measurement unit used for cargo transport. It is calculated as the product of the weight transported (in tonnes) times the kilometres travelled by each load considered.

Source: Reprocessing of the Ferrovie dello Stato Group's 2014 consolidated financial statements

The excellent results achieved in the railway transport sector in recent years were confirmed in 2014, in line with the targets in the Group's 2014-2017 Business Plan. However, certain profit margins, such as the operating profit, suffered from a series of legislation significantly modifying the sector's legislative framework. The trend in the Group's spending for investments is growing, confirming its position as a leading supporter of transport and logistics development.

1.3 Markets and services

GRI 2.2 | 2.3 | 2.5 | 2.7

The Ferrovie dello Stato Italiane Group is mainly active in Italy, although it has expanded its presence on foreign markets in recent years, offering transport, railway engineering and specialised assistance services, as well as through participation in consortia for specific projects.

1.3.1 Domestic market

RFI performs other activities in addition to its core business as infrastructure operator, including leasing commercial spaces at stations, with the exception of the 117 stations for which **Grandi Stazioni** and **Centostazioni** handle these activities.

RFI's 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 sustainable infrastructure growth.

» THE NETWORK IN FIGURES: 2014¹

Operating railway lines	km	16,723
Types		
Double-track lines	km	7,556
Single-track lines	km	9,167
Power		
Electrical lines	km	11,940
Diesel fuel lines	km	4,782
Total track length	km	24,278
Traditional line	km	22,928
HS line ²	km	1,350
Railway equipment		
Passenger service stations		2,087
Ferrying facilities		3
Total production volumes in 2014	millions of train-km	331

1. Data updated to 31 December 2014

2. Referring to sections equipped with ERTMS and the related connections to other service locations



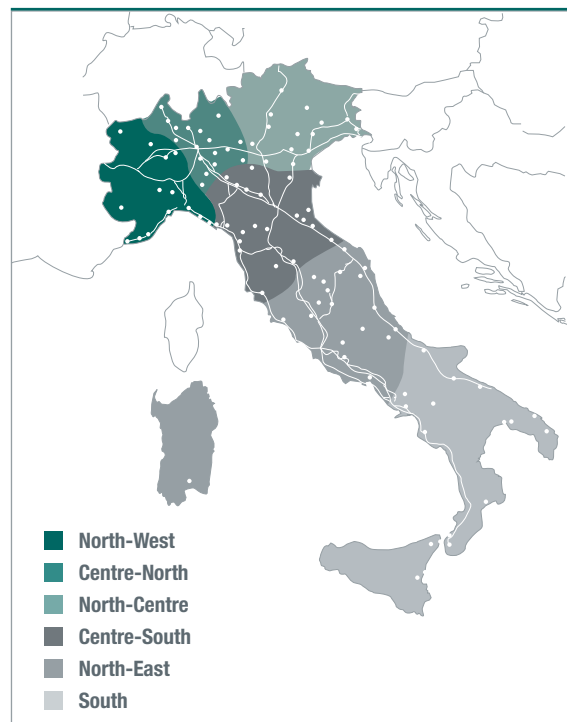
» RFI NETWORK IN OPERATION



» NETWORK OPERATED BY GRANDI STAZIONI



» NETWORK OPERATED BY CENTOSTAZIONI



Trenitalia, the largest FS Italiane Group company, operates throughout Italy with 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 public transport contracts;
- **Cargo Division**, which develops, designs, produces, manages and sells railway transport services for cargo in Italy and from/to abroad.

Busitalia - Sita Nord is the Group's local public transport company by bus. In this segment, either directly or through its subsidiaries, it offers urban and suburban connections in Veneto, Tuscany (directly and through Ataf Gestioni) and Umbria (through Umbria Mobilità Esercizio). Furthermore, through its subsidiary, Busitalia Rail Service, it organises the provision of 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. Its main real estate activities and services include: projects to strengthen services that are important in

terms of their economic and social impact, feasibility studies, consultancy, design and supervision of works, technical/cost feasibility assessments, environmental impact surveys and procedures for contracting work to third parties. Through its subsidiary Metropark, the company manages car parks near major railway stations.

1.3.2 International market

Continental Europe, the Mediterranean, the Middle East, Latin America, the US, India and Australia are the main areas abroad where the Ferrovie dello Stato Italiane Group operates. The main services offered on these foreign markets relate to engineering, passenger transport and cargo logistics.

In the field of passenger transport, the **Ferrovie dello Stato Italiane Group** has expanded its European presence, extending its range of international connections through the subsidiary Thello¹⁹ and collaborating with leading European railway companies.

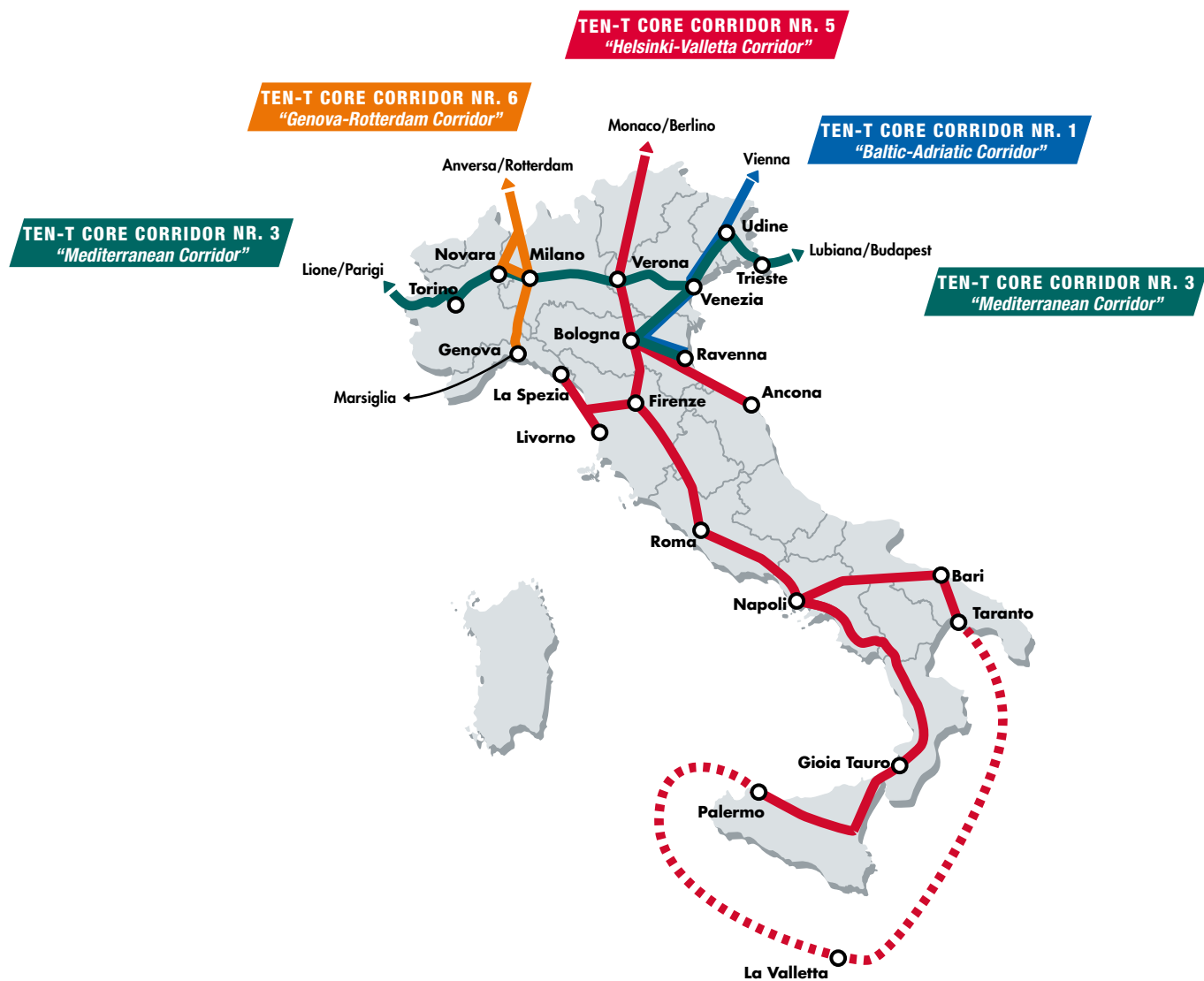
The **Netinera** group operates in rail and road transport on the German local public transport market, and has also offered a few cross-border services from Germany to the Czech Republic and Poland, in addition to cargo services.

In the cargo transport and logistics sector, **Trenitalia** operates on many foreign markets, mainly through TX Logistik, including: Austria, Denmark, Germany, Norway, Holland, Sweden and Switzerland.

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

Grandi Stazioni operates abroad through Grandi Stazioni Ceska Republika Sro, a Czech company responsible for the redevelopment and commercial management of two railway stations in the Czech Republic. RFI's foreign activities mainly consist of its partnership with infrastructure managers in other countries and activities sponsored by the European Union for the development of the Trans European Network - Transport ("TEN-T"). In Italy, this translates into the infrastructure's gradual updating to international standards²⁰ and the improvement of its connections with the main hubs (ports, airports and core terminals). Large-scale projects also

fall within this segment, such as the Brennero base tunnel and the south access sections leading to it, the new Turin-Lyon line and the strengthening and redeveloping of existing lines leading to the main Alpine passes, in terms of both increasing capacity and improving performance, particularly for cargo transport²¹. RFI schedules and commercialises hourly train routes and the related services across borders, in collaboration with the other countries' network managers. Furthermore, in recent years, RFI has been involved in the development of the four European railway corridors for cargo transport (corridors 1, 3, 5 and 6)²².



20. In line with the priorities established in Regulation 1315/2013.

21. These projects are, in certain cases, subject to bilateral agreements that the Italian government signs with bordering countries to define coordinated development plans for railway infrastructures.

22. In implementation of Cargo Regulation 913/2010.

Italferr handles the design, the management and supervision of works, tenders and project management for large infrastructural investments in over 40 countries around the world.

The following table shows ongoing international projects that are expected to be completed in the medium term.

» PROJECTS IN PROGRESS IN 2014

Albania	Coach, bus, trolley, taxi and train station in Tirana Feasibility study for the multi-modal station.
Algeria	Development of the Algerian railway network Technical assistance for the design of new lines, the management of tenders and supervision of work for the completion of the infrastructure investment programme, as well as for the Anesrif agency's personnel training.
Saudi Arabia	Saudi Landbridge Railway Project Preliminary and detailed designs of the new Riyadh-Jeddah line.
Croatia	Design of a section of the Fiume-Zagreb-Budapest corridor Design of the Hrvatski Leskovac-Karlovac section.
Egypt	Updating of the signalling system on the Cairo-Port Said section Updating of signalling systems on the Benha-Zagazig-El Ismailia-El Qantara and Zagazig - Abu-Kebir sections.
Qatar	Doha Metro Development of the Doha metro design.
Ethiopia	Consultancy services for rail operations legal framework, operations management system development and master document preparation Consultancy services for the maintenance and operations of the new railway line connecting the Ethiopian capital with the Djibouti port and the city's new light rail.
France	New Turin-Lyon HS line Design of the new line variation in the "Operations and plant" lot for Lyon Turin Ferroviaire (LTF).
Oman	The National Railway Project Preliminary design of the new railway network.
Serbia	Serbia System Track Analysis Setting up a database for the Serbian railway's most significant assets and infrastructure objects. Update of the national strategy to 2021 and preparation of the Serbian railway investment plan Revision of the strategic plan to update the Serbian railway network.
Serbia - Macedonia	Monitoring the Corridor X railway superstructure Monitoring the works to update the railway superstructure along Corridor X.
Turkey	New contract for the design of the Ankara-Esenboga connection Design of the railway connection between the Esenboga international airport and Ankara. Supervision of works on the Eurasia tunnel and project review Supervision of works oversight and revision of the Eurasia tunnel project in Turkey.

Italcertifer has been continuing its activities in Saudi Arabia for the “Al Shoula” consortium to certify the safety systems on the new “Haramain High-Speed Rail (HHS)” line between the two holy cities Mecca and Medina. In the United Arab Emirates, the company certified the command and control system on the Shan-Habshan

line. In Australia, for Rio Tinto, it is certifying the signalling system for 1,300 km of line and, for Roy Hill, it is certifying the satellite guided driverless train speed protection system. On 25 July 2014, the high speed railway line in Turkey between Ankara-Istanbul, which Italcertifer had certified, was opened.





INT.



2. Corporate Governance and Sustainability management

2.1 Corporate Governance

GRI 2.6 | 4.1 | 4.3 | 4.4 | 4.5 | 4.6 | 4.7 | 4.9 | 4.10 | EC2 | LA13 | SO2 | SO3 | SO4

Beginning with its Code of Ethics²³, the Ferrovie dello Stato Italiane Group has embraced the principles of transparency and correct conduct as essential requirements in its path towards sustainability.

The Ferrovie dello Stato Italiane Group's structure is the result of a complex reorganisation/privatisation process over the years, leading to the current structure in which a Parent Company, Ferrovie dello Stato Italiane SpA, 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 Group's organisation reflects the corporate segregation of the railway infrastructure network from transport services, in accordance with European directives on the privatisation of the railway market.

The Parent Company, which is wholly owned by the Italian Government through the sole shareholder, the Ministry of the Economy and Finance, establishes and coordinates, under the supervision of a Supervisory Committee, the Group companies' policies and business strategies on the basis of economic, environmental and social considerations. In particular, the Group focuses on the interaction among the railway transport, natural environment and the community.

The companies have their own corporate characteristics and are autonomous in their management of operations to achieve business targets.

A governance system made up of departments is in place to ensure that governance processes are effective (the Parent Company is organised into 10 head departments), which contributes to the decision making and sharing process, while also making the most of expertise and professionalism found within the parent.

Ferrovie dello Stato Italiane SpA, which presents a structure flanking the typical duties of a corporate company with industrial and financial activities, prepares the

Group's Business Plan and coordinates its creation and consolidation with the operating companies, oversees and monitors intercompany transactions and manages institutional affairs with the government, considered in the broadest sense (central government, ministries, regions and public administrations in general).

In addition to the separate financial statements, the Parent Company prepares the Group's consolidated financial statements, and both are in compliance with the international accounting principles IAS/IFSR.

Independent auditors included in the specific register are engaged for the legally-required audit of the separate and consolidated financial statements, as provided for by the Italian Civil Code. The independent auditors also issue a review report on the Sustainability Report.

With the issue of the first bond in July 2013 (maturing in July 2020) – listed on the Irish stock exchange as part of the EMTN (Euro Medium Term Notes) programme, Ferrovie dello Stato Italiane SpA became an "Entity of Public Interest" pursuant to article 16 of Legislative decree no. 39/2010 (concerning "legally-required audits of the annual and consolidated financial statements").



23. The Code of Ethic is a "charter of fundamental rights and responsibilities" whereby the FS Italiane Group establishes and clarifies its ethical and social responsibilities and commitments to all internal and external stakeholders.



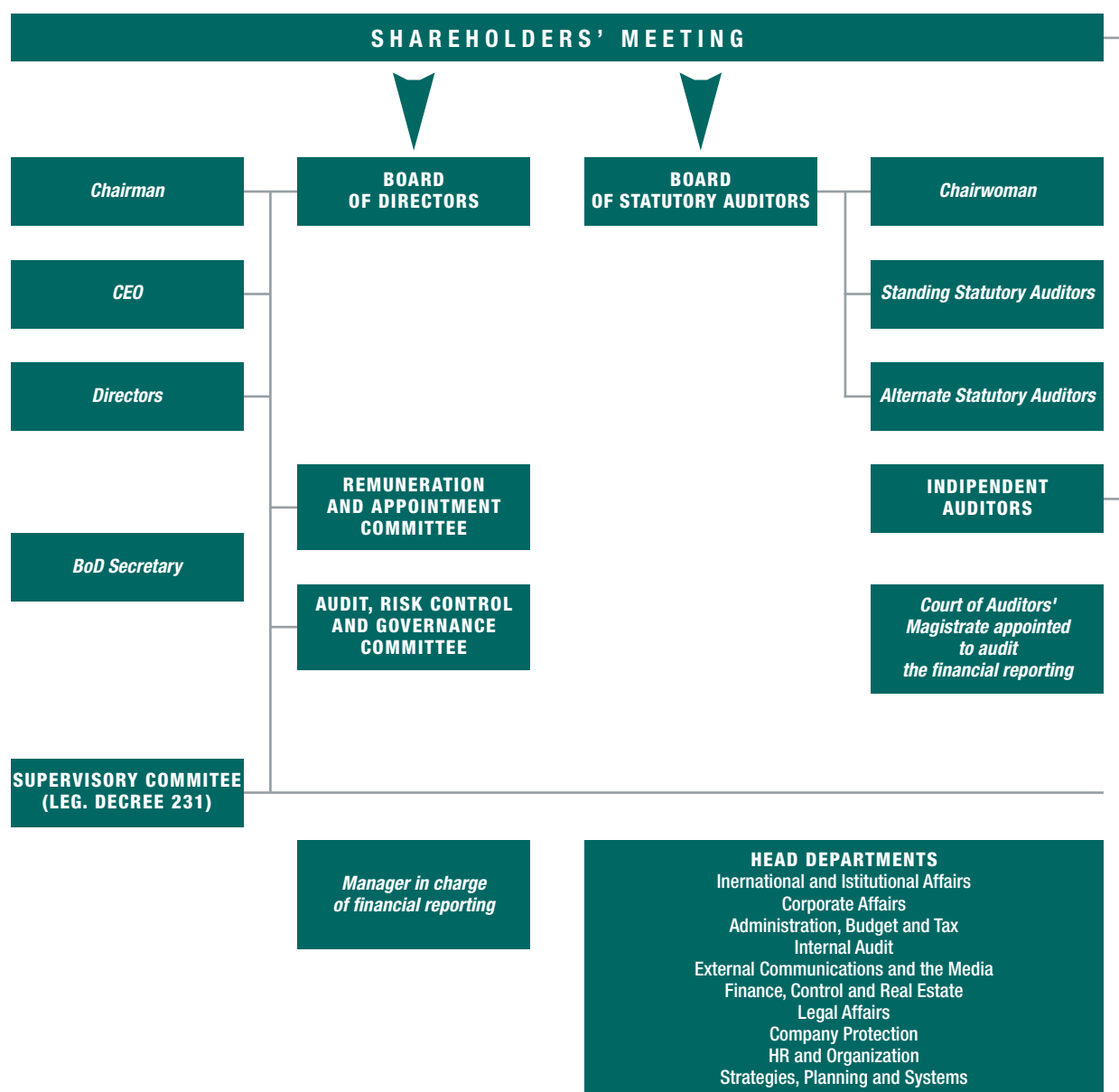
2.1.1 Governance bodies

The corporate governance structure of FS SpA and its main subsidiaries is organised according to the traditional system in which the Shareholders' Meeting appoints a Board of Directors (responsible for management) and a Board of Statutory Auditors (responsible for controls). The by-laws provide that the Board of Directors delegate its duties to a CEO. Following the Shareholders' Meeting resolution, the Board of Directors can also delegate op-

erating duties to the Chairman on the aspects indicated by the Shareholders' Meeting and determine their actual contents.

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

For additional information, reference should be made to the 2014 Annual Report (see the Directors' report, para. Corporate governance).



Shareholders' Meeting

FS SpA's Shareholders' Meeting is attended by the sole shareholder, the Ministry of the Economy and Finance. In 2014, it met nine times for ordinary meetings and once for an extraordinary meeting.

Board of Directors

Pursuant to article 10 of the by-laws, as amended by FS SpA's Shareholders' Meeting during the extraordinary meeting held on 29 May 2014, the Board of Directors (also referred to as the "BoD") consists of a minimum of three to a maximum of nine members appointed by the shareholder.

In any event, the composition of the Board of Directors must ensure a balanced proportion of men and women, in accordance with the applicable regulations and the terms provided for thereby.

On 29 May 2014, as the majority of Directors appointed by the Shareholders' Meeting on 9 August 2013 were no longer in office (and therefore, as the entire Board of Directors was considered outgoing), the Shareholders' Meeting appointed the new board members, with a three-year term of office until the date of the shareholders' meeting that will be called to approve the 2016 financial statements. In its meeting of 30 May 2014, the new Board of Directors appointed Michele Mario Elia as CEO²⁴.

FS SpA's Board of Directors in office for 2014-2016 has maintained for itself exclusive powers on matters of economic and strategic relevance, while assigning the Chairman specific powers for the coordination of internal control activities and the CEO all powers for company's management – with the exception of those reserved exclusively to the Chairman, those that the Board of Directors exclusively maintains and those that cannot be delegated under law – as well as giving the CEO mandate to take any initiative for the Group's development, also with a view to the Group's privatisation, and coordinate the related activities.

FS SpA's Board of Directors normally meets once a month and, in any case, whenever the Chairman or CEO believes a meeting is necessary or whenever the majority of its members or the Board of Statutory Auditors presents a justified written request. The Board met 15 times in 2014.

The Shareholders' Meeting resolve on the Directors' fees.

As proposed by the Remuneration and Appointment Committee and with the approval of the Board of Statutory Auditors, the Board of Directors decided to increase the Chairman's and the CEO's remuneration pursuant to article 2389.3 of the Italian Civil Code. Their remuneration consists of both fixed fees and variable fees linked to the achievement of annual targets, which the Board of Directors defined on the basis of the Remuneration and Appointment Committee's proposal.

Committees

FS SpA sets up advisory or proposal-making committees within the Board of Directors only when strictly necessary. In line with widespread practice among listed companies, FS SpA's Board of Directors in office for 2013-2015 (whose mandate ended on 29 May 2014) had established the Remuneration Committee, responsible for proposing the remuneration of Directors with delegated powers and supporting the CEO in the definition of guidelines for the Ferrovie dello Stato Italiane Group's remuneration policy. After the Board of Directors was renewed, with the shareholders' resolution of 29 May 2014 (for 2014-2016), FS SpA's new Board of Directors (during the meeting on 24 July 2014) resolved to set up the following committees:

- the 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;
- the 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 (should the latter be assigned operating duties), any "co-options" and periodic checks that the Directors of FS SpA meet independence and integrity requirements and are still eligible to hold their office.

The members of these committees receive additional fees equal to 30% of the fees determined by the shareholder for Directors, in accordance with article 10.5 of the by-laws.

24. Ferrovie dello Stato Italiane SpA's BoD is comprised of nine Directors (seven are over 50 years old and two are between 30 and 50): the Chairman (a man), seven non-executive Directors (four of whom are women) and a Managing Director or CEO (a man).



Other committees

In terms of its internal organisation, the Parent Company has some committees responsible for advising/setting guidelines/supporting, and its appointed members are the pro tempore managers in charge of certain company functions.

The **Ethics Committee**²⁵: a 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 principles with various company stakeholders in the decision-making processes, checking that the actions and conduct of Directors and employees are consistent with established conduct, reviewing the company procedures in the light of the aforementioned Code and ensuring that it is constantly updated.

The **Anti-Trust Committee**²⁶: this committee supports Ferrovie dello Stato Italiane's CEO to promote, through the preparation of anti-trust compliance guidelines, the spread of information about competition legislation and monitoring that it is applied. The committee also defines the Group's position with respect to any procedures that the Anti-Trust Authority can initiate against individual companies.

The **Investment Committee**²⁷: this committee advises the CEO and provides guidelines on investments and divestments, directing the Ferrovie dello Stato Italiane Group's planning process, expressing (strategic and economic/financial) fairness opinions on initiatives, it is responsible for approving significant investments and di-

vestments, it monitors the development of the investment plan and proposes any corrective action to be taken.

The **Group IT System and Information Security Committee**²⁸: this intercompany advisory body guides the Ferrovie dello Stato Italiane Group's information security strategies, makes proposals to Group's companies for critical business processes in relation to emerging risks with respect to the use and management of IT resources, monitors IT initiatives, evaluates and approves proposals for the regulation of evaluations and certifications with respect to the security of information and IT systems.

The **SoD (Segregation of Duties) Committee**²⁹: this committee is responsible 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 transversally in the Group companies' staff processes.

The **Group Equal Opportunities Committee**³⁰: this bilateral company body with equal standing and aims to promote initiatives and actions to offer women workers more favourable terms and better opportunities. There are a national committee and 15 local committees³¹, with one representative for every trade union that has signed the National Labour Agreement for the Mobility sector and the same number of members appointed by the Group companies.

25. Set up with group measure no. 50/MD of 30 January 2006.

26. Set up with group measure no. 55/MD of 10 March 2006.

27. Set up with group measure no. 89/MD of 8 February 2007 and subsequently amended with group measures no. 120/MD of 10 November 2008 and no. 186/MD of 24 December 2014.

28. Set up with group directive no. 168/MD of 25 November 2013, in line with group measure no. 167/MD of 25 November 2013.

29. Set up with group directive no. 184/MD of 22 December 2014 and updated with set up with group directive no. 188/MD of 23 January 2015, as an advisory and steering body with respect to the segregation of duties.

30. Set up pursuant to no. 1, point 3, letter 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.

31. The local committees are: CPO Liguria, CPO Piemonte-Valle d'Aosta, CPO Lombardia, CPO Veneto, CPO Verona-Trentino Alto Adige, CPO Friuli Venezia Giulia, CPO Emilia Romagna, CPO Toscana, CPO Marche-Umbria-Abruzzo, CPO Lazio, CPO Campania-Molise, CPO Puglia-Basilicata, CPO Calabria, CPO Sicilia, CPO Sardegna.

2.1.2 The internal control and risk management system

KPMG SpA was engaged to perform the legally-required audit for both the Parent Company and the subsidiaries beginning from 2014. The engagement lasts for nine years³².

The Court of Auditors' Magistrate appointed to audit the financial management of Ferrovie dello Stato Italiane, pursuant to article 12 of Law no. 259/195, attends the meetings of the BoD and the Board of Statutory Auditors.

Board of Statutory Auditors

Along with the parent's other corporate bodies, the Statutory Auditors systematically monitor 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, particularly with respect to the adequacy of the Parent Company's organisational, administrative and accounting system and that it functions properly.

When Ferrovie dello Stato Italian became an entity of public interest³³, the Board of Statutory Auditors of the Parent Company also became the "Internal Control and Audit Committee", responsible for supervising financial reporting, the efficiency of internal control systems, internal audit and risk management, as well as the legally-required audit and, finally, the independence of the independent auditors.

The Board of Statutory Auditors meets at least once every three months. In 2014, Ferrovie dello Stato Italiane's Board of Statutory Auditors met 25 times and the Statutory Auditors attended six Shareholders' Meetings and 2014 meetings of the Board of Directors.

Internal Auditing

The main Group's companies (FS Italiane, Trenitalia, RFI, Ferservizi, Fercredit and Grandi Stazioni) have internal audit departments, reporting to the Chairman of the respective Board of Directors³⁴; If an Audit Committee has been set up, the internal audit department reports to it as well, as defined by the relevant company's internal procedures.

The parent's Audit Head Department provides this service to the subsidiaries, in coordination with their internal audit departments, if they have one, or exclusively if they do not.

Within 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 assess the adequacy of internal control systems (ICS) 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 Manager in charge of the Audit Head Department has functional influence over the entire internal audit professional family for logical purposes and to achieve economies of scale at Group level.

The Audit Head 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.

This department carries out activities throughout all Group's companies, including those with their own internal audit departments. It also reports to the Group's management on internal audit plans and the results of all the internal audit departments. It is exclusively and centrally responsible for investigations into suspected fraud.

In all the Group's companies, although to differing extents, the internal auditors monitor risks of corruption. This monitoring is carried out through:

- the risk assessment to define and update the organisational models pursuant to Legislative decree no. 231/2001 by the auditors on behalf of the Group's supervisory committees;
- assurance activities to identify any indications of fraud;
- the management of reports received about events in violation of the principles of the Code of Ethics and the regulations referred to in the organisational Models pursuant to Legislative decree no. 231/2001.

32. Based on the applicable special provisions provided for by Legislative decree no. 39/10 (article 16 and subsequent articles), after FS SpA became an "entity of public interest" by issuing the listed bond in 2013.

33. Within the term pursuant to article 16 of Legislative decree no. 39/2010 (legally-required audit), in line with article 19 of the same decree.

34. Fercredit's internal audit department reports functionally to the company's Board of Directors.

In 2014, around 1,200 people (including 63 managers) participated in training to spread awareness about anti-corruption policies and procedures implemented at Group level³⁵.

The Group companies' internal audit departments completed a total of 110 audits in 2014³⁶, 99 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 84 related to other aspects and are considered useful in assessing how to prevent potential acts of corruption³⁷.

Many of the activities performed were carried out upon the request of the relevant Supervisory Committees, or were considered significantly relevant by these bodies.

Supervisory Committees and organisational models pursuant to Legislative decree no. 231/2001

The FS Italiane Group's companies have adopted programmes to prevent the crimes covered by Legislative decree no. 231/2001 and have defined the organisational, management and control models, appointing supervisory committees to mitigate the risk of such crimes being committed and thereby suffering the effects provided for by such decree.

The Supervisory Committees are set up as boards³⁸.

In order to maximise these committees' independence, their members cannot hold similar positions with subsidiaries or parents or, in any case, have economic relationships with such companies.

The internal audit departments provide operating services to their respective companies' supervisory committees and their subsidiaries, such as:

- definition and updating of the organisational models;
- performance of checks on the adequacy and compliance of the organisational models;
- technical secretarial duties, such as:
 - calling the periodic meetings and taking the minutes;
 - monitoring and examining information flows from management;
 - examining reports;
 - preparing reports to the company bodies;
 - managing and filing document.

The Central Audit Department offers technical opera-

tional support to the supervisory committees of FS SpA and all the Italian companies that do not have their own independent internal audit departments: Busitalia - Sita Nord, FS Logistica, FS Sistemi Urbani, Cemat, I-Mago, Metropark, Centostazioni and Italferr.

In 2014, various Group companies updated their organisational models pursuant to Legislative decree no. 231/2001 to implement the aforementioned legislative changes and to update the related organisational controls³⁹.

Risk Management

The "Group's Risk Management Model" was first formalised according to the Group provision 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 for risk containment. The Group adopts the Control Risk Self Assessment (CRSA) method for risk management, which actively involves the process owners who carry out activities.

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 would result as inadequate, effective correction and improvement action to contain risks.

The department's representative and the Risk Officer support the process owners in their activities. Under the Group's provision no. 178/AD of 6 October 2014, the model has been establishing, for the main Group's companies, the appointment of a Risk Officer 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 FS SpA. The structure's mission is to ensure the implementation of an integrated Enterprise Risk Management model to support the optimisation of controls to improve performance of each company and of the Group as a whole.

35. The data refer to training organised by the Group's six internal audit departments (either independently or as requested by the Supervisory committees pursuant to Legislative decree no. 231/2001) and the Supervisory committees pursuant to Legislative decree no. 231/2001 within Italferr and Centostazioni.

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

37. No disciplinary measures were taken in 2014 following audits.

38. 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).

39. The companies that updated the models are: Ferrovie dello Stato Italiane, Trenitalia, RFI, Blueferries, Fercredit, Italferr and Metropark.

Manager in Charge of the Company's financial reports

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 Company appointed a Manager in Charge of the Company's financial reports to prepare the accounting documents, pursuant to Law no. 262 of 28 December 2005 "Provisions to protect assets and govern financial markets".

Consequently, on 27 April 2007, Ferrovie dello Stato Italiane's Shareholders' Meeting amended article 16 "Manager in charge of the Company's financial reports" of the by-laws for this purpose.

Following the issue of the aforementioned bond (July 2013), FS SpA's new status as an issuer of listed financial instruments and the position of Manager in Charge of the Company's financial reports became legally required as the company has fallen completely within the scope of application of article 154-bis of the Consolidated Finance Act⁴⁰.

Please note that in view of the FS Italiane Group's organisational and operational complexity, due to the number of operators and processes involved, and in order to strengthen and improve efficiency in the application of this legislation, FS SpA's BoD has encouraged the appointment of a Manager in Charge of financial reporting within each of its main subsidiaries as well⁴¹.

In accordance with the law, the Manager in Charge of the Company's financial reports 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 the Company's financial reports 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, reference should be made to the 2014 Annual Report (see the Directors' report, para. Corporate governance).

Planning and management control system

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

- 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 Strategies, Planning and Systems Head Department (SPSHD) defines the Group's business and market strategies and the related planning, monitoring and strategic control process.

More specifically, the SPSHD 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, and then it monitors the Plan implementation.

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

In particular, the FCAHD prepares FS SpA's budget, supports subsidiaries in the preparation of their budgets and consolidates the FS Italiane Group's budget, with the exception of investments, which fall under the SPSHD'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.

40. Consolidated finance act.

41. RFI, Trenitalia, Grandi Stazioni, Centostazioni, FS Logistica and Busitalia-Sita Nord.

2.2 Stakeholders

GRI 1.2 | 3.5 | 4.12 | 4.13 | 4.14 | 4.15 | 4.16 | 4.17 | SO1 | SO5 | SO6 | PR6 | 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.

The main stakeholders are identified on the basis of their

ability to influence the Group's activities, products and services, along with the amount of influence that the Group has on them.

The stakeholder categories are indicated below.

» FERROVIE DELLO STATO ITALIANE GROUP STAKEHOLDER MAP





2.2.1 The stakeholder panel

On 30 September 2014, the Ferrovie dello Stato Italiane Group organised the second panel for its stakeholders. This initiative involved about 50 stakeholders including businesspeople, public administrations, research institutes, experts, universities, business consortia, consumer associations, trade associations, social organisation, the trade press, resident users and customers. The day consisted of discussions with all participants and round tables in smaller groups with the participation of a Group representative at each table to support the issue being discussed and to encourage the involvement of participants.

Based on the information in the 2013 Sustainability Report, 20 proposals for improvements for the Group's sustainability practices were made, with a focus on five key strategic areas, each discussed in depth at a specific round table:



For each issue, two separate sub-issues were identified to which the discussion was limited. Specifically:

TABLE	ISSUES
Environment	<ul style="list-style-type: none"> • Noise • Environmental impact of infrastructures
Services/Passenger mobility	<ul style="list-style-type: none"> • Urban modal integration • Long-haul modal integration
Safety of premises	<ul style="list-style-type: none"> • Safety at the station • Safety on board trains
Internal organisation	<ul style="list-style-type: none"> • Diversity management • Professional development
Service quality	<ul style="list-style-type: none"> • Accessibility • Customer satisfaction



The Company's commitment to consider all the proposals made in the day and to provide similarly specific responses was achieved in February 2015, when all feedback was published on the Ferrovie dello Stato Italiane website (<http://www.fsitaliane.it/fsi/Impegno/Stakeholder-engagement>).

Furthermore, at the same time, the company published the progress of 2013 stakeholder engagement projects, which is also available on the Ferrovie dello Stato Italiane website.

2.2.2 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 establish partnership with the various stakeholders.

The following table shows the main initiatives of 2014.

AREA OF INTEREST	STAKEHOLDER	TOPICS	MAIN INFORMATION, ADVISORY, DISCUSSION AND PARTNERSHIP INITIATIVES
Labour	Employees Workers' representatives	Training Enhancement Incentives Remuneration Work/life balance Equal opportunities Health and safety Internal communications	<p>Development (par. 5.1.3)</p> <ul style="list-style-type: none"> Evaluation of Group targets: a total of 532 people were evaluated to support organisational changes and/or promotions to specific positions. 4,476 men and 1,395 women were evaluated as part of key populations covered by the integrated evaluation system (average annual numbers of the past three years). The integrated evaluation system was upgraded: a module was implemented in the system to manage development plans, replacement tables and a session to support resource managers in searching for and using evaluation data. <p>Institutional training (par. 5.1.3)</p> <ul style="list-style-type: none"> Roughly 40 newly hired fresh graduates were given two complete orientation sessions, consisting of 15 full days. The same target group also received managerial training made up of 10 classroom days. <p>Managerial training (par. 5.1.3)</p> <ul style="list-style-type: none"> The training programme for junior managers involved 96 resources for their enhancement and development. The "Managerial skill development" project continued, enabling 33 junior managers to ramp up their managerial growth. Managerial training for managers focused on two Initiatives: <ul style="list-style-type: none"> Managerial workshop in two 2-day modules for the development of the main empathetic leadership skills, with the participation of 30 managers. Registration for permanent Ambrosetti updates for training and refresher courses on economic policy, finance, markets and business, with the participation of 130 managers. With respect to Economics, 170 people received training to support economic, financial and asset management activities. The pilot programme for a training model on the remuneration of invested capital in Trenitalia's regional transport division was carried out, with the participation of 27 people. <p>Professional technical training (par. 5.1.3)</p> <ul style="list-style-type: none"> Approximately 297,000 man-days of training were provided to impart and update specialised expertise. Training on the environment and sustainability continued with ad hoc sessions. Training and refresher courses continued for 62 people in the Tax professional family and for 80 people in the Audit professional family. Training for the Human Resources professional family consisted of the certification of another 14 assessors and 30 internal coaches. Around 200 employees, including managers, safety nominees and workers have received occupational health and safety training. The companies have continued to develop specific training to support specialised technical and business expertise. <p>Cross training (par. 5.1.3)</p> <ul style="list-style-type: none"> Individual and collective foreign language training continued. <p>Employer Branding and Recruitment (par. 5.1.3)</p> <ul style="list-style-type: none"> Internal job posting continued. The online e-recruitment system was used for 28 external searches to fill 42 positions. A Group career page was created on LinkedIn. The Group placed first in the "Best Employer of Choice 2014" ranking.

AREA OF INTEREST	STAKEHOLDER	TOPICS	MAIN INFORMATION, ADVISORY, DISCUSSION AND PARTNERSHIP INITIATIVES
			<p>Internal communications (par. 5.1.3)</p> <ul style="list-style-type: none"> • With the new internal communications model, about 1,200 local managers were involved in communications initiatives dealing with engagement and involvement. • Various campaigns were launched for illness prevention and treatment, such as the Race for the Cure. <p>Diversity and equal opportunities (par. 5.1.4)</p> <ul style="list-style-type: none"> • Activities continued to support “women’s shifts” for on board personnel. • Actions were taken to spread awareness among passengers about violence against women. • The “<i>Frecciarosa</i>” campaign for women to prevent cancer and workplace issues was repeated. • Another two sessions of maternity and multi-faceted leadership training were offered to about 30 women upon their return to work after maternity leave, and about 25 of their direct managers or supervisors. • Maternity leave guidelines were published. • A study began for a pilot programme on telecommuting. • The DyMove project was presented, a programme aimed at emphasising diversity in a positive light and spreading public awareness about efforts to end racial discrimination. • A benchmarking analysis began on people caring to encourage a better balance between personal needs and work. <p>Industrial Relations (par. 5.1.6)</p> <ul style="list-style-type: none"> • An agreement was signed with the trade unions to extend the validity of the local agreements signed in 2013 to 2014, with respect to the “Fund for the pursuit of active policies to support income and employ Group companies’ personnel”.
Governance	Lenders Shareholders	Relationships with shareholders and lenders Corporate Governance	<ul style="list-style-type: none"> • On 29 May 2014, the Shareholders’ Meeting appointed the new members of the Board of Directors with a three-year term of office (par. 2.1.1). • In 2014, the following committees were set up (par. 2.1.1): <ul style="list-style-type: none"> – Audit, Risk Control and Corporate Governance Committee; – Remuneration and Appointment Committee; – SoD (Segregation of Duties) Committee. • The Parent Company prepares the Group’s consolidated financial statements and separate financial statements in compliance with IFRS (par. 2.1.2). • The main Group’s companies have internal auditing departments and the internal auditors monitor corruption risks (par. 2.1.2). • Roughly 1,200 people (including 63 managers) within the Group participated in training on anti-corruption policies and procedures implemented at Group level (par. 2.1.2). • Various Group companies have updated their organisational models pursuant to Legislative decree no. 231/2001 to implement the aforementioned legislative changes and to update the related organisational controls (par. 2.1.2). • The Group’s model was strengthened with the establishment of the Risk Management structure, which reports directly to FS Italiane’s CEO for the implementation of an integrated Enterprise Risk Management model. • Announcements of the approval of the financial statements, Business Plans and significant transactions have been published on the Group’s website (par. 3.1).

AREA OF INTEREST	STAKEHOLDER	TOPICS	MAIN INFORMATION, ADVISORY, DISCUSSION AND PARTNERSHIP INITIATIVES
Market	Customers Suppliers Competitors Partners	Service quality Transparency Communi- cation Information Fares	<ul style="list-style-type: none"> The Group consolidated its presence in the local public transport market through the acquisition of Umbria Mobilità Esercizio (par. 4.1.1). Periodic customer satisfaction surveys were conducted and complaints were analysed (par. 4.3). Italferr was assigned the supervision of works for the Expo 2015 (par. 2.3). All procurement following tenders was made in accordance with the contracting code (Legislative decree no. 163/2006), EU legislation and the regulation for Group company negotiations (par. 3.5). When the customer is a Group company, Italferr requires, inter alia, in the contracts with external contractors, the implementation of quality, environment and safety systems (par. 3.5). RFI has made EMS certification mandatory for companies/suppliers of products for infrastructure and work on the railway superstructure (par. 3.5). Contractual clauses for the vetting of suppliers in accordance with environmental sustainability criteria continue to be included, where possible, (par. 3.5).
Community	Public administration Institutions Social organisations Associations Scientific community The media	Compliance with laws Support for initiatives Transparent communi- cations Upstanding management	<ul style="list-style-type: none"> The Group companies' internal audit departments completed 110 audits (par. 2.1.2). The Group took part in the activities of European institutions (Parliament, Commission and Council) and national institutions, as well as in European work groups on specific issues (par. 2.2.2). The second edition of the FS Italiane Group's stakeholder panel was held (par. 2.2.1). With the support of associations for the disabled and people with reduced mobility, specific training courses were designed for Sala Blu vehicles personnel (par. 4.3). For years, a solidarity project has been underway (help centres) in partnership with local bodies and social organisations/community groups (par. 5.2.1). The Help centres operating within the ONDS network saw growth of 26% in users (par. 5.2.1). The various shelters in railway premises no longer in use, now managed by Caritas, a charitable organisation, were increased and expanded (par. 5.2.1). A solidarity campaign was organised for the renovation of the new Caritas Day Shelter in Milan (par. 5.2.1). A "Cold emergency plan" was created to strengthen the Help centre network's activities during winter (par. 5.2.1). In the 509 stations that have been redeveloped for social purposes, approximately 67,000 m² have been granted for free use (par. 5.2.1). Again in 2014, the Group has pledged its support for national events like concerts, art shows, performances, conventions and artistic, cultural and scientific initiatives (par. 5.2.2). In collaboration with key institutions and associations, programmes have been developed to support social issues of the present time (par. 5.2.2). Agreements with the local branches of the Civil Protection Service have been renewed (par. 4.4.2). Meetings have been held with the national, local and international media, online newspapers, websites and blogs (web 2.0) (par. 5.2.3).
Environment	Environmental associations Social organisations Scientific community	Focus on the local area Management of environmental impacts Effective communication	<ul style="list-style-type: none"> The "Enjoy" car sharing programme continued to expand. It is managed by Eni in partnership with Trenitalia and Fiat (par. 6.2). The 25th edition of the Treno Verde was held (par. 6.2). With respect to the sorted collection of urban waste, systems to collect waste arising from the Group's activities and those of customers and suppliers were strengthened (par. 6.4).

In 2014, the Ferrovie dello Stato Italiane Group took part in activities with the following associations: Confindustria and its local branches, Agens/Federtrasporto, Federturismo, Anie, Assonime and Accredia.

There were also regular contacts 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 inspection audits.

In Europe, the Ferrovie dello Stato Italiane Group:

- has taken part in activities relevant for its business within 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);
- has participated in work groups organised by the European Railway Agency);

- has defended its positions with Confindustria (the Italian association of industrialists) in Brussels.

On 3 December 2014, the CEO of Ferrovie dello Stato Italiane was unanimously appointed Vice President of the International Union of Railways (UIC).

The Ferrovie dello Stato Italiane Group is registered with UPA (Associated Advertising Users), 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 2014. 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.



2.3 Mission and Strategies of the Ferrovie dello Stato Italiane Group

GRI 1.1 | 1.2 | 4.8 | 4.12 | EC2 | EC8 | SO5

Vision

The Group is on the front line for the modernisation of Italy and the search to continuously improving the quality of life in a framework of sustainable development.

Mission

We create and manage for our customers transport works and services, mainly on rails, and we contribute to the development of a large sustainable mobility and logistics system for Italy, with an offer aimed at achieving increasingly higher quality at a lower cost.

Code of Ethics

The Code of Ethics is a “charter of fundamental rights and responsibilities” whereby the Ferrovie dello Stato Italiane Group establishes and clarifies its ethical and social responsibilities and commitments to all internal and external stakeholders.

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.

Among the most important of the Ferrovie dello Stato Italiane Group’s ethical principles there are corporate responsibility and 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.

Policies

The policies reflect the values of the Code of Ethics in the various fields, and are based on responsibility and transparency, which are indispensable for sustainability.

Business management and conduct

- Creating economic value.
- Adopting the best corporate governance practices.
- Holding open and transparent discussion with all stakeholders.
- Governing investments to encourage sustainable mobility.

Environmental and local area policy

- Maximising the environmental advantages of the collective transport of people by rail, road and sea, and cargo transport by rail.
- Minimising the negative impact on the environment by using national resources rationally and safeguarding local areas and biodiversity.
- Contributing to the environmental awareness of the main stakeholders, customers, personnel, suppliers and competitors.

Human resources policy

- Creating quality jobs by innovating organisational processes and offering equal opportunities.
- Supporting and promoting growth in technical, cultural and managerial skills.
- Improving the company climate.

Social policy for the community

- Forging positive relationships with institutions, associations and local communities.
- Contributing to the community’s well being, ensuring residents enjoy safe, efficient services.
- Constantly interacting with customers in a service-oriented way.

Health and safety policy

- Ensuring the highest level of safety in activities that entail risks for employees, customers and the community.
- Consolidating the culture and prevention of risks and engaging all actors, with workers foremost, in the field of health and safety.
- Continuously improving results in terms of reducing injuries.

Quality and innovation policy

- Putting customers first.
- Leveraging innovation, including technological innovation, to ensure the best quality products and services.

Strategic Business Areas

A series of external events affected performance in 2014, mainly in terms of changes in legislation and regulations which disrupted operations and affected the Group's financial results. However, these changes did not result in the need to revise the strategies previously defined, and so the Group's companies have continued to focus their business decisions in line with the guidelines set forth in the 2014-2017 Business Plan.

In particular, the Group confirmed its aim of "growth in value", i.e., striving to force a structural condition in which value is created for each business that it manages, offering the best service with the best possible return on invested capital.

In the near future, the Group expects to face the challenges posed by partial privatisation, with the placement of a minority portion of its capital on the regulated stock exchange. The Group sees this upcoming stage as an opportunity to best pursue its business targets, which reflect the crucial role it plays for Italian business.

Long haul and international passenger services on the market

The Trenitalia's *Frecce* service, which is mainly operated on the high speed/high capacity (HS/HC) network, ensures an increasingly widespread coverage of continental Italy, with highly appreciated train frequencies, speeds and quality, as demonstrated by customer satisfaction levels.

The roll-out of the new *Frecciarossa* 1000 trains leads to expectations of further market growth, although at slower rates than in the past, and a slight increase in Trenitalia's market share.

With respect to international services, activities are underway to strengthen relationships with Switzerland, with departure from Milan and arrival in Geneva-Basel-Zurich, in line with the agreements with SBB. The commitment also continues to reinforce the offer to Germany, partly as an extension of connections to Zurich and partly through new commercial arrangements for service to Munich.





Universal long haul passenger service

In agreement with the relevant Ministries, the revision of the universal long haul passenger service offer continues on the basis of economic and financial sustainability criteria, maintaining the relationships considered as necessary to ensure mobility from/to certain areas of the countries.

To improve service management, without neglecting the quality of the offer, certain internal action have been taken, including the identification of a proprietary commercial structure, cutting service provision costs and boosting productivity.

Regional and local short haul passenger service

The revision of the local public transport (LPT) offer and the rail/road modal integration constitutes one of the Group's key strategies.

In particular, the rail/road integration, i.e., the integration of the offer in one single strategy and the clear segregation of duties with respect to rails, LPT by road, urban railways and urban road service is the best way to optimise collective transport with clear benefits for the entire system in terms of cost effectiveness, energy savings and the environment.

In line with this strategy, through the subsidiaries Busitalia - Sita Nord and Trenitalia, the Group actively partners with locally-based companies and/or acquires existing rail and road transport operators.

In this respect, Busitalia Veneto was founded (January 2015), 55% owned by Busitalia - Sita Nord and 45% by APS Holding, for the integrated management of LPT services in the Veneto region.

Regional transport is also seeing the expected expansion, in terms of revenue and market share, of Netinera, which is controlled by Ferrovie dello Stato Italiane and operates on the German market.

Cargo transport service

In 2014, the Cargo Division's governance was reviewed with the redefinition of the scope of activities of the various Group's companies operating in this segment.

The market was clearly divided among the various players, and internal actions were taken to recover productivity and encourage better, more transparent relationships with customers. This will enable the Group to grow in the future in the cargo business, despite a considerable change in the universal service contract. Indeed, in this respect, as the public service contract lapsed and was not renewed, a new contractual system for cargo services from/to Southern Italy pursuant to the 2015 Stability Act took its place.

Finally, to implement the international transport strategy, the Group plans to partner with and/or acquire existing operators and to significantly expand the operations of the TX Logistik group.

International development – Other services

Confirming its international calling, and not only in the passenger and cargo transport services described above, the Group continues to expand with respect to all other activities for foreign market services and in connection with the management of stations, logistics, infrastructure management, engineering, certification, etc.

The FS Italiane Group for Expo 2015

The Ferrovie dello Stato Italiane Group has played a leading role in the organisation of Expo 2015.

In terms of railway services, a series of initiatives was organised to ensure a high quality offer, innovative passenger services and adequate promotional support for the event. Through Trenitalia, the Group is also the *Official Global Rail Carrier* for Expo 2015.

In July 2014, Italferr was assigned the supervision of works for Expo 2015. It performed surveillance, coordinated the supervision of works already underway and established new works oversight, including by taking over for the previous ones, in a number of contracts. Italferr supported the Expo 2015 Contracting Station and Sole Commissioner on technical, legal and administrative issues, ensuring that all works could be completed by the opening date of Expo 2015.

On the other hand, Ferservizi provided Expo 2015 SpA with assistance and support in the procurement process for the awarding and procurement process for the awarding and contracting of suppliers, services and works in connection with this international event.



2.4 The Ferrovie dello Stato Italiane Group companies' management systems

GRI 4.8 | 4.12 | PR1 | SO9 | SO10

Ferrovie dello Stato Italiane SpA and the Group's main operating companies completed the implementation and certification of their environmental management systems (EMS)/integrated management systems (IMS). They have achieved the following main milestones:

- expansion of the scope of the parent's EMS application, obtaining ISO 14001 certification for all operational and management processes at the Villa Patrizi Head Office in Rome;
- maintenance of ISO 14001 and EMS/IMS certification for the operating companies that have already been certified (Trenitalia, RFI, Italferr, Ferservizi, FS Sistemi Urbani, Busitalia - Sita Nord, Centostazioni and FS Logistica⁴²);
- continuance of the steps to obtain ISO 14001 certification for Grandi Stazioni through the implementation of operating procedures and the performance of operating audits⁴³.

During 2014 and in the first few months of 2015, the Parent Company formalised its active role in promoting, addressing, coordinating and facilitating the adoption of

consistent management of environmental issues within the Group through:

- the issue of the new Group environmental policy;
- the update of the Group companies' EMS governance models and environmental guidelines;
- the completion of audits of the operating companies' documentation.

The monitoring and reporting of environmental aspects for main Group's companies include the continuance of the project for the development of SuPM (Sustainability Performance Management) IT system with the extension of the reporting scope to Blufferies, Ataf Gestioni and Umbria Mobilità Esercizio and the development of Busitalia - Sita Nord's reporting to several levels.

The scope of application for the Management Systems of the Group's operating companies varies according to the business and maturity level of the System. 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.

42. FS Logistica extended the physical scope of its EMS certification to the Marcianise, Bologna Interporto and Torino Orbassano sites.

43. System audit activities were performed at the Roma Termini, Milano Centrale and Venezia Santa Lucia stations.

» IMPLEMENTATION STATUS OF THE MANAGEMENT SYSTEMS WITHIN THE FERROVIE DELLO STATO ITALIANE GROUP'S MAIN COMPANIES

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (E) ISO 14001	OCCUPATIONAL SAFETY (S) OHSAS 18001	INTEGRATED SYSTEMS
Ferrovie dello Stato Italiane	<p>Audit Head Department and Audit departments of Ferrovie dello Stato Italiane Group</p> <p>Scope:</p> <ul style="list-style-type: none"> design and provision of internal audit services to the Group's companies 	<p>Ferrovie dello Stato Italiane (Headquarters)</p> <p>Scope:</p> <ul style="list-style-type: none"> setting the guidelines and coordinating policies and industrial strategies for the Group's operating companies, implementing corporate governance processes, preparing the Group's Business Plan, governing and monitoring corporate relationships within the Group, managing relationships with the Government and other institutional authorities. 		



COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (E) ISO 14001	OCCUPATIONAL SAFETY (S) OHSAS 18001	INTEGRATED SYSTEMS
RFI	<p>Commercial and Network Operation Department and Main Steering Departments Scope:</p> <ul style="list-style-type: none"> management of train traffic to ensure safe railway operation. <p>Production Department (DPR) and Local Production Units Scope:</p> <ul style="list-style-type: none"> maintenance of the railway infrastructure to ensure safe train travel and railway operation and the performance of train travel and shunting activities; design in the railway engineering sector (superstructure, signalling and telecommunications systems and electrical traction), civil engineering and environmental protection in the railway field. <p>National Electrical Equipment Workshop - Bologna, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation through the inspection, repair, rehaul and assistance for vehicles operating on the rails and railway equipment for electrical traction systems and safety and signalling systems. <p>National Superstructure Workshop - Pontassieve, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation; construction of railway super structure equipment through mechanical processing, welding, assembly and attachment of rails and railway diverters. <p>National Carriage Workshop, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation through general inspections, non-routine maintenance, 5-year checks, repairs and assistance for the vehicles operating on rails. 	<p>Main Steering Departments Scope:</p> <ul style="list-style-type: none"> management of train traffic to ensure safe railway operation. <p>Local Production Units Scope:</p> <ul style="list-style-type: none"> maintenance of the railway infrastructure to ensure safe train travel and railway operation; provision of train operating and shunting services. <p>National Electrical Equipment Workshop - Bologna, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation through the inspection, repair, rehaul and assistance for vehicles operating on the rails and railway equipment for electrical traction systems and safety and signalling systems. <p>National Superstructure Workshop - Pontassieve, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation; construction of railway super structure equipment through mechanical processing, welding, assembly and attachment of rails and railway diverters. <p>National Carriage Workshop, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation through general inspections, non-routine maintenance, 5-year checks, repairs and assistance for the vehicles operating on rails. 	<p>Main Steering Departments Scope:</p> <ul style="list-style-type: none"> management of train traffic to ensure safe railway operation. <p>Local Production Units Scope:</p> <ul style="list-style-type: none"> maintenance of the railway infrastructure to ensure safe train travel and railway operation; provision of train operating and shunting services. <p>National Electrical Equipment Workshop - Bologna, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation through the inspection, repair, rehaul and assistance for vehicles operating on the rails and railway equipment for electrical traction systems and safety and signalling systems. <p>National Superstructure Workshop - Pontassieve, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation; construction of railway super structure equipment through mechanical processing, welding, assembly and attachment of rails and railway diverters. <p>National Carriage Workshop, as one of the DPR's national workshops Scope:</p> <ul style="list-style-type: none"> maintenance to ensure safe train travel and railway operation through general inspections, non-routine maintenance, 5-year checks, repairs and assistance for the vehicles operating on rails. 	Q+E+S

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (E) ISO 14001	OCCUPATIONAL SAFETY (S) OHSAS 18001	INTEGRATED SYSTEMS
Trenitalia	Trenitalia (Headquarters and operating sites) Scope: <ul style="list-style-type: none">design and provision of passenger and cargo transport services by rail.	renitalia (Headquarters and operating sites) Scope: <ul style="list-style-type: none">design and provision of passenger and cargo transport services by rail.	Trenitalia (Headquarters and operating sites) Scope: <ul style="list-style-type: none">design and provision of passenger and cargo transport services by rail.	Q+E+S
Italferr	Italferr (Headquarters and operating sites) Scope: <ul style="list-style-type: none">design, management supervision of construction works, and of works on guided transport and the related interferences.	Italferr (Headquarters and operating sites) Scope: <ul style="list-style-type: none">design, management of works contracting, supervision of construction works and of works on guided transport and the related interferences.	Italferr (Headquarters and operating sites) Scope: <ul style="list-style-type: none">design, management of works contracting, supervision of construction works and of works on guided transport and the related interferences.	Q+E+S
Netinera	SBN (Headquarters and operating sites) Scope: <ul style="list-style-type: none">transport services using buses: regional and urban public transport, occasional transport, maintenance and customer assistance. NW Scope: <ul style="list-style-type: none">maintenance and inspection of railway vehicles in accordance with the operating rules of construction and the German railway service. Vogtlandbahn Scope: <ul style="list-style-type: none">regional and long haul passenger transport service by rail. OHE (Headquarters and operating sites) Scope: <ul style="list-style-type: none">maintenance and updating of owned and third party railway vehicles. Regental Fahrzeugwerkstätten Scope: <ul style="list-style-type: none">maintenance and updating of railway vehicles;technical services for railway activities. Neißeverkehr Scope: <ul style="list-style-type: none">transport services using buses.	Neißeverkehr (the company also holds EMAS certification) Scope: <ul style="list-style-type: none">transport services using buses.		
Busitalia - Sita Nord	Busitalia - Sita Nord (Headquarters and operating sites) Scope: <ul style="list-style-type: none">design and provision of transport services by buses (local public transport, long haul lines, rentals and atypical services).	Busitalia - Sita Nord (Headquarters and operating sites) Scope: <ul style="list-style-type: none">design and provision of transport services by buses (local public transport, long haul lines, rentals and atypical services);maintenance and recondi- tioning of the owned bus fleet.	Busitalia-Sita Nord (Operating sites in Veneto) Scope: <ul style="list-style-type: none">design and provision of transport services by buses (local public transport, long haul lines, rentals and atypical services).	Q+E+S

>> IMPLEMENTATION STATUS OF THE MANAGEMENT SYSTEMS WITHIN THE FERROVIE DELLO STATO ITALIANE GROUP'S MAIN COMPANIES

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (E) ISO 14001	OCCUPATIONAL SAFETY (S) OHSAS 18001	INTEGRATED SYSTEMS
Centostazioni	Centostazioni (Headquarters and other sites) Scope: <ul style="list-style-type: none"> development and refurbishment of the building complexes; design services and supervision of works; commercial development and advertising services; real estate portfolio management, property and facility management services. 	Centostazioni (Headquarters and other sites) Scope: <ul style="list-style-type: none"> development and refurbishment of the building complexes; design services and supervision of works; commercial development and advertising services; real estate portfolio management, property and facility management services. 	Centostazioni (Headquarters and other sites) Scope: <ul style="list-style-type: none"> development and refurbishment of the building complexes; design services and supervision of works; commercial development and advertising services; real estate portfolio management, property and facility management services. 	Q+E+S
Ferservizi	Ferservizi (Headquarters and operating units) Scope: <ul style="list-style-type: none"> management of administration, procurement, real estate sales, leases and conventions, technical asset, maintenance and facility management services for office buildings and hotels, the issue of travel concessions, company canteen services and real estate and legal custody services 	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 (with the exclusion of sales), lease and convention services and the custody and safeguarding of assets owned by FS Italiane. 	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. 	Q+E+S
FS Logistica	FS Logistica (Rome headquarters) Scope: <ul style="list-style-type: none"> organisation and provision of logistics services in connection with sundry cargo; management of real estate assets. 	FS Logistica (Rome headquarters and local units in Torino Orbassano, Bologna Interporto and Marcianise) 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 cargo and the provision of such services via third parties. 		Q+E

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (E) ISO 14001	OCCUPATIONAL SAFETY (S) OHSAS 18001	INTEGRATED SYSTEMS
FS Sistemi Urbani		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. 		
Serfer	Serfer (Headquarters and operating site in Udine) Scope: <ul style="list-style-type: none"> design, construction, maintenance and restructuring of railway connections; cargo and passenger transport services as railway company on the national railway infrastructure; welcome, assistance and food services on equipped passenger cars; management of shunting in railway connections; maintenance and reconditioning of diesel traction vehicles, railway rolling stock for cargo transport and related services. 	Serfer (Headquarters and operating site in Udine) Scope: <ul style="list-style-type: none"> design, construction, maintenance and restructuring of railway connections; cargo and passenger transport services as railway company on the national railway infrastructure; welcome, assistance and food services on equipped passenger cars; management of shunting in railway connections; maintenance and reconditioning of diesel traction vehicles, railway rolling stock for cargo transport and related services. 	Serfer (Headquarters and operating site in Udine) Scope: <ul style="list-style-type: none"> design, construction, maintenance and restructuring of railway connections; cargo and passenger transport services as railway company on the national railway infrastructure; welcome, assistance and food services on equipped passenger cars; management of shunting in railway connections; maintenance and reconditioning of diesel traction vehicles, railway rolling stock for cargo transport and related services. 	Q+E+S

>> IMPLEMENTATION STATUS OF THE MANAGEMENT SYSTEMS WITHIN THE FERROVIE DELLO STATO ITALIANE GROUP'S MAIN COMPANIES

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (E) ISO 14001	OCCUPATIONAL SAFETY (S) OHSAS 18001	INTEGRATED SYSTEMS
Terminali Italia	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. 			
Ataf Gestioni	Ataf Gestioni (Headquarters and operating sites) Scope: <ul style="list-style-type: none"> design of public transport; provision of personal urban public transport services: conventional and flexible services. 	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. 		Q+E
Umbria Mobilità Esercizio	Umbria Mobilità Esercizio (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; provision of bus rentals with drivers; management of alternative mobility services (lifts, cable railways, escalators and moving walkways); management of car parks 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. 	Umbria Mobilità Esercizio (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. 		Q+E

2.5 Protection of human rights

GRI HR1 | HR2 | HR3 | HR5 | HR6 | HR7 | HR8 | HR10 | HR11

The Code of Ethics is FS Italiane Group's first tool in its commitment to uphold internationally recognised human rights and promote respect for them within the scope of outsourced activities. Any party who has contractual relations with the Group is required to comply with the rules included in the Code of Ethics⁴⁴.

Furthermore, in 2011, the Group signed the "UIC Declaration on Sustainable Mobility & Transport", embracing the ten principles outlined in the United Nations' Global Compact for human rights, labour, the environment and preventing corruption.

The Group maintains its commitment to prevent any type of human rights violation through:

- contractual human rights clauses for the Group companies' international activities. Italferr, the Group company with the most operations abroad, devotes specific attention to verifying compliance with human rights in contracts signed with sub-contractors, both in Italy and abroad, in framework agreements and in agency agreements⁴⁵. Certification in accordance with SA 8000 (Social Accountability) standards, initially scheduled for 2014, was postponed to 2016;
- focus on ensuring gender equality. To this end, the Group's Equal Opportunities Committee was established as a bilateral company committee with equal standing aims to promote initiatives and positive actions to offer women workers more favourable terms and better opportunities (also refer to para. "Diversity and equal opportunities");
- fighting material and moral corruption. Each Group company has an Ethics Committee to receive reports of potential Code of Ethics violations (see para. "Governance bodies"). In addition, in 2014, roughly 1,200 people (including 63 managers) within the Group participated in training on anti-corruption policies and

procedures implemented at Group level⁴⁶ (see para. "Control instruments");

- promoting company welfare. For example, since 2012, the Group offers supplementary healthcare to non-manager employees⁴⁷;
- initiatives to promote greater environmental responsibility and more comprehensive awareness that environmental protection is also a right of future generations. In line with this principle, the Group has achieved its aim of completing, by December 2014, UNI ISO14001 certification for all its main operating companies and the headquarters (see "Ferrovie dello Stato Italiane Group management systems");
- protecting the rights of disabled customers or those with reduced mobility. To improve the quality of assistance to disabled customers, in 2014, the Group designed, with the support of associations for the disabled, training courses for personnel of the Sala Blu network (see para. "Service quality"); in addition, since 2013 RFI submits in advance for approval to INMACI⁴⁸ in all tactile passageways for the blind in new or renovated stations advance (see "Solidarity initiatives");
- protecting the rights of disadvantaged people who seek shelter at railway stations. For several years, the Group has conducted a solidarity project in collaboration with local bodies and social organisations/community groups (see "Community");
- discussion and dialogue with stakeholders. September 2014 saw the conclusion of the second edition of the FS Italiane Group's Stakeholder Engagement Panel to gain a better understanding of the expectations of the Group's main stakeholders (see "Stakeholders"). The third edition will be held in autumn 2015.

44. Given the context in which the Group operates, no transactions were identified that would give rise to the risk of child labour or forced labour either directly or through suppliers.

45. In Italy in 2014, there 74 inspections of contractors' sites, in which the following aspects were checked, inter alia: 1. safety at the sites; 2. essential sanitation services; 3. compliance with employment regulations for personnel (they were registered in the relevant books); 4. presence and compliance of safety documentation (documents required by Italian regulations); 5. suitable places for workers to eat meals; 6. adequate training/information to workers on the risks at the site".

46. The data refer to training organised by the Group's six internal audit departments (either independently or as requested by the Supervisory committees pursuant to Legislative decree no. 231/2001) and the Supervisory committees pursuant to Legislative decree no. 231/2001 within Italferr and Centostazioni.

47. Non-management employees receive supplementary Eurofer pension benefits.

48. National Institute for the Autonomous Mobility of the Blind and Seeing Impaired, consisting of the Association of Seeing Impaired and The Italian Union of the Blind and Seeing Impaired.



In addition, training was held for employees working at foreign branches in Oman, Saudi Arabia and Turkey to protect health and safety and prevent injuries with respect to the various aspects of their working life. There is no training on human rights protection policies

and procedures, and the Group's personnel have not taken any steps following acts of discrimination (for sex, ethnicity, religion, political opinions, nationality or social background) or for human rights violations. There were no complaints regarding human rights.

2.6 Compliance

GRI EN28 | HR4 | HR9 | PR9 | SO4 | SO7 | SO8

2.6.1 Investigations and legal proceedings

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

- Anti-Trust Authority proceedings: A443 - NTV/Access obstacles to the high-speed passenger railway transport market;
- Anti-Trust Authority proceedings: A436 - Arenaways/ Access obstacles to the passenger railway transport market;
- Anti-Trust Authority proceedings: I763 - Sea transport services in the Messina Strait.

With respect to significant administrative or legal fines imposed on the company for non-compliance with laws and regulations, the following is noted:

- Anti-Trust Authority proceedings PS/4656 - Trenitalia- Fines for travel with irregular tickets.

No significant administrative or legal fines were imposed for violation of environmental regulations or laws and no violations of local residents' rights were committed. For additional information on investigations and legal proceedings, refer to the Group's 2014 Annual Report (see the Directors' report, para. "Litigation and disputes").





Treni per Roma
Trains to Rome

A digital display showing a train schedule. The top section lists train numbers and destinations. The bottom section shows a map of the route from Fiumicino Airport to Rome, with distances of 32 and 48 km indicated.

Linea	Destinazione	Orario
1001	ROMA TI AN	10:00
1002	ROMA TI AN	10:15
1003	ROMA TI AN	10:30
1004	ROMA TI AN	10:45
1005	ROMA TI AN	11:00
1006	ROMA TI AN	11:15
1007	ROMA TI AN	11:30
1008	ROMA TI AN	11:45
1009	ROMA TI AN	12:00
1010	ROMA TI AN	12:15

AEROPORTO DI FIUMICINO - ROMA

Map showing route from Fiumicino Airport to Rome. Distances: 32 km, 48 km.





3. Economic responsibility

Highlight

GRI 1.2



WHAT WE HAVE ACCOMPLISHED

- In 2014, the Ferrovie dello Stato Italiane Group reported growth in the gross operating profit (+3.9%), as it rose to €2,113 million (+€80 million on 2013), in line with the objectives in the Business Plan.
- The profit for the year, amounting to €303 million, remained positive, although it was down on 2013 (€460 million). This was due to certain changes in legislation and regulations.
- Continuance of the planned actions in the Group's Investment Plan, amounting to roughly €4.3 billion, up by 9.4% on 2013, and, in particular:
 - continuous network innovation with the introduction of safety and traffic management technologies;
 - increase in the railway system's offer capacity by developing new lines and by updating and strengthening main lines and major hubs;
 - greater focus on customers to improve competitiveness, comfort and travel quality with the strengthening and updating of the Trenitalia and Busitalia-Sita Nord fleets and the fleets of subsidiaries/investees;
 - progress in the redevelopment plan for 14 large Italian stations: modernisation of nine stations with the completion of the Venice Mestre station.

WHAT WE AIM TO DO

- Development of the national long haul passenger service offered on the market, with the expansion of the offer through the progressive roll-out of *Frecciarossa 1000* trains.
- Development of the international long haul passenger service, with the opening and/or extension of connections to Austria, Switzerland and Germany.
- Redefinition of the local public transport offer and development of the modal rail/road integration, in line with the contracting local government's approval, mainly at major urban hubs.
- Restructuring of cargo transport and logistics through the reorganisation of activities among the various Group companies operating in this sector.
- Projects for continuous network innovation with the introduction of safety and traffic management technologies, and to increase railway system capacity.
- Restructuring of the Group's real estate assets to improve their returns.
- Completion of the interior redevelopment of the Genoa Brignole and Bari Centrale stations.
- Completion of the exterior works on the Florence Santa Maria Novella, Genoa Porta Principe, Genoa Brignole, Milan Centrale and Verona Porta Nuova stations.
- Boosting the internationalisation of engineering and certification services.
- Enhancing the value of assets by use of special purpose vehicles.



3.1 Results of operations

GRI EC1

2014 ended with a profit for the year of €303 million, compared to €460 million in 2013. Indeed, there were significant changes in legislation in 2014, which had considerable adverse effects on certain results of operations.

The gross operating profit continued to grow, coming to €2,113 million (+3.9%), in line with the targets in the 2014-2017 Plan and confirming the soundness of the industrial structure. Indeed, despite the negative repercussions of the legislative developments mentioned above, the Group increased its revenues, mainly from the transport services offered on the market, while cutting costs.

The operating profit, which came to €659 million, compared to €822 million in the previous year, dropped by €163 million (approximately -20%). In particular, significant impairment losses of €228 million contributed to this decrease, but were necessary following the changes in the regulatory framework. The impairment losses mainly related to the assets in Trenitalia's Cargo Division, and to FS Logistica's real estate assets to a lesser extent.

Operating revenue amounts to €8,390 million, up by €61 million on 2013, due to the €137 million increase in revenues from sales and services, offset by the €76 million decrease in other income. This growth in revenues from sales and services was influenced by the rise in revenues from transport services (+€194 million, +3.2%) and in other services (+€31 million, +13.4%), offset by the decline in revenues from infrastructure services (-€88 million, -6.6%). Other income fell due to the drop in both revenues from real estate management (-€31 million, -11.2%) and other income (-€45 million, -9.9%).

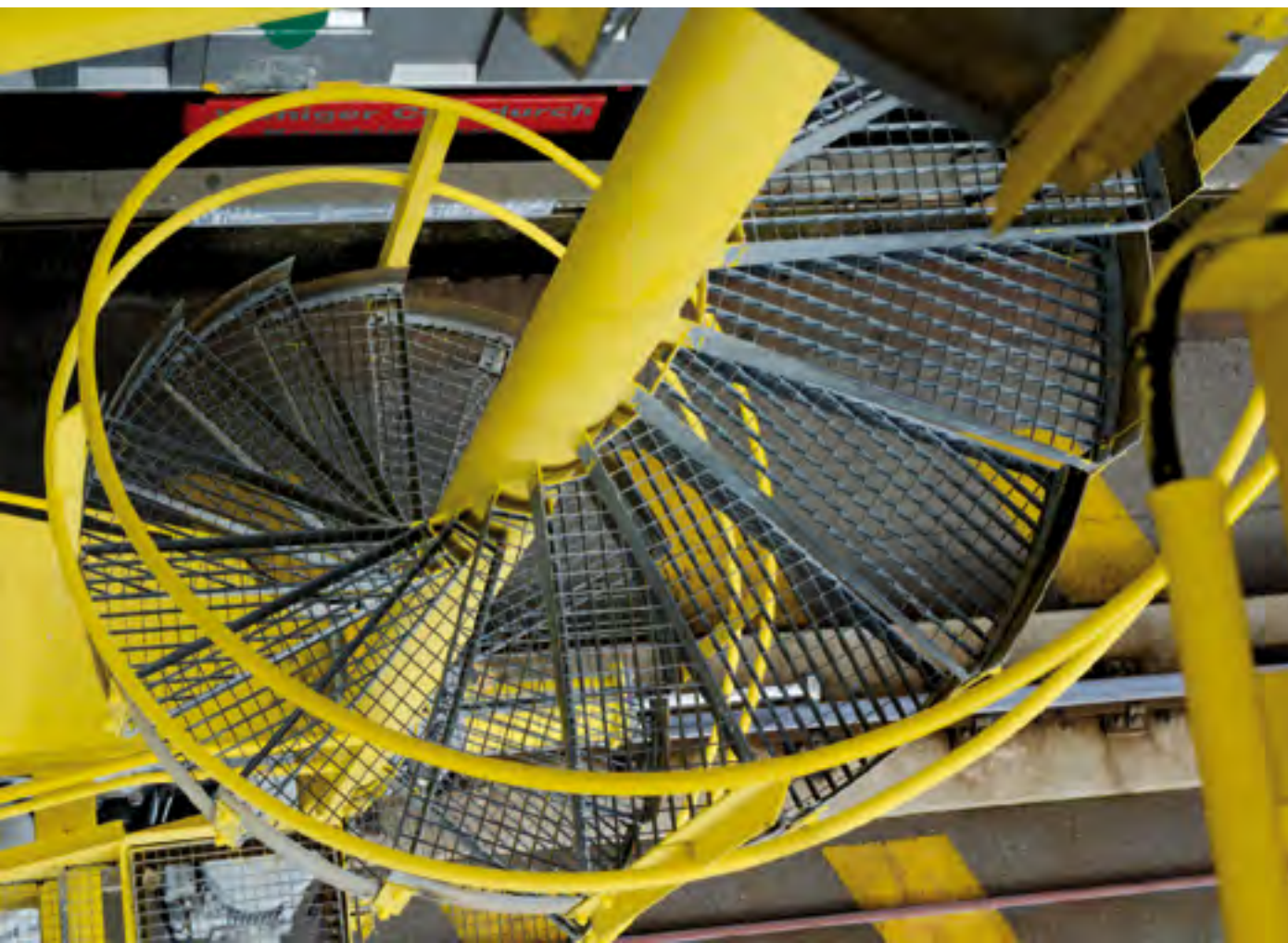
Operating costs are down by €20 million on 2013 (-0.3%).

» FERROVIE DELLO STATO ITALIANE GROUP CONSOLIDATED FINANCIAL STATEMENTS FIGURES

	2012	2013	2014
Operating Revenues	8,228	8,329	8,390
Operating costs	6,310	6,296*	6,276
EBITDA/Gross operating profit	1,918	2,033*	2,113
EBIT/Operating profit	719	822*	659
Profit for the year	381	460	303

In millions of Euros

* 2013 figures have been reclassified for comparative purposes



» GENERATION AND DISTRIBUTION OF ECONOMIC VALUE

	2012*	2013*	2014
Directly generated economic value	8,262	8,424	8,524
Revenue from sales and services	7,511	7,597	7,734
Other income (including financial income)	751	827	790
Economic value distributed	6,766	6,746	6,628
Operating costs for the purchase of raw materials, consumables, supplies and goods, services and the use of third party assets	2,433	2,386	2,358
Wages and salaries paid to employees, including social security charges, post-employment benefits and other costs	3,877	3,910	3,918
Remuneration to lenders, including dividends distributed, dividends in arrears, interest on loans and other forms of debt	324	329	245
Taxes (excluding deferred taxes)	132	121	107
Economic value withheld	1,496	1,678	1,896

In millions of Euros

* 2012/2013 figures have been reclassified for comparative purposes

3.2 Investments

GRI EC8

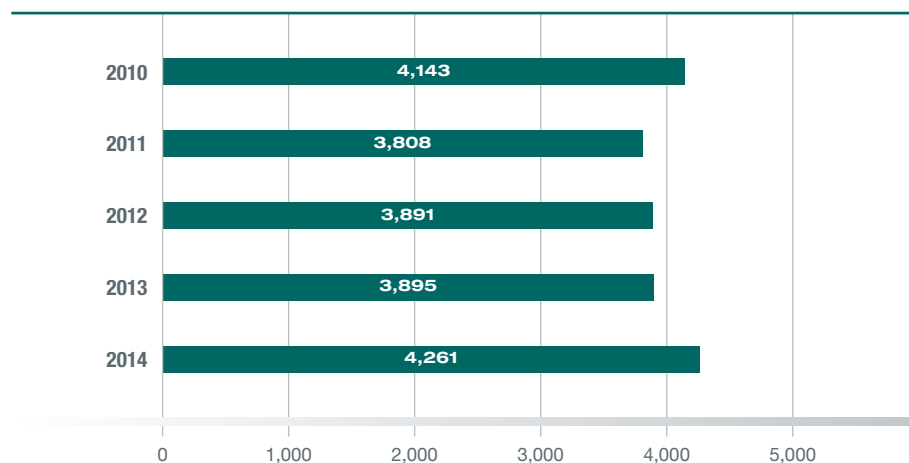
While Europe's largest economies have seen a collapse in gross fixed investments from 2008 to date, the FS Italiane Group has been able to continue the actions scheduled in its Investment Plan, remaining the main supporter of development in the transport and logistics sector.

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.

The Group's total expenditure for investments in 2014 came to €4,261 million, €1,495 million of which was self financed and € 2,766 million from government grants.



» FERROVIE DELLO STATO ITALIANE GROUP INVESTMENTS



In millions of Euros

In particular, in 2014 the Group's technical investments⁹ came to € 3,964 million, up (+10%) on the amount recognised in 2013 (€3,958 million).

49. 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) and any other financial investments.

Specifically, RFI invested €2,853 million in infrastructure (€2,726 million for the traditional/HC network and €127 million for the HS/HC Turin-Milan-Naples network), while Trenitalia invested €694 million in railway transport services and other Group companies invested €417 million. RFI invested as follows in the traditional, high capacity network:

- 56% to maintain the efficiency of infrastructure and technologies;
- 44% for the construction of works for large development projects (strengthening of corridors, metropolitan areas and regional basins).

Approximately 10% of all investments in the traditional, high capacity network went to cutting-edge technologies.

The investment on the HS/HC Turin-Milan-Naples network amounted to €127 million and, at the end of 2014, the entire project showed total progress of roughly 93%. Trenitalia invested €694 million, roughly 65% of which to purchase rolling stock, approximately 17% to recondition material that was already operating and the remaining 18% to technologically update vehicles and IT systems and to maintain and develop maintenance plants.

Other Group companies invested a total of roughly €417 million in Italy and abroad. Approximately 70% related to the Netinera Deutschland group to purchase buses and trains for passenger transport and industrial plants in Germany, while around 12% related to Grandi Stazioni and Centostazioni to redevelop, relaunch and take full advantage of the main train stations and roughly 6% related to TX Logistik, Cemat and Serfer, which operate in the cargo service sector. In addition, approximately 6% was invested by companies operating in the bus transport service in Italy. The remaining expenditure was mainly allocated to the enhancement/redevelopment of real estate properties and purchasing IT tools to support business processes.

Group spending for research and development in 2014 came to €10.4 million, nearly entirely related to RFI. Approximately 67% went to traffic safety technologies, 8% to Innovative diagnostics and the remaining 25% to studies and tests on new parts and systems.



3.3 Significant financial assistance received from public entities

GRI EC4

Group's projects/transfers of public resources for the year 2014



	Total
Operating grants	
Government Programme Contract	976
Other government grants	5
From local public bodies	19
Grants for investments	
Governments grants	3,531
From local public bodies	27
EU funds	146
Total	4,704

For additional information reference should be made to the 2014 Annual Report (Group projects/transfers of public funds relating to 2014).

In millions of Euros





3.4 External costs and benefits

GRI EC9

External costs and benefits in the transport sector, although they are extremely significant, are often overlooked when a decision is taken among several mobility solutions. In particular, railway infrastructures often entail lower external costs – and greater benefits – than road infrastructures.

A survey⁵⁰ on a high speed railway line has, for instance, 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. For the sake of brevity, we will consider the results for the Milan-Rome HS line only, which is the one that has most impacted residents' travel habits: over the expected lifespan of this infrastructure, it will have an estimated benefit on the community worth of no less than €2.1 billion, with sig-

nificant 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.

In general, this survey brings out the fact that the construction of HS lines was an opportunity to relaunch railway transport as a whole.

Cargo transport is another choice that generally offers lower external costs, as demonstrated by the External cost calculator, an online tool⁵¹ 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.

50. Agici Finanza d'Impresa compiled the survey "The benefits of having built the Turin-Milan-Naples high speed railway line" in 2012.

51. 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.



3.5 Procurement policies

GRI EC6 | HR1 | SO9 | SO10

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 on Negotiations for the 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 should comply with:

- labour and social security laws, with the application of national labour agreements;
- specific obligations on health, safety and work hygiene;
- the standards in the “Group Code of Ethics”.

Since 2013, the Group companies have been asked to include in new contracts a clause on compliance with the Group’s Environmental Policy, 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, each company directly manage its core purchases, except in rare, specific cases in which Ferservizi is asked to make the purchase.

Ferservizi

In addition to the standard contractual clauses, which apply to all Group companies, Ferservizi includes in its contracts specific clauses requiring compliance with Corporate Policies on Work Safety and the Environment. Furthermore, a number of contracts include environmental sustainability clauses.

The criteria included in contracts signed in 2014 are listed below, broken down by type of purchase:

- stationery - FSC® (Forest Stewardship Council) certification; recycled paper; green fibre products; no use of PVC for glues and white-out; cellulose products not bleached with chlorine dioxide;
- IT equipment - Energy Star; compliance with the RoHS (Restriction of Hazardous Substances) Directive; EPEAT (Electronic Product Environmental Assessment Tool);
- global service - supply of cleaning products not classified as toxic (T), very toxic (T+), highly flammable (F+), hazardous (Xn) or irritant (Xi).

An analysis of the tenders called by Ferservizi in 2014 shows that 29% of suppliers have their registered offices in Northern Italy, 64% in Central Italy and 7% in Southern Italy and the islands. Total international orders account for 1%.

RFI

Based on the negotiation plan, RFI manages the awarding 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, as additional requirement for supplier qualification – that the 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:

- SQ002 “Suppliers of products for infrastructure” (limited to specific categories);
- SQ004 “Works on the railway superstructure”.

In general, the standard format for work contracts includes clauses requiring the contractor, when the project is being approved or during the work, completely comply with current legislation on the environment and fully meets the requirements of environmental bodies.

As for the electronic assignment of contracts for work,

services and supplies, RFI has commenced the expansion of e-procurement system functions “RFI Purchase Portal” to enable online registration with the Qualification Systems and reduce production and transmission of paper documents.

For purchases of stone chippings, RFI mainly focuses on increasing, throughout Italy, 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® (Forest Stewardship Council) certification). With respect to the location of suppliers of materials for the infrastructure, the geographical allocation of the contracts assigned to Italian contractors, based on their registered offices, is concentrated in Northern Italy, which accounts for roughly 59.4%, Central Italy with 32.6% and Southern Italy and the Islands with the remaining 8%.

As for works, in 2014, the geographical allocation of contracts assigned was: Northern Italy 50.2%, Central Italy 18% and Southern Italy and the Islands 31.8%.

Service contracts show the following geographical allocation: Northern Italy 36.4%, Central Italy 27.3% and Southern Italy and the Islands 36.3%.

Total international contracts account for 7.9%.



Trenitalia

Trenitalia has for some time now been implementing specific initiatives to spread awareness of green procurement principles among its employees and suppliers. It uses the "Operating instructions for the management of negotiations", which define the criteria for managing environmental aspects in procurement procedures. Furthermore, the Purchase Portal includes a section devoted to green procurement.

Trenitalia has included, where possible, environmental sustainability criteria in its supplier vetting procedure, which consist of mandatory requirements and offer evaluation requirements. The latter are given percentage weights that range from 5% to 15%.

A few examples of environmental requirements in tenders.



TYPE OF TENDER	REQUIREMENTS
Rolling stock cleaning	<ul style="list-style-type: none"> • ISO 14001 certification • 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
Design, supply and assembly of a new system of doors for passengers boarding trains	<ul style="list-style-type: none"> • Optimal use of energy sources; steps taken to prevent soil pollution; environmental certification like EMAS and ISO 14001
Supply, distribution, loading and withdrawal on board trains, temporary storage and disposal/recycling of non-woven covers and cushions	<ul style="list-style-type: none"> • ISO 14001 certification
Cyclical maintenance (ordinary inspection + face lift) for medium haul towed carriages	<ul style="list-style-type: none"> • * Optimal use of energy sources; method of environmental impact and waste management (recyclability and renewability of materials); steps taken to prevent soil pollution; ISO 14001 certification
Disposal of special waste (electric equipment and ferrous scraps not deriving from sorted waste collection)	<ul style="list-style-type: none"> • ISO 14001 certification

In 2014, the contracts signed with Italian companies accounted for 98.2% and were assigned to suppliers with registered offices in Northern Italy (24.3%), Central Italy (57.8%) and Southern Italy and the Islands (17.9%).

Italferr

In contracts in which the counterparty is a Group's company, in addition to the standard contractual clauses, Italferr requires external contractors implement Quality, Environmental and Safety Management systems.

In particular, Italferr requires that firms awarded with the construction works must design and implement, for the entire duration of 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 been applying 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 conventions, 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.







4. Product liability

Highlight

GRI 1.2



WHAT WE HAVE ACCOMPLISHED	
Passenger services	<p>RFI</p> <ul style="list-style-type: none"> Kick-off of the Green Station project, a partnership between Legambiente and the FS Italiane Group, with the inauguration of a centre to manage sustainable land development initiatives in the Pescara central station. Increase in the number of Sala Blu network stations and roll-out of new ground assistance services for passengers with reduced mobility. Launch of the new “Information and Communication” system on the Bari-Lecce and Bari-Taranto lines and in Milan metropolitan stations, thereby improving timeliness and the quality of information. <p>Trenitalia</p> <p>Long Haul Passenger Transport Division</p> <ul style="list-style-type: none"> Continued restyling of the <i>Frecciarossa Bistrò</i> cars. Launch of the <i>Frecciargento</i> portal with the same services already provided on the <i>Frecciarossa</i> portal. Installation of monitors on board <i>Frecciargento</i> ETR 485 trains to provide information and travel updates. Roll-out of new vehicles for daytime <i>Intercity</i> services. <p>Regional Passenger Division</p> <ul style="list-style-type: none"> Updating of the fleet with the roll-out of new <i>Jazz</i> trains and additional double decker <i>Vivalto</i> trains. Launch of the new Trenitalia <i>Smart Card</i> in Piedmont for a simpler and faster use of the various means of transport. Development of the ticketing network and regional passes with over 70,000 new points of sale and the installation of 1,300 new self service machine and over 6,000 new ticket punchers. <p>Cargo Division</p> <ul style="list-style-type: none"> Consolidation of the strategic positioning on the West European railway axis, through direct cargo transport services in France using the company's own personnel. Reinforcement of transport activities on the East European railway axis in partnership with other Group companies active in cargo transport and logistics. Increase in the availability of wagons. Complete digitalisation of documents used by conductor personnel on tablets. Implementation of new intermodal services to ensure greater integration with other cargo transport methods. <p>Busitalia–Sita Nord</p> <ul style="list-style-type: none"> Acquisition of 100% (with effect from August 2014) of Umbria Mobilità Esercizio. Launch of preliminary operations to set up the “Busitalia Veneto SpA” newco in partnership with APS Holding SpA, in view of the tender to assign LPT services in the Padua and Rovigo area. Renewal of the vehicle fleet with 17 new Euro5/Euro6 motorised buses to replace old generation of Euro0/Euro2 buses. Implementation of new maintenance software to make the management of preventive maintenance on buses more efficient. Implementation of the new operating system to manage rentals, called Pluservice. <p>Ataf Gestioni</p> <ul style="list-style-type: none"> Roll-out of 64 Euro6 diesel buses. <p>Umbria Mobilità Esercizio</p> <ul style="list-style-type: none"> Roll-out of four new Euro6 natural gas-fuelled buses. Tenders to acquire five urban Euro6 diesel buses and four electric buses. Roll-out of 11 new buses (five urban natural-gas fuelled buses and six urban diesel minibuses).

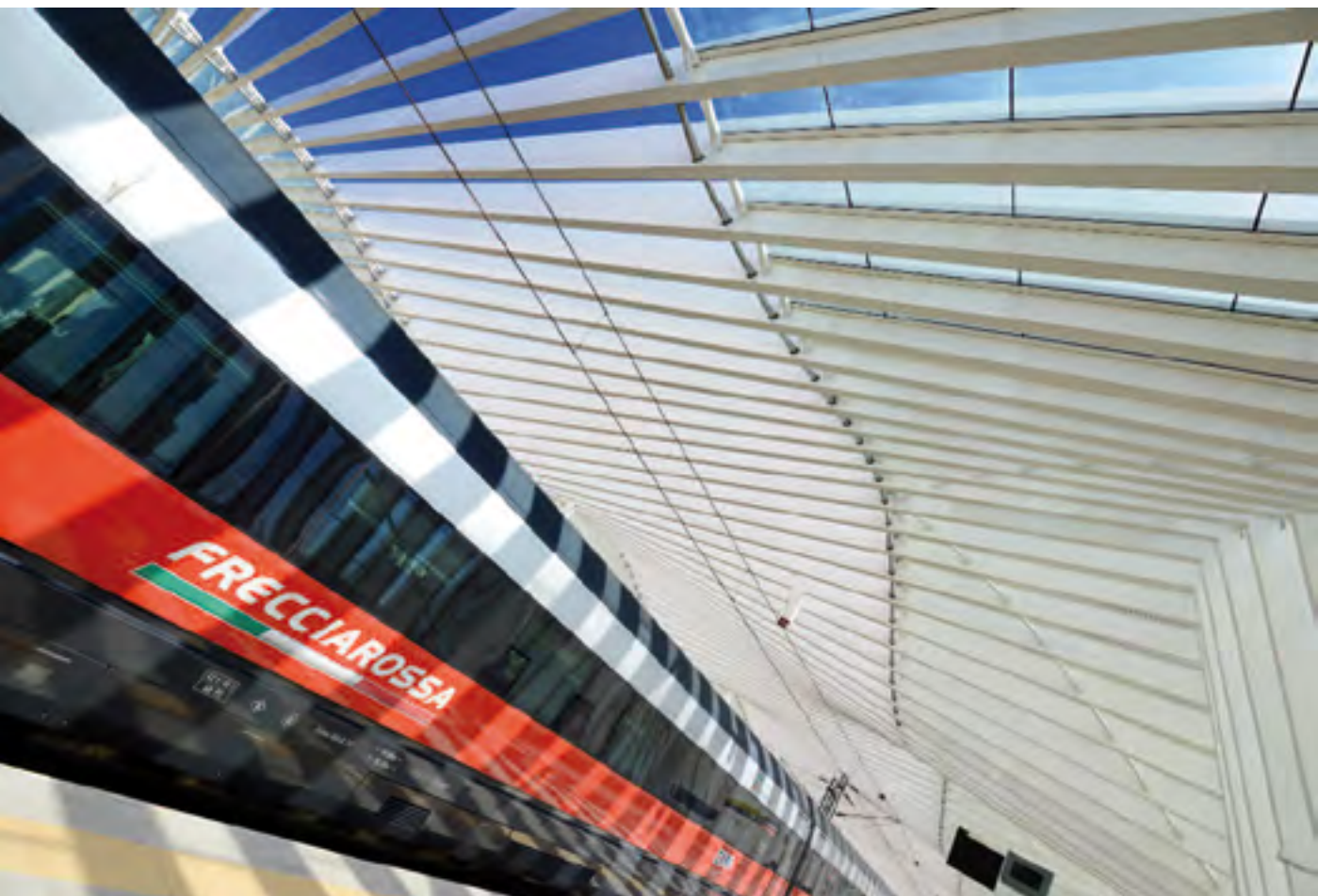




WHAT WE HAVE ACCOMPLISHED	
Train traffic safety	Trenitalia <ul style="list-style-type: none"> • Continuance of the project to equip cargo vehicles with devices able to stop the train after a derailment. • Continued improvement of the IT systems used to manage and monitor activities for maintenance and operating safety.
Safety services	FS Italiane – Corporate Protection <ul style="list-style-type: none"> • Issue of the Ferrovie dello Stato Italiane Group's "Guidelines for the management of civil protection exercises". • Launch of activities to renew agreements with the local Civil Protection Service branches. • Creation of 31 new integrated security systems and completion of the design for another 60 systems to be installed at as many railway sites throughout Italy. • Installation of remote controls on video surveillance images from about 90 railway sites at the Security Situation Room as part of the "CCTV Platform". • Design of a new management model for large stations on the high speed network, with the creation of railway hubs featuring specific areas for separate operation of commercial activities. • Upgrading of the ticketing offices for the Long Haul Passenger Division and the Regional Passenger Division and self-service ticketing to meet safety standards.
WHAT WE AIM TO DO	
Passenger services	RFI <ul style="list-style-type: none"> • Opening and redevelopment of 18 stations in Lombardy to improve their appearance and accessibility. • Temporary opening of another Sala Blu at the Rho Fiera station for the six months of the Expo. • Training courses on relational and behavioural aspects for RFI's Sala Blu network personnel, in collaboration with associations for the disabled and people with reduced mobility. Trenitalia <p>Long Haul Passenger Transport Division</p> <ul style="list-style-type: none"> • Launch of the new <i>Frecciarossa 1000</i> train • Conclusion of the restyling of the <i>Frecciarossa Bistrò</i> cars. • Launch of the new single on board portal for <i>Frecciarossa</i> and <i>Frecciargento</i> trains. • Continuance of the project to create a new livery for <i>Frecciabianca</i> trains • Continuance of the project to update rolling stock on the daytime <i>Intercity</i> fleet. <p>Regional Passenger Division</p> <ul style="list-style-type: none"> • Continued updating of the fleet with the introduction of new <i>Swing</i> trains • Extension of the Trenitalia <i>Smart Card</i> to other regions (beyond Piedmont) and development of additional functions. <p>Cargo Division</p> <ul style="list-style-type: none"> • Continued internationalisation process focused on the main European cargo corridors. • Continued extension of the new commercial IT platform for all cargo traffic and its integration with other IT systems. • Streamlining of the railway hubs served in Italy, in order to improve service efficiency and quality. <p>Busitalia - Sita Nord</p> <ul style="list-style-type: none"> • Busitalia - Sita Nord's participation in the tender to assign the LPT service concession in the Tuscany region • Establishment of Busitalia Veneto SpA and start of operations, following the completion of the transfers of Busitalia-Sita Nord's Veneto business unit and APS Holding SpA's relevant business unit. • Participation in the tender for the assignment of regional services in Friuli Venezia Giulia. • Renewal of the vehicle fleet with the inclusion, slated for 2015, of 57 new Euro6 motorised buses to replace old generation vehicles. • Creation of video surveillance systems for fuel distribution facilities at the company depots in Veneto. <p>Ataf Gestioni</p> <ul style="list-style-type: none"> • Continuance of the plan to renew the company fleet and related drivers' training; the acquisition of 55 new vehicles has been planned for 2015. <p>Umbria Mobilità Esercizio</p> <ul style="list-style-type: none"> • Roll-out of 56 new buses (diesel, natural gas and electric) with a total investment of roughly €13.5 million. • Improvements in the rolling stock fleet with a total investment of roughly €4 million. • Renewal of the current car fleet with the roll-out of 15 Euro6 cars.



WHAT WE AIM TO DO	
Train traffic safety	Trenitalia <ul style="list-style-type: none"> Improved traceability of maintenance on vehicle safety systems. Improved safety systems on shunting locomotives.
Safety services	FS Italiane – Corporate protection <ul style="list-style-type: none"> “Civil Protection volunteering” partnership model for Expo 2015 and the 2015-2016 Jubilee. Implementation of new management model projects for large stations to create railway hubs (Milan Centrale, Rome Termini and Florence Santa Maria Novella) staffed by personnel responsible for checking authorisation and papers to access railway operation areas. Completion of works on the security systems at 25 railway stations and completion of the design for additional systems to be installed at 15 railway sites. Preparation of security guidelines to protect stations and warehouses for precious materials (copper), to protect cargo hubs for hazardous materials, to update Trenitalia assets to safety standards and for video surveillance on board trains. Updating Trenitalia’s main workshops to safety standards.



4.1 Transport: mobility services

GRI 2.7 | PR3

4.1.1 Passenger and cargo transport

Again in 2014, despite the persistently weak economic context, the FS Italiane Group reported growth in traffic data, confirming the positive trend of the previous year. Overall, considering both domestic and international business, railway passenger volumes grew by 1.8% and cargo volumes by 1.5%.

The passenger transport segment totalled roughly 42.5 billion passenger-km altogether, including approximately 20.3 billion in the medium and long haul services (+5.0%) and 22.2 billion in the regional and metropolitan services (-0.9%). Market services provided a significant contribution to the medium and long haul segment (+6.8%), more than offsetting the reduction in universal service volumes (-1.3%). Within market services, passengers continue to appreciate the *Frecce* trains, and the *Frecce* offer will be expanded for the 2015 EXPO with new connections and a stop at the Rho-Fiera 2015 Milan Expo station. The number of *Frecce* passengers on high speed lines (*Frecciarossa* and *Frecciargento*) grew by 10.9% in 2014 on 2013. Considering *Frecciarossa* services only, the increase was even more significant: +13.3% in passengers, with customer satisfaction levels up in terms of Comfort, timeliness, cleanliness and on-board updates.

Production volumes in the passenger transport segment, measured in train-km, showed an overall slight decrease of -1.1%. Passenger train-km totalled roughly 268 million, nearly 79 million of which in the medium and long haul segment (-0.6%) and approximately 190 million in the regional transport services segment (-1.4%). The long haul load factor increased by about 2% (52.4%) on the previous year, with higher values for services sold on the market, again in this case due to the *Frecce* trains strong performance (60%). The average load factor for regional transport (34%) remained substantially in line with the previous year, although it was affected by the large gap between the load factor during “peak” hours and that during “non-peak” hours.

In terms of road transport, several years ago, the FS Italiane Group began a process to integrate road and rail transport by offering new solutions more tailored to demand. In 2014, it consolidated its share of the local public transport market with the acquisition of Umbria Mobilità Esercizio, which offers road transport services, railway services and waterway transport services within Umbria.

This acquisition strengthened the Group, boosting domestic production from roughly 59 million (including urban transport in Florence) to 80 million bus km. On a like-for-like basis, compared to the previous year, production volumes grew by 4.2%.

Areas outside Italy (notably Germany) also show production in terms of bus-km up by 6.5% on the previous year. The Group’s cargo traffic continued to perform well in 2014 for the third consecutive year, despite the weak economic trend, thanks to the new organisational model based on the specialisation of corridors towards Northern and Eastern Europe.

Considering both domestic and international volumes, traffic grew by 1.5% on the previous year, totalling more than 23 billion tonne-km. Growth on foreign markets (+6.7%) provided a substantial contribution to this performance, particularly in the area between Southern Germany, Switzerland and Austria.

Total production in the cargo segment rose by 2.9% on the previous year to approximately 47.5 million, while the share of services offered on foreign markets grew by 11.4%. The average load remained substantially in line with the previous year, at around 500 tonnes per train.

4.1.2 Main types of services offered

MARKET SERVICES

These are services offered without commercial restrictions and without any government grants or considerations. Market services include most of the long haul connections, particularly those offered on *Frecciarossa*, *Frecciargento*, *Frecciabianca*, *Eurocity* and *Euronight* trains, some of the *Intercity* services and nearly all the Group's cargo transport.

UNIVERSAL SERVICES

These are public transport services offered in exchange for considerations from the government or regions under service contracts. They include most daytime *Intercity* services and all 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.

Passenger transport

LONG HAUL RAILWAY TRANSPORT

Frecciarossa

The *Frecciarossa* are trains that travel on the high speed network. They constitute what has been coined "Italy's high speed metro", reducing travel times between Turin, Milan, Reggio Emilia, Bologna, Florence, Rome, Naples and Salerno. The benefits of the *Frecciarossa* service also extend beyond the HS infrastructure, thanks to connections between Milan, Reggio Emilia and Bologna which continue onto Rimini, Pesaro and Ancona.

Frecciargento

The *Frecciargento* are trains with flexible structures, which enables them to travel at faster speeds than traditional rolling stock, especially on curvy sections. They are used on both traditional and high speed lines. In 2014, the *Frecciargento* trains connected Central and Southern Italy (Salerno, Naples, Fiumicino airport and Rome) with the Northeast (Venice, Udine, Trieste, Verona, Brescia and Bolzano); and Rome with Puglia (Foggia, Bari and Lecce) and Calabria (Lamezia Terme and Reggio Calabria).

Frecciabianca

The *Frecciabianca* trains travel on the traditional network and mainly connect the medium and large urban centres that are not on the high speed network. The main lines served in 2014 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 and, finally, the lines between Rome and Reggio Calabria and between Rome and Ravenna.

Intercity (IC)

Daytime *Intercity* trains travel on the traditional lines and connect large and medium cities, helping create an efficient interexchange system with local transport trains and with high speed trains. Intercity train services sold on the market – those on the central line – connect Milan and Naples, Trieste and Rome and Rome and Salerno. On the other hand, the universal service consists of Intercity trains covering the following connections: 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 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 travel on traditional lines and connect the main Italian cities with medium and large 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 subsidiary *Thello*, 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 (classifiable as the universal service) is defined in the service contracts that it agrees with the government, the regions and the autonomous provinces, which plan and schedule service quantities, frequencies and quality.

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 Germany⁵². Vlexx, a company that is wholly owned by Regentalbahn AG, in turn wholly owned by the holding company Netinera Deutschland, has operated in the Frankfurt area since December 2014.

ROAD PASSENGER TRANSPORT

Through the subsidiary Busitalia - Sita Nord, the Group offers urban and suburban local public transport (LPT) services throughout Italy.

In particular, in Tuscany, in addition to LPT services⁵³ are offered on the market as well (rental services⁵⁴ and authorised line services). The company is active in six different S.c.a.r.l. companies (Italian consortium companies limited by quotas) which manage LPT services⁵⁵.

In Veneto, Busitalia - Sita Nord offers suburban services throughout the province of Padua, with lines reaching the surrounding provinces of Venice, Treviso, Vicenza and Rovigo. The suburban service in Rovigo covers most of the province and reaches the surrounding provinces of Padua, Ferrara, Verona and Mantua. The urban service in Rovigo covers the city and parts of the municipal area.

In 2014, Busitalia - Sita Nord consolidated its LPT market share with the acquisition of a 100% stake in Umbria Mobilità Esercizio, which offers road transport services, railway services and waterway transport services within Umbria.

The rental sector 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 in the metropolitan Reno-Meno area, in North Rhine-Westphalia and in Eastern and Northern Germany⁵⁶.

Cargo transport

Through its corporate branches, the FS Italiane Group operates as a railway company for transport services sold on the cargo and logistics market in Italy and abroad (through the subsidiaries TX Logistik⁵⁷, the Netinera group and Trenitalia Logistics France).

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;
- integrated logistics activities with deposit, handling, order management, design and terminal infrastructure construction services.

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.

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

53. Busitalia-Sita Nord also operates via its subsidiary Ataf Gestioni in the Florence metropolitan area.

54. Bus rental services with drivers for Italian and international tourism.

55. Autolinee Mugello Valdisieve, Autolinee Chianti Valdarno, Più Bus, Etruria Mobilità, Siena Mobilità and Ishtar. Busitalia - Sita Nord acts as consortium head for the first two of these consortium companies. The services are provided mainly in the provinces of Florence, Arezzo and Siena.

56. In particular, Autobus Sippel GmbH mainly operates in the Reno-Meno metropolitan area; Verkehrsbetriebe Bils GmbH provides services in North Rhine-Westphalia. Neißeverkehr GmbH and Südbrandenburger Nahverkehrs GmbH operate in Eastern Germany, while KVG Stade is active in the North. These are leading companies in their regions.

57. A European leader in railway cargo transport, operating mainly along Europe's North/South axis with integrated logistics services in Austria, Denmark, Germany, Norway, the Netherlands, Sweden and Switzerland.

4.2 Infrastructure sector: mobility services

GRI 2.7 | PR3

As the national railway infrastructure operator, RFI is responsible for assigning railway infrastructure capacity. RFI's 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 15 December 2013 – 13 December 2014, the market shows:

- 38 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)⁵⁸;
- 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 contracts⁵⁹, broken down as follows:
 - 18⁶⁰ for passenger traffic;
 - 21 for cargo;
 - two for technical train traffic in order to test the rolling stock.

With respect to the framework agreements/memoranda of understanding, at 31 December 2014, nine are valid, broken down as follows:

- two agreed with regions:
 - one framework agreement signed with the Lazio regional authorities;
 - one framework agreement signed with the Emilia-Romagna regional authorities;
- two signed with the autonomous provinces:
 - one framework agreement with the autonomous province of Trento;
 - one framework agreement with the autonomous province of Bolzano;
- one framework agreement for passenger services signed on 10 May 2010 with Sea Train Srl (an entity with a commercial interest) expiring on 12 December 2015;
- 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 cargo service);
 - one with Cemat SpA (for cargo service).

Total production in 2014 on the network managed by RFI came to approximately 331 million train-km, substantially in line with the previous year. The portion of total traffic managed by third parties operators rose by roughly 3% on 2013.

58. Source: Ministry of Infrastructure and Transport - General Railway Transport Department (www.mit.gov.it/mit/site.php).

59. 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 (cargo, long haul passenger services on the traditional network, 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).

60. The value refers to the period before the annual schedule change, which occurred on 14 December 2014. After that date, and until 31 December 2014, the number of contracts for the use of the railway infrastructure for passenger traffic went from 18 to 19 and those for technical train traffic to test rolling stock went from 2 to 1.

4.3 Service quality

GRI 2.10 | 4.12 | PR4 | PR5 | PR8



4.3.1 Trenitalia

Passenger transport

The Group devotes significant attention to offering passengers high quality travel experiences, by monitoring:

- the quality levels that are promised and provided (as per the national/international service charter and the 20 regional service charters⁶¹);
- perceived quality;
- customer complaints.

REGIONAL SERVICE CHARTERS: CUSTOMER CARE

The 2014 national/international service charter generally exceeded the targets set for long haul trains.

The analysis may be continued by observing the specific results of two main long haul service categories, the Frecce and the trains operating under service contracts with the government⁶². The *Frecciarossa*, *Frecciargento* and *Freccia-bianca* fully reached their service punctuality and regularity targets and significantly outperformed the cleanliness target.

On the other hand, the trains operating under service contracts with the government met the punctuality and regularity targets, but not the cleanliness target, falling 3.0 percentage points short.

61. Trenitalia publishes the service charter to express its principles and commitments to improving the services it offers. The regional service charters are available on the website trenitalia.com.

62. The universal service provided for by the public service contract with the government included 84 Intercity day trains, 22 night trains and 10 buses in 2014. Non-routine services are not considered.

THE 2014 SERVICE CHARTER: LONG HAUL SERVICE QUALITY TARGETS

» QUALITY INDICATORS FOR ALL LONG HAUL TRAINS

QUALITY FACTORS	INDICATORS	2013 TARGET	2014 TARGET	2014 ACTUAL	2014 DELTA (% POINTS)	NOTES
Punctuality	Trains arriving within 15' of the scheduled time	93.00%	93.00%	93.30%	0.3	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%	99.60%	0.6	All trains are considered, excluding those that were affected by external events, disruptions to the line or strikes
Cleanliness	Effectiveness of on board cleaning	77.00%**	80.00%	86.10%	6.1	Customer satisfaction with cleanliness during travel***
Information hotlines	Online contacts and calls to the call centre	1.6	1.6	1.7	0.1	Number of information contacts with respect to the number of passengers carried
Ticketing services	Functioning automatic ticketing machines	95.00%	95.00%	97.44%	2.4	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%	54.90%	19.9	Weight of purchases using innovative systems out of total turnover from Trenitalia's long haul services

* 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)

** Since 2013, this indicator refers to the percentage of customers satisfied with the cleanliness of the train during travel, unlike in 2012, when it was calculated as the percentage of passing checks out of a sample determined on the basis of the UNI EN 13549 specifications

*** 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 INDICATORS FOR THE FRECCE

QUALITY FACTORS	INDICATORS	2013 TARGET	2014 TARGET	2014 ACTUAL	2014 DELTA (% POINTS)	NOTES
Punctuality	Trains arriving within 15' of the scheduled time	93.50%	94.00%	94.60%	0.6	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	99.20%	99.40%	99.80%	0.4	All trains are considered, excluding those that were affected by external events, disruptions to the line or strikes
Cleanliness	Effectiveness of on board cleaning	85.00%**	87.00%	92.00%	5.0	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)

** Since 2013, this indicator refers to the percentage of customers satisfied with the cleanliness of the train during travel, unlike in 2012, when it was calculated as the percentage of passing checks out of a sample determined on the basis of the UNI EN 13549 specifications

*** 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	2013 TARGET	2014 TARGET	2014 ACTUAL	2014 DELTA (% POINTS)	NOTES
Punctuality	Punctuality within 30'	91.00%	91.00%	94.59%	3.6	Number of trains with delays of less than 30 minutes/ number of trains operated x 100
	Punctuality within 60'	96.00%	96.00%	98.32%	2.3	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%	99.26%	1.1	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%	85.05%	-3.0	Cleanliness (AQP)* = 100% - % in advertising

* Average quality provided



The purchase of tickets using innovative sales channels is a particularly significant trend in long haul services, with this type of ticketing as a percentage of total sales outperforming the Group's target by 19.9.

Innovative channels include the growth in purchases using the Prontotreno app and the new methods of payment for ticketing on the trenitalia.com website⁶³. Passengers can still book their journey on trenitalia.com up to 24 hours before departure using the Posto Click service - and buy an e-ticket using the ticketless service.

There are 19 self-service machines outside stations at universities (Bologna and Pisa), the Stato Maggiore dell'Aeronautica militare and shopping centres⁶⁴.

Specific attention has been devoted to the quality of services for people with reduced mobility. Through an ongoing, constructive partnership with associations in this field, the most effective solutions have been identified to ensure people with reduced mobility can access stations and trains. Trenitalia's PostoBlu service for passengers with disabilities and reduced mobility entails seat assignment and booking when they request assistance at the Sala Blu service or using the call centre, allowing passengers to make payment and pick up their tickets later using the available sales channels. RFI's assistance network for people with reduced mobility also includes over 270 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 Sala Blu services serves as the contact for meeting the travel requirements of all passengers with disabilities and reduced mobility, and they are located at master stations in the Sala Blu⁶⁵ network.

The Sala Blu network is responsible for ensuring travellers enjoy the free services created specifically for them:

- information and informational material on assistance services available at stations;
- booking the assistance services ;
- wheel chairs, if necessary;
- an escort at the station and to the train;
- an escort until they 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, where necessary and upon request.

In 2014, approximately 250,000 assistance services were provided to people with reduced mobility, up by 18% on 2013, and the customer satisfaction level was 98% (average scores of more than eight out of nine).

63. Quick pay using credit cards and e-payment using Masterpass.

64. In Milan, Brescia, Verona, Vicenza, Padova, Bologna, Forlì, Rimini, Genoa, Rome, Naples, Aversa and Pescara.

65. Torino Porta Nuova, Milano Centrale, Genova Piazza Principe, Verona Porta Nuova, Venezia Santa Lucia, Trieste Centrale, Bologna Centrale, Firenze Santa Maria Novella, Roma Termini, Ancona, Napoli Centrale, Bari Centrale, Reggio Calabria Centrale and Messina Centrale.

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 travellers using a probability-based procedure. For regional transport, the periodic surveys cover the same target (travellers aged 14 and up), but the travel range is shorter (local/regional). Again in this case, the sample is created using a probability-based procedure. Each year, four sample surveys are conducted (in March, May, July and November), for total of about 16,800 travellers interviewed.

The survey method used for data on customer satisfaction with the perceived quality of travel consist of two stages for both types of transport:

- interviews by contacting people at the station before they depart on a train;
- telephone interviews using operators and CATI (Computer Assisted Telephone Interview), through call-backs 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.



Long haul transport

The analysis of customer satisfaction results substantially confirms the positive scores of 2013. Indeed, in 2014, 91.4% of the travellers interviewed expressed an overall favourable judgement of long haul services, up by 1.4% on the previous year.

The largest increases relate to the level of cleanliness on board trains (+3.1%), punctuality (+2.4%) and comfort (+2%).

Information on the ground also⁶⁶ shows a positive trend, up by 1.3% on 2013.



>> NATIONAL AND INTERNATIONAL TRANSPORT: CUSTOMER SATISFACTION

The various stages in a journey	2012	2013	2014	2014 vs. 2013
				% points
Preparation for the journey	96.1%	95.5%	96.9%	▲ 1.40
Arrival at the station	83.8%	84.9%	87.1%	▲ 2.20
Time at stations	89.3%	88.5%	88.4%	▶ 0.10
Time on board the train	88.8%	89.3%	92.1%	▲ 2.80
Leaving the station	88.3%	85.5%	88.4%	▲ 2.90
Information	96.0%	95.2%	96.5%	▲ 1.30
Overall score	90.0%	90.0%	91.4%	▲ 1.40

Time on board the train	2012	2013	2014	2014 vs. 2013
				% points
Comfort	86.2%	88.8%	90.8%	▲ 2.00
Cleanliness	80.4%	83.0%	86.1%	▲ 3.10
Punctuality	84.3%	81.1%	83.5%	▲ 2.40
On board information	88.6%	88.6%	90.3%	▲ 1.70
Personnel	95.5%	94.2%	95.6%	▲ 1.40
Overall score	88.8%	89.3%	92.1%	▲ 2.80

Considering the services offered in more detail, the overall score for *Frecce* services improved (customer satisfaction rose from 93.5% in 2013 to 94.1% in 2014) and the score for *Frecciabianca* (+1% on 2013) rose in par-

ticular. Moreover, the overall score for *Intercity* (+2.7%) and *Intercity Notte* night services improved (+2%) on 2013. This improvement was mainly due to greater satisfaction with cleanliness, comfort and punctuality.

66. Information provided to customers using the various channels available, except for the information provided on board trains.

Regional transport

The analysis of overall customer satisfaction with regional transport improved in general. Indeed, in 2014, 74.1% of travellers interviewed expressed a favourable overall opinion of regional transport services, up by 0.3% on the previous year.

On the other hand, "Information" lost 1.4%.



» REGIONAL TRANSPORT: CUSTOMER SATISFACTION

The various stages in a journey	2012	2013	2014	2014 vs. 2013	
				% points	
Preparation for the journey	84.2%	91.0%	92.7%	▲	1.70
Arrival at the station	69.3%	75.1%	77.6%	▲	2.50
Time at stations	75.6%	79.7%	79.5%	▶	0.20
Time on board the train	71.5%	72.6%	74.0%	▲	1.40
Leaving the station	69.8%	74.7%	74.7%	▶	0.00
Information	91.8%	90.8%	89.4%	▼	-1.40
Overall score	71.9%	73.8%	74.1%	▶	0.30

Specifically, all the factors that contribute to the overall score for "Time on board the train" show a positive trend. The improvement was particularly significant for areas like on board information (+4.6%), comfort

(+2.7%) and cleanliness of trains (+4%). The latter was achieved by completely revising the entire cleaning process and through many changes in contracts in previous years.

Time on board the train	2012	2013	2014	2014 vs. 2013	
				% points	
Comfort	66.6%	71.1%	73.8%	▲	2.70
Cleanliness	50.2%	54.8%	58.8%	▲	4.00
Punctuality	62.7%	62.6%	63.5%	▲	0.90
On board information	62.5%	67.1%	71.7%	▲	4.60
Personnel	82.2%	84.6%	85.1%	▶	0.50
Overall score	71.5%	72.6%	74.0%	▲	1.40

At regional level, "Time on board the train" increased mainly in Sicily (+6.1% on 2013), Abruzzo (+5.9%), the autonomous province of Bolzano (+3.5%) and Campa-

nia (+3.3%). In these areas, the main improvements were seen especially in "cleanliness" and "on board information".

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 performance⁶⁷.

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 about 70% of reports arrive.

In 2014, 99.7% of complaints relating to market services were resolved within 30 days, as provided for in the service charter.

In 2014, Trenitalia did not receive documented complaints of violations of the personal data protection code or the loss of customer data.

Long haul transport

Complaints regarding long haul services decreased by 13% on the previous year, with a particularly significant drop in market services, which showed a 30% improvement on 2013.



» COMPLAINTS AND INEFFICIENCIES - NATIONAL AND INTERNATIONAL TRANSPORT

	2012	2013	2014	2014 vs. 2013
Total complaints received*	39,200	34,698	30,237	▼ -13%
Total inefficiencies**	48,116	42,429	34,058	▼ -20%

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

** See previous note

Overall, the main reasons for complaints are punctuality and the website. It is in the latter that the most significant increase in the number of complaints was seen compared to 2013, thanks to the resolution of a few technical glitches.

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





» ANALYSIS OF COMPLAINTS - % INEFFICIENCIES IN NATIONAL AND INTERNATIONAL TRANSPORT

	2012	2013	2014	2014 vs. 2013
				% points
Punctuality	14.4%	21.1%	21.7%	▲ 0.60
Regularity*	7.2%	4.1%	5.1%	▲ 1.00
Commercial legislation	12.4%	10.6%	12.5%	▲ 1.90
Comfort and cleanliness	8.3%	8.2%	8.8%	▲ 0.60
Post-sales legislation	13.8%	6.3%	6.8%	▲ 0.50
Trenitalia website	20.1%	27.1%	19.0%	▼ -8.10
Sales using traditional channels	3.0%	3.1%	4.3%	▲ 1.20
Timetable and fares	8.7%	8.4%	9.3%	▲ 0.90
Information	1.5%	1.4%	1.6%	► 0.20
Call center	3.4%	2.5%	2.8%	► 0.30
Safety of people and things	0.8%	0.9%	1.0%	► 0.10
Other (on board/ground assistance, additional services, services for the disabled, etc.)	6.4%	6.3%	7.1%	▲ 0.80

* 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 2014, fair settlement⁶⁸ remained the most appropriate tool for rapidly and effectively resolving disputes with customers.

In 2014, 457 cases were handled using this method (+15% on the previous year) and customer satisfaction, expressed by their acceptance of the settlement offer, reached 92% of total cases.

68. 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 6% decrease in the number of complaints relating to regional services/trains is in line with the trend seen in the previous year.

» COMPLAINTS AND INEFFICIENCIES – REGIONAL TRANSPORT

	2012	2013	2014	2014 vs. 2013
Total complaints received	35,846	29,037	27,244	▼ -6%
Total inefficiencies	35,125	25,331	24,652	▼ -3%

The main decreases were seen in punctuality, comfort and cleanliness, down by approximately 2.5% on 2013.

» ANALYSIS OF COMPLAINTS - % INEFFICIENCIES IN REGIONAL TRANSPORT

	2012	2013	2014	2014 vs. 2013
				% points
Punctuality	23.1%	22.5%	20.0%	▼ -2.46
Regularity	20.7%	16.2%	16.7%	► 0.50
Commercial legislation	8.7%	8.7%	12.0%	► 3.34
Comfort and cleanliness	9.3%	10.3%	7.8%	▼ -2.53
Post-sales legislation	1.9%	2.8%	2.7%	► -0.08
Trenitalia website	2.1%	2.6%	2.7%	► 0.14
Sales using traditional channels	1.1%	1.2%	2.0%	► 0.75
Timetable and fares	2.4%	1.9%	2.9%	► 0.97
Information	7.2%	5.9%	4.8%	▼ -1.11
Call center	0.2%	0.1%	0.2%	► 0.14
Safety of people and things	0.4%	0.3%	0.5%	► 0.21
Other (on board/ground assistance, additional services, services for the disabled, etc.)	4.5%	10.4%	10.1%	► -0.26

Cargo transport

Trenitalia offers business to business cargo transport 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 cargo 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 160 corporate companies that make up most of its turnover.

The survey was conducted by telephone CATI (Computer Assisted Telephone Interview) 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 2014, 74.7% of the companies interviewed were satisfied overall with the service offered in the year. A more in-depth analysis on the various aspects of the service shows an overall positive assessment of the "sales structure" (85.9% of satisfied customers, down by 4.1% on 2013) and "complete and timely information provided" (85.0% of satisfied customers, up by 9.9% on the previous year).

» CUSTOMER SATISFACTION – CARGO TRANSPORT

	Average score (scale of 1-10)			Satisfaction %		
	2012	2013	2014	2012	2013	2014
Sales structures	6.8	7.0	6.9	79.5%	90.0%	85.9%
Complete and timely information provided	6.5	6.4	6.6	76.3%	75.1%	85.0%
Operational aspects of the service	6.1	5.9	6.0	66.5%	67.1%	64.2%
Invoice and administrative management	6.6	6.8	6.6	79.9%	88.6%	82.8%
Overall score	6.4	6.4	6.4	79.9%	81.8%	74.7%

On the other hand, the "operational aspects of the service" score was more critical, with 64.2% of customers reporting satisfaction. This performance was mainly due to the lack of railway cars for cargo transport and the service flexibility, which was considered insufficient in certain instances. The transport sector presents the need for more flexibility during market crises and when GDP is declining. Furthermore, the competition between railway transport and road transport heights in bearish market contexts, the former being notoriously more flexible.

However, within the "operational aspects of the service" macro category, the scores were higher for the security of transported cargo in terms of damage and theft (satisfaction level of 78.2%) and service reliability (satisfaction level of 76.8%).

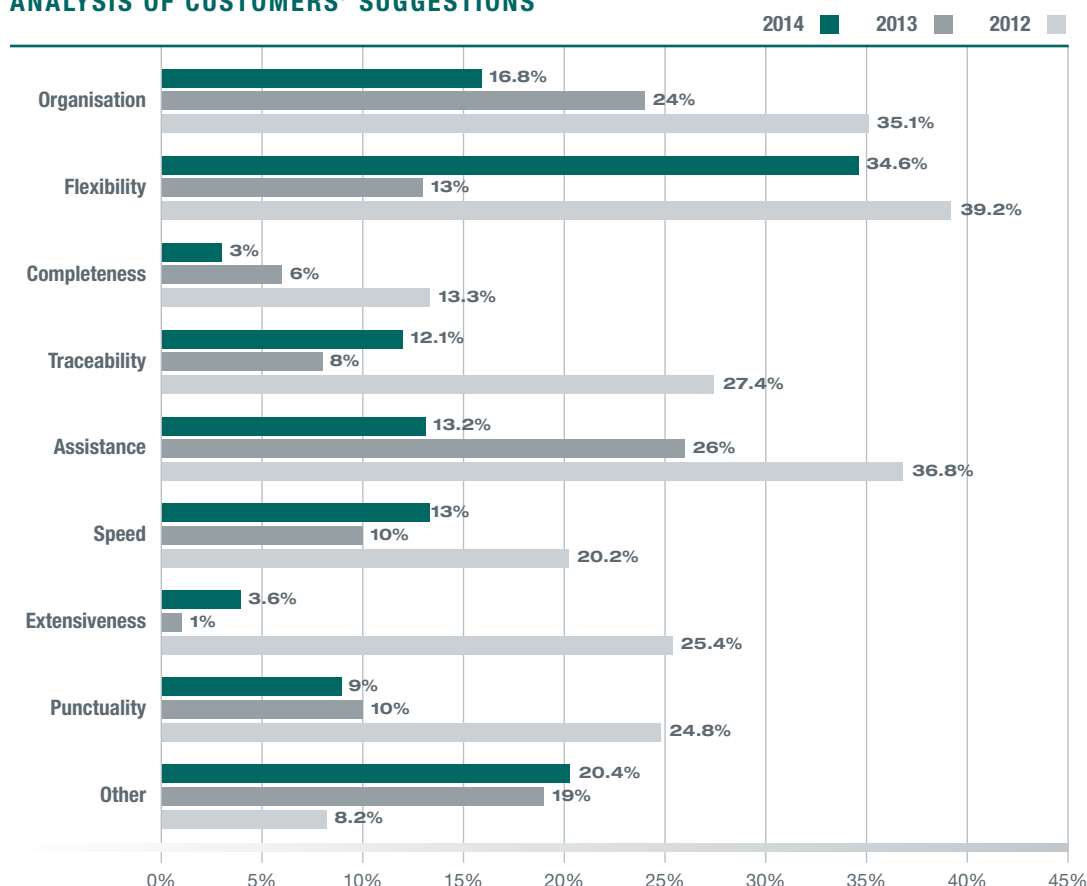
Finally, customers' "propensity to use the service again" remained satisfactory, as about nine customers out of 10 would continue to buy Trenitalia Cargo's transport services.

Analysis of customers' suggestions

The analysis of "customers' suggestions" shows a considerable improvement over the past two years in "customer assistance", which, in 2012, 36.8% of interviewees considered the area to be improved, while only 13.2% of interviewees considered it an improvement area in 2014.

On the other hand, service "flexibility" was again deemed critical, as corporate companies are particularly sensitive to flexibility during times of economic crisis. In 2014, 34.6% of interviewees cited it, compared with 13% in 2013 and 39.2% in 2012.

>> ANALYSIS OF CUSTOMERS' SUGGESTIONS



Contract negotiations with customers are compliant with international conventions and regulations which classify travel non-conformities in the following three groups: loss of cargo, damage to cargo and late delivery. These cases are managed by the insurance company or as specific breaches in the individual contract⁶⁹.

Finally, customers' reported propensity to use Trenitalia services again show a constant growth trend in the past three years.

69. The procedures for requesting compensation for damage to cargo transported are set forth in articles 43(carrier's and customers' liability); 44 (force majeure), 45 (damage assessment report and complaints for compensation for damage) and 46 (request for accounting settlement) of Title V of the current General Railway Cargo Transport Terms and Conditions, as well as in the text of the specific instructions. The documents can be downloaded at: cargo.trenitalia.it.

COMPLAINTS MANAGEMENT

Trenitalia uses an IT platform for the integrated management of the various channels for contracts with customers.

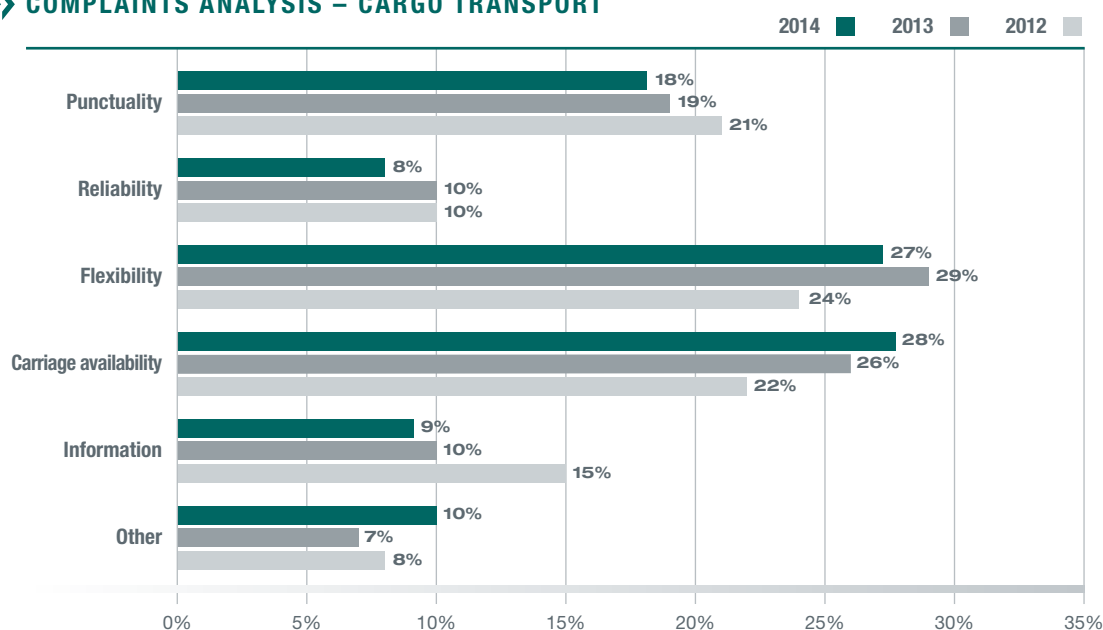
In 2014, 100 complaints were received and responses were provided for 95% of them in fewer than 15 days. The analysis of the performance of customer complaints in 2014 shows the importance of certain satisfaction drivers and how, for a few of these, the improvement trends of previous years remain in line, particularly in terms of reliability (-2% on 2013), punctuality (-3% since 2012), information(-6% in the past two years). Further-

more, the trend in complaints about flexibility inverted, falling from 29% in the previous year to 27% in 2014%. These are positive signals that make it possible to measure the effectiveness of actions taken by Trenitalia, including based on feedback from the market (complaints and customer satisfaction surveys), to improve its processes and, accordingly, its service offer.

» COMPLAINTS – CARGO TRANSPORT

	2012	2013	2014	2014 vs. 2013
Total complaints received	87	84	100	▲ 19%
Percentage of complaints with response times under 15 days	95.0%	96.0%	95.0%	▼ -1%

» COMPLAINTS ANALYSIS – CARGO TRANSPORT



In 2014, 249 claims for compensation were received for damage to cargo, 78 of which were allowed. The other claims were not paid out or were denied, either because Trenitalia was not found liable for the damage or because the need for additional documentation lengthened the time needed to examine the claim.

4.3.2 Rete Ferroviaria Italiana ("RFI")

PROMISED QUALITY: 2014 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.

SURVEY TECHNIQUES

To direct its commitments towards the quality targets most in line with customers at stations, RFI conducts a "market observation" customer satisfaction survey, a monthly assessment of the perceived quality and offered quality of services at stations. To monitor perceived quality, the surveys⁷⁰ are conducted through face to face interviews, while to monitor offered quality, mystery customers are used. In 2014, RFI extended the surveys to another 55 stations.

QUALITY FACTORS	CRITERIA	SURVEY TECHNIQUE	
		Perceived quality	Offered quality
Travel safety	Number of accidents per million train-km on the entire network		Internal monitoring
Security of people and things at stations	Data on stations	Customer satisfaction interviews	Internal monitoring/ Mystery customer
Modal integration	Data subject to a statement of intent	Customer satisfaction interviews	Mystery customer
Focus on the environment	Data subject to a statement of intent		Internal monitoring
Cleanliness of spaces	Data on stations	Customer satisfaction interviews	Mystery customer
Travel comfort in station areas	Data on stations	Customer satisfaction interviews	Mystery customer
Additional ground services (commercial and public services)	Data on stations	Customer satisfaction interviews	Mystery customer
Services for passengers with reduced mobility	Data on stations	Customer satisfaction interviews	Internal monitoring/ Mystery customer
Train operation information to the public	Data on stations	Customer satisfaction interviews	Mystery customer

70. These are carried out using certified companies with consolidated research experience, which RFI selects in European tenders; the contract in the most recent tender, held in 2013, was awarded to RTI GN Research/Scenari Srl for 2014-2016.



QUALITY FACTORS

Approximately 2,087 of “active” railway stations in 2014 with services for travellers managed by RFI – directly or through other Group companies – are categorised into four classes: *Platinum*, *Gold*, *Silver* and *Bronze*⁷¹. Each of these categories features specific parameters, such as: the number of travellers and station users, the level of services offered to railway companies, commercial potential and the size of areas open to the public. Performance indicators for the entire RFI system reached all target values in 2014, both in terms of indicators measured via internal monitoring – travel safety, implementation of the environmental policy, the number of thefts at stations, focus on the needs of travellers with reduced mobility – and indicators measured using customer satisfaction surveys, which were in line with previous years, except for a slight drop in indicators for the security of people and things, at stations, the integration of railway services with other means of transport, particularly for road transport.

Category	Number of stations
<i>Platinum</i> *	19
<i>Gold</i>	102
<i>Silver</i> **	860
<i>Bronze</i>	1,106

* Torino Porta Nuova, Milano Centrale, Milano Porta Garibaldi and commuter rail, Genova Porta Principe and Genova underground, Firenze Santa Maria Novella, Pisa Centrale, Roma Termini, Roma Tiburtina, Napoli Centrale and Porta Garibaldi, Palermo Centrale, Bari Centrale, Bologna Centrale and Bologna AV, , Padova Centrale, Verona Porta Nuova and Venezia Santa Lucia

** The Pisa Airport station was closed in December 2013

71. The characteristics of each type and the detail of the stations are described on the company's website: rfi.it.

2014 Service charter

>> THE RFI SYSTEM

QUALITY FACTORS	INDICATOR	PARAMETER	2014 TARGET	ACTUAL VS. TARGET
Safety Travel safety	Level of railway operation safety	Number of accidents per million train-km ²	Keeping the average value for 2006-2013 in line with the four benchmark countries ³	Achieved
Security Safety at the station	Level of security of people and things at stations	Number of thefts suffered by passengers in the year* ⁴	Do not exceed the average value of the three years considered	Achieved
	Overall security at the station	Percentage of satisfied people ⁵	80%*	Fully achieved
Modal integration	Quality of the station's connection to public urban/suburban means of transport	Percentage of satisfied people	85%*	Achieved
	Ease and convenience of arriving in the station	Percentage of satisfied people	90%*	Achieved
	Authorised parking near the station	Percentage of stations with this service	85%*	Achieved
Focus on the environment	Actions to implement "RFI's environmental policy" ⁶	Commitment ²	Implementation	Achieved

* Services covered either completely or partly by third parties

1 Achieved = target ≤ actual < target+5%; fully achieved = target+5% ≤ actual < target+10%; broadly achieved = actual > target+10%.

2 Internal monitoring

3 Since 2013, the company's target set forth in the service charter is part of the European-wide partnership and reflects RFI's safety performance compared to the performance of France, Germany and Great Britain

4 Polfer monitoring

5 This is the percentage of interviewees who gave a score of six or more on a scale of one to nine

6 Completion of the "Environmental analysis" of all RFI's production units as part of the company wide environmental management system in accordance with ISO 14001:2004" and the " Immediate updating of contract specifications for compliance with the new criteria of PAN 2014"

» THE STATIONS

QUALITY FACTORS	INDICATOR	PARAMETER	2014 TARGET	ACTUAL VS. TARGET ¹
Assistance at the station for passengers with reduced mobility	Assistance service provided in the <i>Sala Blu</i> network	Percentage of satisfied people	90%	Fully achieved
	Increase in the number of stations included in the <i>Sala Blu</i> network	Number of stations	At least 5 ²	Achieved
	Increase in the number of stations in the <i>Sala Blu</i> network offering assistance services that can be booked up to one hour before arrival/departure	Number of stations	At least 5 ³	Achieved
Accessibility of spaces in the station	Increase in the number of platforms with a standard height to facilitate access to trains	Number of 55-cm high platforms ⁴	At least 35	Achieved

¹ Achieved = $target \leq actual < target+5\%$; fully achieved = $target+5\% \leq actual < target+10\%$; broadly achieved = $actual > target+10\%$

² San Felice sul Panaro, Cecina, Pisa San Rossore, Milano Rogoredo, Montebelluna

³ Genova Piazza Principe sotterranea, Milano Porta Garibaldi sotterranea, Bologna Centrale, Napoli Piazza Garibaldi, Rho Fiera Expo Milano 2015

⁴ The new indicator refers to the presence of platforms raised up to 55 cm, as required by the "Technical specifications for railway interoperability for people with reduced mobility" (2008/164/EC) defined by the European Commission

All target values were achieved for services provided at stations (*Platinum*, *Gold* and *Silver*⁷²) showing an increase in customer satisfaction with cleanliness of station areas on 2013. The scores for comfort during time in the station, lighting, commercial services, information to the public on the regular operation of trains and assistance services for people with reduced mobility remained steady. The score for information during critical situations was down slightly. In 2014, silver stations stood apart, with a better trend than the other station categories.

72. Excluding *Bronze* stations, as this category is made up of small stations with low-density stops (generally <500 users on average per day), that are often unmanned.

»» THE PLATINUM STATIONS

QUALITY FACTORS	INDICATOR	PARAMETER	2014 TARGET PLATINUM	ACTUAL VS. TARGET ¹
Travel comfort in station areas	Comfort during time at stations	Percentage of satisfied people	90%*	Fully achieved
	Comfort of waiting areas	Percentage of satisfied people	90%*	Achieved
	Lighting in the tunnels, overpasses and raised walkways	Percentage of satisfied people	90%*	Achieved
Cleanliness	Cleanliness of station areas	Percentage of satisfied people	90%*	Fully achieved
Additional ground services	Overall commercial services	Percentage of satisfied people	90%*	Fully achieved
Information on train operation provided to the public at stations	In normal operating conditions	Percentage of satisfied people	90%	Fully achieved
	In critical operation situations	Percentage of satisfied people	85%	Achieved

* services covered either completely or partly by third parties

¹ Achieved = target ≤ actual < target+5%; fully achieved = target+5% ≤ actual < target+10%; broadly achieved = actual > target+10%

»» THE GOLD STATIONS

QUALITY FACTORS	INDICATOR	PARAMETER	2014 TARGET GOLD	ACTUAL VS. TARGET ¹
Travel comfort in station areas	Comfort during time at stations	Percentage of satisfied people	85%*	Extensively achieved
	Comfort of waiting areas	Percentage of satisfied people	85%*	Achieved
	Lighting in the tunnels, overpasses and raised walkways	Percentage of satisfied people	85%*	Fully achieved
Cleanliness	Cleanliness of station areas	Percentage of satisfied people	90%*	Fully achieved
Additional ground services	Overall commercial services	Percentage of satisfied people	90%*	Fully achieved
Information on train operation provided to the public at stations	In normal operating conditions	Percentage of satisfied people	90%	Fully achieved
	In critical operation situations	Percentage of satisfied people	85%	Achieved

* Services covered either completely or partly by third parties

¹ Achieved = target ≤ actual < target+5%; fully achieved = target+5% ≤ actual < target+10%; broadly achieved = actual > target+10%.

» THE SILVER STATIONS

QUALITY FACTORS	INDICATOR	PARAMETER	2014 TARGET SILVER	ACTUAL VS. TARGET ¹
Travel comfort in station areas	Comfort during time at stations	Percentage of satisfied people	80%	Extensively achieved
	Comfort of waiting areas	Percentage of satisfied people	80%	Fully achieved
	Lighting in the tunnels, overpasses and raised walkways	Percentage of satisfied people	80%	Fully achieved
Cleanliness	Cleanliness of station areas	Percentage of satisfied people	85%	Fully achieved
Additional ground services	Overall commercial services	Percentage of satisfied people	90%*	Fully achieved
Information on train operation provided to the public at stations	In normal operating conditions	Percentage of satisfied people	90%	Achieved
	In critical operation situations	Percentage of satisfied people	80%	Achieved

* Services covered either completely or partly by third parties

¹ Achieved = target ≤ actual < target+5%; fully achieved = target+5% ≤ actual < target+10%; broadly achieved = actual > target+10%



COMPLAINTS MANAGEMENT

RFI considers customer complaints to be an invaluable tool in understanding customers' perception of the services it provides on the entire network and at stations, as well as an important tool in guiding company actions to improve quality and prevent or resolve any critical issues⁷³. Since 2012, an online tool, has been active, "RFI answers", available on www.rfi.it.

» COMPLAINTS AND INEFFICIENCIES – STATIONS

	2012	2013	2014	2014 vs. 2013
Total complaints received*	3,176	3,264	3,219	▼ -1.4%
Total inefficiencies	3,389	3,595	3,559	▼ -1.0%

* Each individual complaint can correspond with more than one inefficiency

The analysis of inefficiencies reported in 2014 shows a slight drop in total complaints managed, with a considerable decrease due to the operator's efforts, in information to the public and comfort. On the other hand, the number of complaints relating to the cleanliness of stations, architectural barriers and safety increased, although only slightly in terms of absolute values.

» ANALYSIS OF INEFFICIENCIES – STATIONS

	2012	2013	2014	2014 vs. 2013	
				% points	
Comfort at the station	20%	22%	20%	▼	-2
Cleanliness at the station	6%	7%	8%	▲	+1
Architectural barriers and services for the disabled	2%	5%	6%	▲	+1
Public information	47%	40%	33%	▼	-7
Safety at the station	4%	13%	14%	▲	+1
Other	20%	13%	18%	▲	+5

73. The complaints management process is supported by the IT system ITINERE-RFI.



4.3.3. Busitalia - Sita Nord and its subsidiaries/ investees

Busitalia - Sita Nord

QUALITY OFFERED: CUSTOMER CARE

When it publishes the service charter each year, the company reiterates the fundamental principles on which it bases its offer (equal rights, service continuity, participation, efficiency and effectiveness).

Busitalia-Sita Nord's service charters for Veneto and Tuscany are published annually⁷⁴.

» BUSITALIA - SITA NORD'S SERVICE CHARTER

2014 SERVICE CHARTER	SERVICES
Veneto	Padua - Suburban service Rovigo - Suburban service Rovigo - Urban service
Tuscany	Autolinee Chianti Valdarno Scarl* Autolinee Mugello Valdisieve Scarl

* 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 following tables show the main indicators published in the Veneto service charters⁷⁵, along with the results achieved.

74. The service charters are published on the company's website www.fsbusitalia.it.

75 The published indicators refer to Busitalia - Sita Nord's Veneto business unit at 31 December 2014, which was conferred on 1 April 2015 to Busitalia Veneto SpA, a company set up on 20 January 2015, consisting of the Veneto services that already belonged to Busitalia - Sita Nord, and APS' mobility business.



In terms of punctuality, suburban services in Padua and Rovigo showed an increase in delays on the previous year, mainly due to traffic, while urban services in Rovigo improved in terms of punctuality on 2013.

» PUNCTUALITY

	2013 actual	2014 target	2014 actual	2014 variance
	% points			
Padua - Suburban service				
On-time buses	95.12%	95.30%	94.61%	-0.69
Trains with delays of >15' to <=30'	4.14%	4.00%	4.77%	0.77
for internal reasons	0.04%	0.01%	0.06%	0.05
Trains with delays of >30'	0.74%	0.70%	0.62%	-0.08
for internal reasons	0.05%	0.01%	0.04%	0.03
Rovigo - Suburban service				
On-time buses	96.11%	96.50%	96.34%	-0.16
Trains with delays of >5' to <=15'	2.95%	2.70%	2.79%	0.09
for internal reasons	0.02%	0.01%	0.03%	0.02
Trains with delays of >15'	0.95%	0.80%	0.87%	0.07
for internal reasons	0.04%	0.00%	0.03%	0.03
Rovigo - Urban service				
On-time buses	99.64%	99.70%	99.78%	0.08
Trains with delays of >5' to <=10'	0.26%	0.22%	0.17%	-0.05
for internal reasons	0.02%	0.00%	0.00%	0.00
Trains with delays of >10'	0.09%	0.08%	0.05%	-0.03
for internal reasons	0.01%	0.00%	0.00%	0.00



With respect to service regularity both on the suburban lines in Padua and the urban and suburban lines in Rovigo, once again in 2014, 100% of effective trains (excluding strikes and force majeure) ran according to schedule and the number of shunting means was in line with service recovery requirements.

As for the sales network, the results achieved in 2014 show a considerable increase in resales for the Padua service (+11) and a more contained rise in the urban service for Rovigo (+2), while the decrease in the number of points of sale for the Rovigo suburban service was only marginal.

» EXTENSION OF THE SALES NETWORK

	2013 actual	2014 target	2014 actual	2014 delta
Padua - Suburban service				
Resales	521	521	532	11
Resales/network km	0.52	0.52	0.53	0.01
Resales/cities served	3.6	3.6	3.6	0.0
Trains with on-board ticket sales with surcharge	100%	100%	100%	0.0
Rovigo - Suburban service				
Resales	128	128	127	-1
Resales/millions of residents	175	175	173	-2
Resales/cities served	2.2	2.2	2.2	0.0
Resales/network km	0.17	0.17	0.16	-0.01
Trains with on-board ticket sales with surcharge	100%	100%	100%	0.0
Rovigo - Urban service				
Resales	82	82	84	2
Resales/1,000 residents	1.64	1.64	1.61	-0.03
Resales/network km	0.98	0.98	1.00	0.02
Trains with on-board ticket sales with surcharge	100%	100%	100%	0.0

The rate of incidents for which Busitalia - Sita Nord was at fault, consisting of incidents during line operation, shows an improvement in the Padua suburban service and the Rovigo urban service, while it worsened for the Rovigo suburban service, although the number of incidents was, in any case, limited.

» INCIDENT RATE

	2013 actual	2014 target	2014 actual
Padua - Suburban service			
Incidents suffered *	1 for every 5,586 buses per year	1 for every 7,300 buses per year	1 for every 9,005 buses per year
Rovigo - Suburban service			
Incidents suffered	1 for every 82,408 buses per year	1 for every 41,200 buses per year	1 for every 27,171 buses per year
Rovigo - Urban service			
Incidents suffered	1 for every 20,035 buses per year	1 for every 20,035 buses per year	1 for every 21,093 buses per year

* Incidents suffered are those under the Company's responsibility as occurred during line operations

With respect to the environment, considering the percentages of vehicles equipped with Euro2 and higher engines, which limit exhaust fumes, the Rovigo urban and suburban service targets have substantially been met, whereas they have not for the suburban service in Padua, as the roll-out of new Euro6 buses, initially scheduled for 2014, was postponed.

The urban service in Rovigo improved substantially in terms of the indicator for Euro2 and higher buses, following the roll-out of new vehicles in 2014, and entailed an improvement in the performance of environmental, comfort and safety standards.

» FOCUS ON THE ENVIRONMENT

	2013 actual	2014 target	2014 actual	Delta % points
Padua - Suburban service				
Euro 2 and higher	91.0%	97.8%	91.4%	-6.4
Rovigo - Suburban service				
Euro 2 and higher	90.1%	90.1%	90.1%	0.0
Rovigo - Urban service				
Euro 2 and higher	59.5%	83.8%	83.8%	0.0

PERCEIVED QUALITY:
CUSTOMER SATISFACTION

Between the end of March and the start of April 2014, customer satisfaction surveys were conducted in the areas in Veneto where Busitalia - Sita Nord operates⁷⁶. The user basin consists of all customers and the sample was stratified, 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 ten⁷⁷.

Results of the customer satisfaction survey
in Veneto⁷⁸

1,376 questionnaires were collected for the Padua sub-urban area, while 466 were filled out for the Rovigo sub-urban area. 246 interviews were conducted for the Rovigo urban service, where the questionnaire was administered face to face.

The socio-demographic characteristics of the three groups are shown in the table below:

» DEMOGRAPHIC-BEHAVIOURAL CHARACTERISTICS

DEMOGRAPHIC-BEHAVIOURAL CHARACTERISTICS	AGE <= 25	USE OF THE SERVICE AT LEAST THREE DAYS PER WEEK	USE OF MONTHLY PASS	USE OF SINGLE TICKET
Padua - Suburban service	56%	72%	58%	20%
Rovigo - Suburban service	62%	73%	52%	21%
Rovigo - Urban service	46%*	62%	24%	61%**

* The percentage refers to people aged 35 and under

** Ticket valid for 75 minutes

Travel safety (prudent driving) and the perceived safety on board, along with on board personnel professionalism and courtesy, are the aspects that customers gave the absolute highest scores. Although the scores show satisfaction is sufficient, the assistance services for people with reduced mobility remain critical, especially in the suburban areas. However, we expect these scores to improve with the introduction of buses that make it easier for people with reduced mobility to use. Other sensitive aspects for the Rovigo urban service (although only 41% of interviewees scored it, as it is scarcely used) are information provided via telephone and cleanliness for Rovigo urban services.

76. In 2014, the groups related to Padua suburban services and Rovigo urban and suburban services.
77. The question asked was: Please rate the following service aspects from 1 (completely dissatisfied) to 10 (completely satisfied)?".
78. Survey conducted by Istituto Piepoli – Milan.



SATISFACTION (%) *	PADUA SUBURBAN	ROVIGO SUBURBAN	ROVIGO URBAN
Safety on board (theft, harassment, etc.)	89.9%	93.1%	98.4%
Travel safety (prudent driving)	86.8%	91.4%	95.5%
Driver's professionalism and courtesy	84.7%	89.1%	93.9%
Online information	80.8%	78.3%	88.8%
Availability of tickets, monthly passes, etc.	79.0%	81.5%	90.7%
Availability and completeness of bus schedules	76.3%	78.5%	91.5%
Connections with urban/suburban lines, train, etc.	72.3%	68.9%	78.4%
Focus on the environment	71.7%	72.5%	82.3%
Information at stops	70.6%	73.6%	91.1%
Air conditioning on the buses	68.4%	66.1%	88.6%
Comfort of the buses	68.3%	67.9%	85.8%
Frequency of buses	67.3%	68.0%	83.7%
Cleanliness of bus stations and stops	66.4%	57.1%	82.9%
Cleanliness of buses	65.9%	57.2%	82.9%
Telephone information	65.8%	68.3%	47.0%
Regularity and punctuality	60.0%	78.1%	88.2%
Crowding on the buses	60.0%	61.5%	91.1%
Services for the disabled	51.7%	53.8%	63.8%
Special lanes	-	-	92.3%
Geographical reach	-	-	91.9%
Scheduling	-	-	87.0%
Overall score**	78.1%	83.6%	95.5%

* The percentages are calculated net of omitted responses and considering a score of 6/10 or higher as satisfied

** "What is your overall opinion of Busitalia-Sita Nord'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 2014, 785 complaints/reports were received⁷⁹, 65% of which via e-mail.

Complaints are analysed by type below:

» CLASSIFICATION OF COMPLAINTS RECEIVED*

	2013 result	2014 result	2014 delta
			% points
Service regularity	28.2%	26.3%	-1.9
Punctuality	23.0%	22.5%	-0.5
Passenger information	6.8%	4.7%	-2.1
Company/passenger relationship	13.5%	16.3%	2.8
Travel comfort	14.0%	16.5%	2.5
Tickets	4.9%	5.4%	0.5
Service weakness	3.7%	4.4%	0.7
Safety	1.6%	2.0%	0.4
Cleanliness	1.6%	0.7%	-0.9
Other	2.7%	1.2%	-1.5

* The 2014 figure includes reported inefficiencies directly or indirectly relating to Busitalia - Sita Nord that were received in the year.

The percentages are in proportion to total reported aspects

In general, there was a decrease in the number of complaints about "Service regularity" (missed connection, cancelled trains, route changes, skipped stops, detours and strikes) and "Customer information" (schedules, informational material, website, toll free number and information help desks), while there was a slight increase in the number of complaints regarding the "Company/customer relationship" macro category, i.e., complaints about personnel's conduct and "Travel comfort" (comfortable seats, crowding, air conditioning, etc.). With respect to the latter, in 2015, the company plans to add new buses with high standards, including in terms of comfort.

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

QUALITY OFFERED: CUSTOMER CARE

The service charter indicators refer to Ataf & Li-nea Scarl, the consortium company that manages LPT in the metropolitan Florence area and comprises Ataf Gestioni Srl and Li-nea SpA⁸⁰.

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.

2014 Service Charter – Ataf & Li-nea Scarl

The following tables show the main indicators published in the service charter, along with the results achieved⁸¹.

» SAFETY

INDICATOR	UNIT OF MEASURE	2013 RESULT	2014 TARGET STANDARD	2014 RESULT
Incident rate	(no. of claims / km of service) x 10,000	0.6	Decrease	0.6
Vehicle age	No. of vehicles 15+ years old / Total vehicles	14.0%	Decrease	5%
	No. of vehicles between 10 and 15 years old / Total vehicles	38.4%	Increase	51%
	No. of vehicles between 5 and 10 years old / Total vehicles	29.6%	Decrease	13%
	No. of vehicles between 0 and 5 years old / Total vehicles	18.0%	Increase	31%

» SERVICE REGULARITY AND PUNCTUALITY

INDICATOR	UNIT OF MEASURE	2013 RESULT	2014 TARGET STANDARD	2014 RESULT
Reliability	Actual km / scheduled km	98.4%	Maintenance	97.51%
	Shunting vehicles available from 7:00 - 9:00	37	Maintenance	31
Punctuality	No. of buses that arrived between 5 and 15 minutes late / Total buses	8.7%	Decrease	10.35%
	No. of buses that arrived between 15 and 30 minutes late / Total buses	1.3%	Maintenance	1.97%
	No. of buses more than 30 minutes late / Total buses	0.36%	Maintenance	0.56%

80. Ataf Gestioni Srl owns 77.88% of the consortium company Ataf & Li-nea Scarl and Li-nea SpA owns the remaining 22.12%.

81. 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.



» COMMERCIAL AND FRONT OFFICE SERVICE LEVEL

INDICATOR	UNIT OF MEASURE	2013 RESULT	2014 TARGET STANDARD	2014 RESULT
Points of sale	No. POS / towns served	136	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

PERCEIVED QUALITY: CUSTOMER SATISFACTION

In 2014, the customer satisfaction surveys covered a sample of lines representing Ataf Gestioni's offer. The target group for the survey was made up of actual customers and the sampling was stratified by line, with a random selection of interviewees.

As for Busitalia - Sita Nord, in addition to data on behaviour, the survey gathered data on customers' perception of the efficiency of the service provided, using a series of indicators to be scored from one to ten. Furthermore, the aspects of a journey by bus and aspects that, considering Ataf Gestioni's service, should be improved, were monitored.

Florence urban transport customer satisfaction results⁸²

1,907 Ataf Gestioni customers were interviewed in February 2014. The social demographic group consisted of customers aged 35 and under (50%), workers (36%) and students (27%) who use the services at least three days a week (59%). The most common reason for travel was work (42.9%), followed by school (23.6%) and leisure (14.9%). The most commonly used type of ticket was the monthly pass (23.3%), followed by the one-hour ticket (22.4%), including text message ticketing and tickets sold on board.

The overall satisfaction level for the service offered was 89.3%⁸³.

82. Survey conducted by Istituto Piepoli – Milan.

83. "What is your overall opinion of Ataf & Li-nea's service, from 1 (completely dissatisfied) to 10 (completely satisfied)?" The percentages are calculated net of omitted responses and considering a score of 6/10 or higher as satisfied.

» ATAF GESTION I – CUSTOMER SATISFACTION RESULTS

Satisfaction (%)*	2014 result
Text message ticketing	92.9%
Web/smartphone information	90.7%
Driver's professionalism and courtesy	89.7%
Availability of tickets/monthly passes	89.6%
Travel safety	87.7%
Additional services on board and on the ground	87.6%
Special lanes	85.5%
Telephone information	85.3%
Focus on the environment	84.8%
Geographical reach	83.7%
Connections with other lines	83.6%
Scheduling	83.4%
Information at stops and/or electronic signs with scrolling information	82.4%
Services for the disabled	78.2%
Regularity, punctuality	76.9%
Comfort of the buses	75.9%
Air conditioning on the buses	75.2%
Frequency of buses	74.0%
Safety on board	73.0%
Cleanliness of buses	70.9%
Cleanliness of stops	70.4%
Crowding	61.6%
Overall score	89.3%

* "Please rate the following service aspects from 1 (completely dissatisfied) to 10 (completely satisfied)"

The items with the highest satisfaction levels are those related to technological innovation/updates, such as text message ticketing and information provided online and/or via mobile devices⁸⁴. Critical factors, which in any case received passing scores, related to crowding on the buses and cleanliness.

84. 74% of interviewed customers provided scores for the text message ticketing service, while the 80% of those interviewed rated information provided online/on mobile devices.



COMPLAINTS MANAGEMENT

In 2014, 4,835 complaints/reports were received⁸⁵ for Ataf & Li-nea Scarl's services.

Complaints are analysed by type below:

» CLASSIFICATION OF COMPLAINTS RECEIVED*

	2013	2014	2014 vs. 2013
	% points		
Service regularity	24.5%	34.6%	10.2
Punctuality	6.1%	5.6%	-0.4
Passenger information	10.2%	8.9%	-1.3
Company/passenger relationship	19.0%	19.4%	0.4
Travel comfort	5.0%	4.5%	-0.5
Tickets	24.8%	16.3%	-8.5
Service weakness	3.4%	3.5%	0.1
Safety	2.1%	2.5%	0.4
Cleanliness	0.3%	0.3%	0.1
Environment	1.1%	0.4%	-0.6
Other	3.7%	3.9%	0.1

* 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 near the end of 2014, in connection with the construction of the new Florentine trolley bus lines.

The decrease in complaints relating to tickets was significant following the updating of the ticket puncher software, which resolved certain problems that had arisen in previous years, and due to the issue of new "Carta Agile" cards.

85. Reports from both identified and anonymous senders.

Umbria Mobilità Esercizio

QUALITY OFFERED: CUSTOMER CARE

The 2014 targets are not reported as Umbria Mobilità Esercizio began operating as a subsidiary of Busitalia - Sita Nord on 1 March 2014.

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

Service regularity and punctuality

100% of buses ran according to schedule, excluding the effects of strikes and force majeure.

» SERVICE REGULARITY AND PUNCTUALITY

SERVICE TYPE		2014 RESULT
Urban road LPT service	On-time buses	95.51%
	Buses with delays of >5' to <=10' for internal reasons	4.35% 0.01%
	Buses with delays of >10' for internal reasons	0.14% 0.01%
Suburban LPT service	On-time buses	96.06%
	Buses with delays of >5' to <=10' for internal reasons	3.37% 0.01%
	Buses with delays of >10' for internal reasons	0.57% 0.01%
Railway service	On-time buses	41.91%
	Buses with delays of >1' to <=5'	39.24%
	Buses with delays of >5' to <=15'	17.34%
	Buses with delays of >15'	1.51%
	Km travelled / Km scheduled	99.74%
Waterway service	Ships arriving on time (0'-5') during peak hours	97.83%
	Ships with delay of >5' during peak hours	2.17%
	% of ships arriving on time (0'-5') at other hours	100%



» EXTENSION OF THE SALES NETWORK

SERVICE TYPE		2014 RESULT
Road LPT service	Resales	1,140
	Resales/km network	0.5
	Resales/towns served	11.29
	Buses with on-board ticket sales with surcharge	100%
Railway service	Resales	55
	Resales/km network	0.36
	Resales/towns served	3.93
	Buses 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

SERVICE TYPE		2014 RESULT
Railway	Incidents suffered	1 per every 690,300 km travelled
Road LPT	Incidents suffered	1 per every 91,396 km travelled
Waterway	Incidents suffered	0
Alternative mobility	Incidents suffered	1 per every 18,397 km equivalent travelled

» FOCUS ON THE ENVIRONMENT

SERVICE TYPE		2014 RESULT
Urban road LPT	Vehicle with Euro2 or higher engines	97.2%
Suburban road LPT	Vehicle with Euro2 or higher engines	80.7%
Railway	Electrical traction vehicle combinations	8.2%

COMPLAINTS MANAGEMENT

In 2014, Umbria Mobilità Esercizio received 483 complaints about its services. The complaints referred to road services in the Perugia, Spoleto and Terni areas, in addition to railway and waterway (lake) services. The following table details complaints by type⁸⁶:

» CLASSIFICATION OF COMPLAINTS RECEIVED

	2014 result
Service regularity	29.6%
Punctuality	16.4%
Passenger information	2.9%
Company/passenger relationship	21.3%
Travel comfort	7.7%
Tickets	6.4%
Safety	0.2%
Cleanliness	7.0%
Environment	1.0%
Other	7.5%

The greatest number of complaints refer to service regularity ("missed train/bus/ship", "operational changes", "missed stop"), which, along with punctuality, is one of the most frequently reported items, particularly in September and October when the school year begins and winter transport schedules go into effect. Another macro factor relates to the company/customer relationship ("personnel's conduct", "use of mobile phones/smoking" and "driving style").

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



4.4 Travel safety⁸⁷

GRI 4.12 | PR1 | PR2

4.4.1 Traffic safety

The Group companies are constantly committed to ensuring an increasingly higher safety level in all activities that could pose risks for customers, the community or employees, consolidating a culture of risk prevention and involving all players, workers first and foremost, in the fields of health and safety.

Traffic safety: RFI

RFI and Trenitalia manage railway traffic safety in connection with train operation each to the extent that it is concerned. The main technologies used to guarantee safety are described below.

» INNOVATIVE TRAIN SPEED PROTECTION TECHNOLOGIES*

	km
CCS, CCS-HS, CCS-M and CTC, remote operation controls	11,682
TSCS (train speed control systems)	11,851
DSS (driving support systems)	4,242
ERTMS, interoperability on the HS/HC network	654
GSM-R telecommunications (which can be used for emergency calls)	10,950

* All network lines are equipped with one or more train speed protection systems



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 by minimising resolution times and maximising the efficiency of resolutions for train operation issues. The system makes it possible to send and receive commands between manned control rooms, where the technologies and organisation are concentrated, 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).

87. The data refer to 2014 and are updated to 30 June 2015.

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 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.

SSC - DRIVING SUPPORT SYSTEM

DSS - driving support systems are advanced 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, which is being built on the Domodossola-Novara line (Corridor 1), requires the integration of hardware and software on the ground in the existing TSCS system. The addition of the infill radio function, which sends trains information in advance on the next signal in the direction that it is heading, makes it possible to overcome the limit of the level 1 ETCS due to the discontinuity of signalling information.

LEVEL 2 ERTMS/ETCS

The level 2 ERTMS/ETCS, due to the interoperability of European networks, 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 (e.g., urban hubs), making it possible to reduce the distance between trains.

This system, which overlaps with 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

Thanks to recent developments and improvements in reliability and resolution, the potential of satellite systems is being evaluated for its use in the railway sector for signalling, telecommunications, diagnostics, critical systems and related safety.

SATLOC, a project promoted by UIC⁸⁸ and co-financed by the European Space Agency (ESA) and carried out in the railway sector, 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. A trial site is currently being set up to test this technology.

88. Union Internationale des Chemins des Fer.

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 SIGS 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 paragraph 2.4.

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, 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 adopted⁸⁹. Accordingly, ERA data, unlike the UIC data, include incidents that occurred on tracks where operation has been temporarily suspended for maintenance work.

Although there was an overall slight increase in the number of incidents compared to the previous year, performance in 2014 remained in line with that recorded since 2012. In particular, compared to 2013, (98 incidents), the absolute number of events in 2014 was higher by 10, thereby showing an increase of roughly 10%.

» RAILWAY INCIDENT STATISTICS*

	2012		2013		2014	
	Absolute value	Per billion train-km	Absolute value	Per billion train-km	Absolute value	Per billion train-km
Train collisions (with trains or other)	7	22	4	12	9	27
Train derailments	5	16	6	18	4	12
Incidents at railroad crossings** (including pedestrians)	13	41	14	42	16	48
Incidents involving people caused by rolling stock in motion (excluding suicides)	80	253	71	214	74	224
Fires involving rolling stock	1	3	2	6	0	0
Other	1	3	1	3	5	15

* Railway incidents, in accordance with the parameters imposed by the European Railway Agency (ERA), according to the criteria 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

89. 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 108 events, roughly 87.7% 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 12.3% were due to external reasons, i.e., incidents attributable to the railway companies or operator.

The trend in deaths continued to fall in 2014 on the total values of the two previous years, while there was a substantial increase in the number of people injured (which excludes incidents attributable to and classified as attempted suicides) almost exclusively due to the “other injuries” category⁹⁰, which saw a turnaround in the positive trend recorded in 2013.



» CONSEQUENCES OF RAILWAY INCIDENTS INVOLVING PEOPLE ON THE RFI NETWORK

	2012	2013	2014	Trend 2014 vs. 2013
Death of employees ¹	1	2	3	▲
Death of passengers ²	2	2	1	▼
Other deaths	66	56	49	▼
Total deaths³	69	60	53	▼
Injured employees	7	2	3	▲
Injured passengers	6	2	1	▼
Other injuries	26	29	37	▲
Total injuries⁴	39	33	41	▲

1. Employees: the people who work for the railway and are in service at the time of the incident. They include the train crew and personnel managing rolling stock and infrastructures (including contractors' and independent contractors' personnel)

2. Passengers: any person, other than the crew on board, travelling on the train. Injury statistics include those involving passengers attempting to board/deboard moving trains

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

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

90. “Other injuries” include serious injuries other than passengers and employees.



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 2014, in accordance with the criteria established by the UIC, 24 “Typical” incidents were recorded, compared to the 18 recorded in 2013, therefore with an increase of roughly 33%. The absolute number of events for reasons external to the railway system increased slightly on the previous year (12 incidents in 2014, compared to 10 in 2013). In addition, an analysis of the consequences for people involved in “Typical” incidents, in 2014, there were two deaths and six serious injuries, compared to four deaths and eight serious injuries in 2013.



» INCIDENTS

	2012	2013	2014
Typical incidents	19	18	24
Typical UIC incidents to trains	13	12	14
Typical UIC incidents during shunting	1	1	4
Typical UIC incidents at railroad crossings	5	5	6
Atypical	88	80	83

“Atypical” events substantially refer to when trains run over people or when travellers fall from trains in motion. In 2014, 83 “Atypical” events were recorded, compared to 80 in 2013. The calculation of “Atypical” events includes when people using train services are hit at railroad crossings (10 events in 2014 versus nine in 2013). Overall, there was a slight increase in the number of incidents and no entry signals in 2014, with an inversion in the trend of the previous two years.

» NO ENTRY SIGNALS

	2012	2013	2014
Trains continuing through no entry signals	20	17	19

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 effective⁹¹. 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 conditions and that work sites are operational and well organised.

The main supervisory and monitoring activities in 2014 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.

These activities are carried out in accordance with the operational methods defined in the specific procedures for maintenance supervision and monitoring, which are included in the scope of the integrated safety management system.

The total costs for routine and non-routine maintenance in 2014 are described below:

Maintenance	Cost
Routine	890
Non-routine	913

In millions of Euros

RAILROAD CROSSINGS

In 2014, efforts continued to increase safety levels 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.

The synergetic management of these measures has made it possible to improve overall safety on railroad crossings.

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

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 hazardous 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 criteria 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.

The main projects in 2014 are listed below:

- equipping carriages with devices to stop trains if a carriage derails;
- measuring the temperature of the axle boxes by conducting personnel using portable devices;
- digitalisation of the repair and control plan (RCP)⁹² at the Foligno workshop, the pilot site for the project.

Finally, in the cargo transport sector and, in particular, for the transport of dangerous cargo, certification like ECM⁹³ was renewed in May 2014 for freight wagons, in accordance with EU regulation 445/2011.

The certification attests that Trenitalia has established its own maintenance systems to meet the requirements of the aforementioned regulation, in order to ensure that the freight wagons can operate in utmost safety.

92. The RCP is the document used to record and track maintenance on rolling stock and components.

93. ECM: Entity in Charge of Maintenance.

4.4.2 Safety services

Every day, the Group is committed to protecting personnel, travellers, its assets and its know-how, in collaboration with the police forces and, specifically, with the railway police, the branch officially responsible for preventing and repressing crimes in the scope of railway transport. In July 2012, the Ferrovie dello Stato Italiane Group and Ministry of Internal Affairs signed the second convention⁹⁴ to improve passenger security. In this respect, there was a slight decrease in reports of thefts on board trains in 2014, in part due to the railway police escorting people to trains. Furthermore, in order to invert the growing trend in thefts at stations, the Group has collaborated with the railway police in the joint project “Watch out! It makes a difference”, a campaign to spread awareness among travellers of the risk of thefts and pick-pocketing.

» WATCH OUT! IT MAKES A DIFFERENCE

THEFT IN STATIONS



THEFT ON BOARD TRAINS



SCAMS



94. The first convention was signed in November 2007 to guarantee greater railway safety on board trains and at stations.

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 to prevent and contrast the theft of copper and its choice of the police forces to impact the second level of criminal organisations, i.e., the receivers of stolen goods, has led to a decrease of 14.9% in thefts along the line, compared to 2013, effectively confirming the positive trend of the previous year.

» SECURITY STATISTICS (NO. OF EVENTS)

	2012	2013	2014
Assaults on Ferrovie dello Stato Italiane personnel	202	228	361
Thefts at the station	2,062	2,192	2,562
Thefts on board trains	3,214	4,238	4,188
Copper thefts during operation	2,015	1,930	1,643
Copper thefts at depots	122	126	63

No. of events

With respect to the arrangements between the Group and the Civil Protection Service, in 2014, the conventions with the Lombardy, Veneto and Umbria regional authorities were renewed, 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 conventions introduce new elements, such as:

- the principle of reimbursements for the services that the Civil Protection Service requests from the Ferrovie dello Stato Italiane Group, which include: making rolling stock available to transport volunteers and materials and sleep cars and couchettes when hospitals are overcrowded in the wake of natural disasters and other emergencies;
- the organisation of joint drills to prepare/check emergency plans, with specific focus on the provisions of the Ministerial decree of 28 October 2005 on "Safety in railway tunnels" and for Expo 2015;
- organisation of specific training sessions (e.g., at the Scuola Superiore della Protezione Civile of Lombardy);
- mutual collaboration in prevention activities (e.g., disclosing Ferrovie dello Stato Italiane's snow/emergency plans, informing residents in advance and spreading awareness, as in the "Risk-free earthquake" campaign").

In 2014, the collaboration deriving from the conventions resulted in both the management of important events, such as the Canonisation of Pope John XXIII and Paul VI and the management of visitor flows for the Lucca Comics Festival, and for training and courses. In partic-

ular, 32 drills were held, during which the joint involvement of the Group's operating structures and those of the Civil Protection Service made it possible to test and improve communications flows and the response model in the event of criticalities or emergencies and the related emergency plans.

The creation of the Civil Protection Service network throughout Italy includes the link with first aid services for personnel and passengers on board. Significant attention was devoted to the medical care model to make the various protocols that have been signed or are being approved and signed by RFI more extensive.

In 2014, the "Guidelines for the management of emergency medical care in railway areas and lines" were issued to describe the process for initiating emergency medical assistance, with specific regard to the high speed lines, and to coordinate, from an operational standpoint, with the railway organisation in the management of emergencies.

According to the procedures already in place in the various emergency operating rooms, specific agreements will be reached with the regions and the local healthcare units to make first aid services efficient, timely and coordinated for residents on trains (passengers, conductors and on board personnel).

With respect to the transport of sports fans to and from matches, the number of fans who take trains to sporting events continues to decline, as in the previous five seasons.

In terms of legal assistance for employees who have been victims of violence while working, the Group has



set up Protection against Violence Committees to take additional measures:

- legal protection and management of criminal proceedings with Public Prosecutors;
- self-defence training for front line personnel;
- railway police escorting on critical regional trains and long-haul trains;
- enclosing railway service areas at large stations;
- video surveillance systems.

Furthermore, front line personnel (177 RFI resources and 116 Trenitalia resources) have been given prevention and management courses for potentially violent situations. In order to update the strategic company assets to safety standards for the infrastructure operator, 31 new integrated security systems were completed in 2014⁹⁵ to control over 200 company assets, and the design of roughly 60 other security systems was completed at the same number of railway sites. At the same time, work began to update the technological sites on the high speed Rome-Naples line to safety standards. Furthermore, the number of systems that can be managed from the Security Situation Room⁹⁶ was increased, for a total of more than 1,200 video cameras. In 2014, the closed circuit TV platform project stations were installed at the railway police's operating rooms at

the Napoli Centrale and Firenze Santa Maria Novella stations.

In addition, work began on the design of a new management model for large stations on the high speed network⁹⁷, aimed at creating railway hubs manned by personnel responsible for checking tickets and equipped with access gates to the railway platforms. The aim is to increase passenger safety within stations and to battle travel without tickets, begging and illegal and abusive activities near and on board trains.

A Group structure responsible for governance and the centralised management of all types of IT threats both within and beyond the Group's information has been operating since January 2013.

The Fraud Prevention team was set up in 2008 and constantly monitors transactions to reduce fraud through the purchase of train tickets using stolen or cloned credit cards. Fraud prevention kept fraudulent transactions at 0.03% of turnover in 2014 (in line with the 2013 figure of 0.04%). In addition to the consolidated activities, the Fraud Prevention team is also specialised in monitoring the abuse of travel agencies, which damages the company's image and fraud to the detriment of customers. In 2014, 64 counterfeit tickets were found, with the consequent application of fines and reports to the authorities.

95. Passive safety measures, such as fences, and active safety measures, such as video surveillance and access prevention systems.

96. Security system supervision and control system performed by the Company Security Department.

97. The gates initially set up at the Milano Centrale station will also be installed at Roma Termini and Firenze Santa Maria Novella.





5. Social responsibility

Highlights

GRI 1.2



WHAT WE HAVE ACCOMPLISHED	
Human resources	<ul style="list-style-type: none"> • Reduction in the number of occupational accidents (-13.9%) and in the frequency of accidents (-10.1%), outperforming the targets set. • Continuation of intercompany health and safety initiatives with the involvement of over 200 Group managers. • Launch of the management system to monitor accidents at Group companies on the basis of administrative and Inail (Italian insurance institution for accidents in the workplace) data. • Launch of a health section on the Group's intranet. • Setting of the safety target for junior managers involved in RFI's and Trenitalia's main production processes • Implementation of new talent management functions in the integrated evaluation system.
Community	<ul style="list-style-type: none"> • Transfer and expansion of the Bologna help centre. • Start of renovation work on the new Trieste help centre. • Opening of the new Reggio Calabria help centre. • Definition of a memorandum of understanding with the Puglia regional authorities for the creation of a new help centre at the Bari station. • Definition of a memorandum of understanding with the Tuscany regional authorities for the potential opening of additional centres in Tuscan stations. • Definition of a memorandum of understanding for the Italian Association of Youth Hostels to acquire areas and/or properties for youth hostels. • Expansion of the "Cuore di Mamma Onlus" shelter inside the Ronciglione station. • The Green Station project was kicked off in Pescara, in collaboration with Legambiente, to manage redevelopment initiatives and sustainable land development. • Conclusion of the fund raising campaign to support solidarity projects for the new charitable day shelter • Completion of two research surveys on the use of idle property for social purposes.



WHAT WE AIM TO DO	
Human resources	<ul style="list-style-type: none"> • Reduction in the number of accidents and the frequency of accidents by at least 3% and 2%, respectively, on 2014. • Annual setting of 2015 occupational safety targets for managers and junior managers involved in production processes. • Issue of a new occupational health and safety policy for the Group, with new targets and commitments, in line with the Group's Business Plan. • Continuation of the intercompany health and safety initiatives. • Launch of a health section on the Group's intranet. • Organisation of meetings with Group companies and independent experts to discuss the best practices adopted in the fields of health and safety and the creation of various web pages providing information on the good practices covered. • Launch of a climate survey for all employees on three main areas: "My company", "Where I work" and "My profession". • Creation of a training plan for the Group's managers on the importance of reporting and share results.
Community	<ul style="list-style-type: none"> • Opening of new help centres in Bologna, Viareggio and Reggio Calabria. • Start of feasibility studies on new shelters in Tuscany (Pisa, Livorno, Pistoia and Prato). • Conclusion of the fund raising campaign for the renovation of the new day shelter. • Kick-off of the new European "Train in stations" project for social training courses in Italy, Bulgaria, Luxembourg and France. • Continuance of social training courses in North-eastern Italy. • Opening of an evening canteen at Milano Greco to support the shelter.



5.1 Human resources

5.1.1 Our people

GRI EC7 | LA1 | LA2 | LA11 | LA13

» NUMBER OF EMPLOYEES OF FERROVIE DELLO STATO ITALIANE GROUP*

	2012	2013	2014
Managers			
Total	730	693	653
Women	109	94	101
Men	621	599	552
Junior managers			
Total	11,636	11,014	10,587
Women	1,916	1,806	1,710
Men	9,720	9,208	8,877
White collars			
Total	30,975	30,167	29,608
Women	5,836	5,711	5,596
Men	25,139	24,456	24,012
Blue collars			
Total	22,204	21,030	20,116
Women	1,270	1,126	1,053
Men	20,934	19,904	19,063
Total at 31 December	65,545	62,904	60,964
% of women	13.93%	13.89%	13.88%
% of men	86.07%	86.11%	86.12%
Annual average	67,191	64,535	61,767

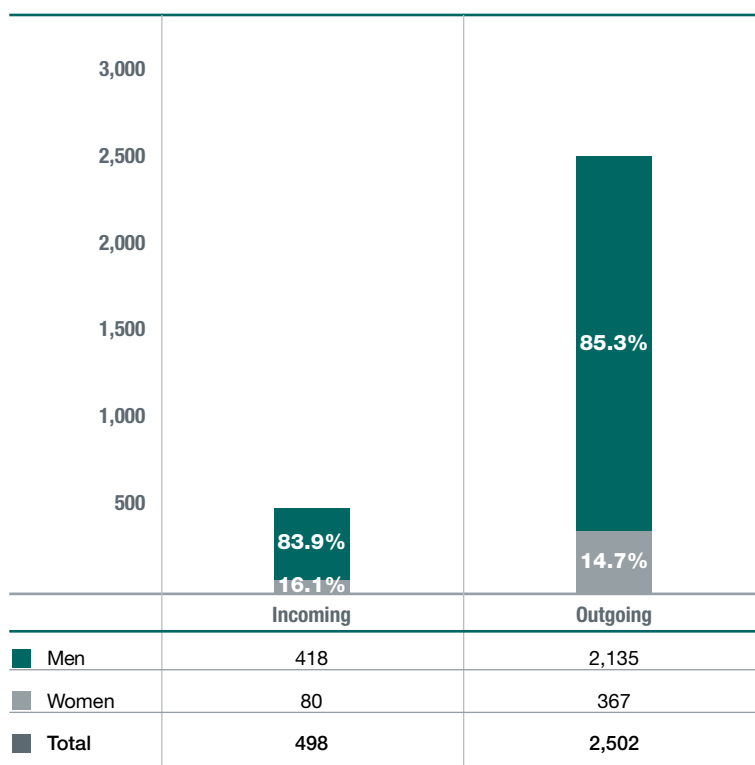
* The scope of analysis for "Social responsibility" includes 88% of the total Group

The workforce rationalisation project continued in 2014 without any disputes, through leaving incentive policies and the use of the fund for income and employment assistance. The percentage of women out of total human resources remains steady.

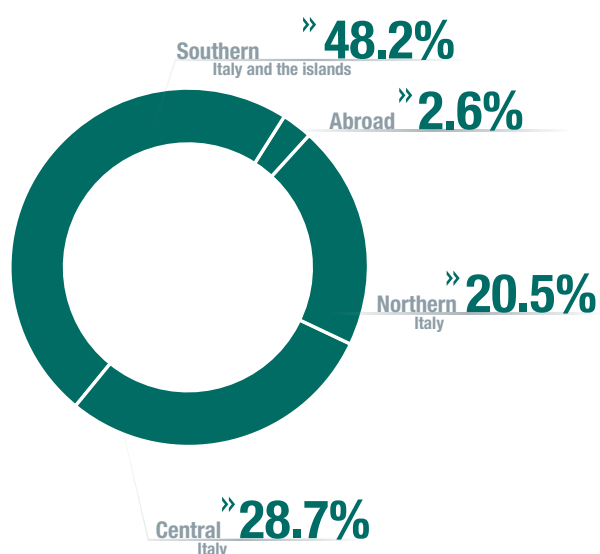
The turnover rate is 4.86%, compared to 5.99% in 2013. The following charts show incoming and outgoing employees in the year and the turnover trend.



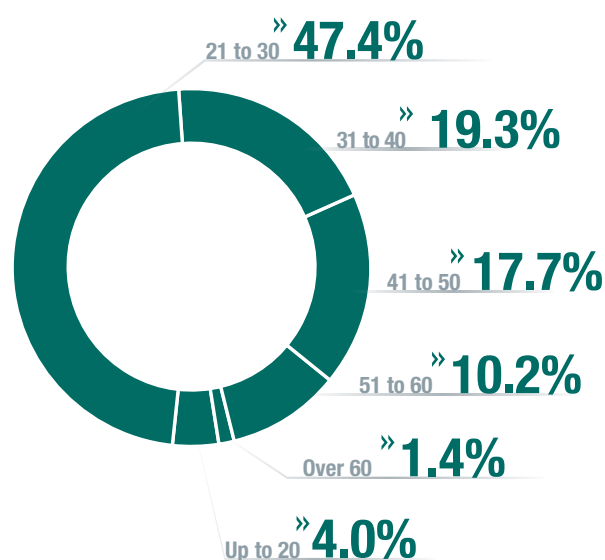
» INCOMING AND OUTGOING EMPLOYEES BY GENDER IN 2014



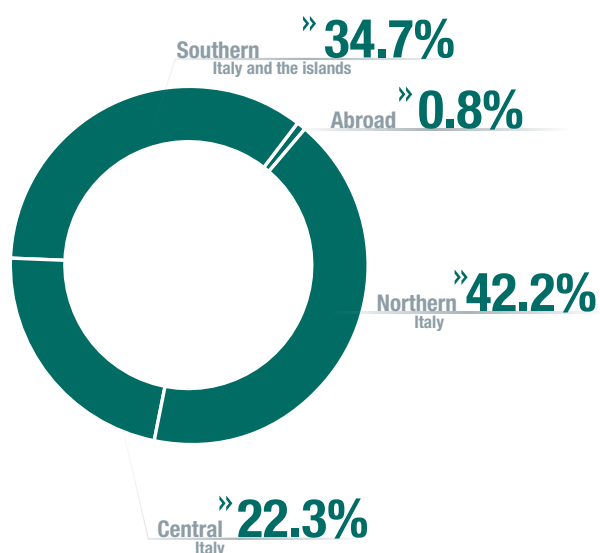
» INCOMING EMPLOYEES BY GEOGRAPHICAL SEGMENT – 2014



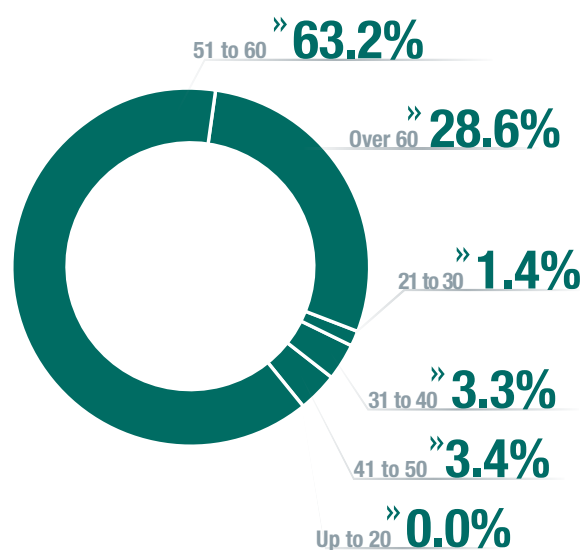
» INCOMING EMPLOYEES BY AGE BRACKET – 2014



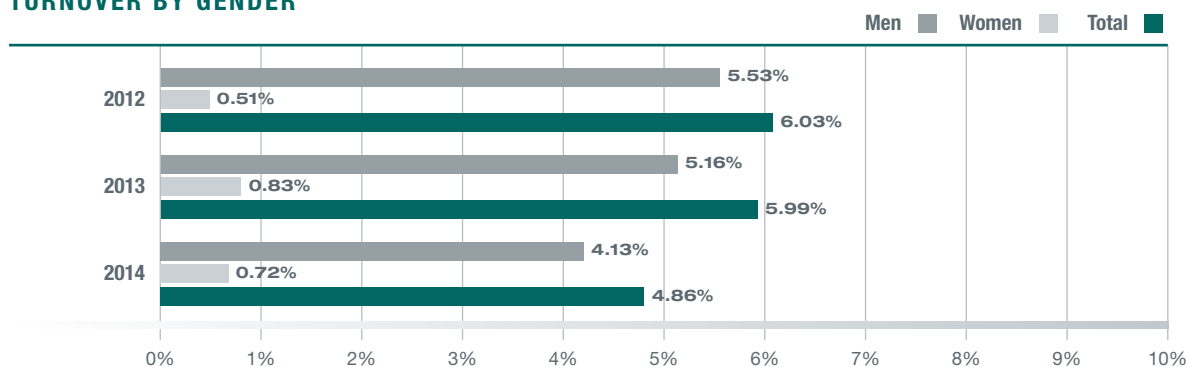
» OUTGOING EMPLOYEES BY GEOGRAPHICAL SEGMENT – 2014



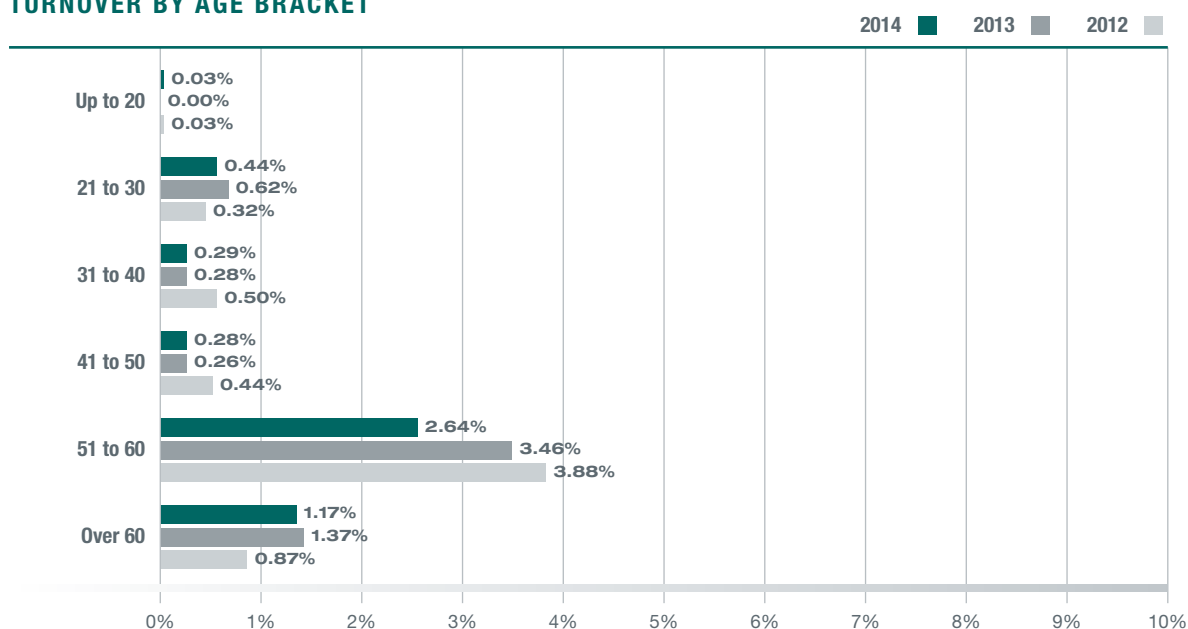
» OUTGOING EMPLOYEES BY AGE BRACKET – 2014



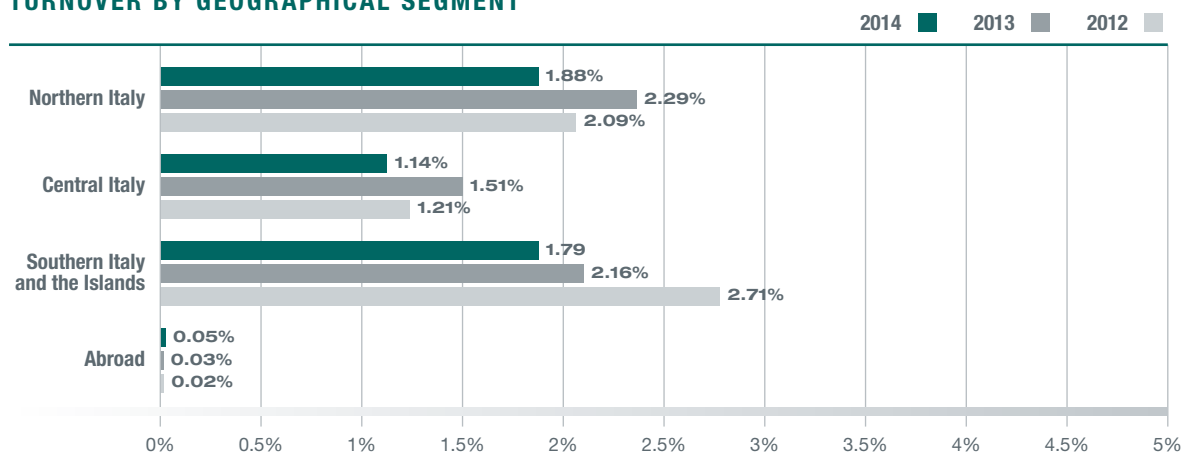
»» TURNOVER BY GENDER



»» TURNOVER BY AGE BRACKET

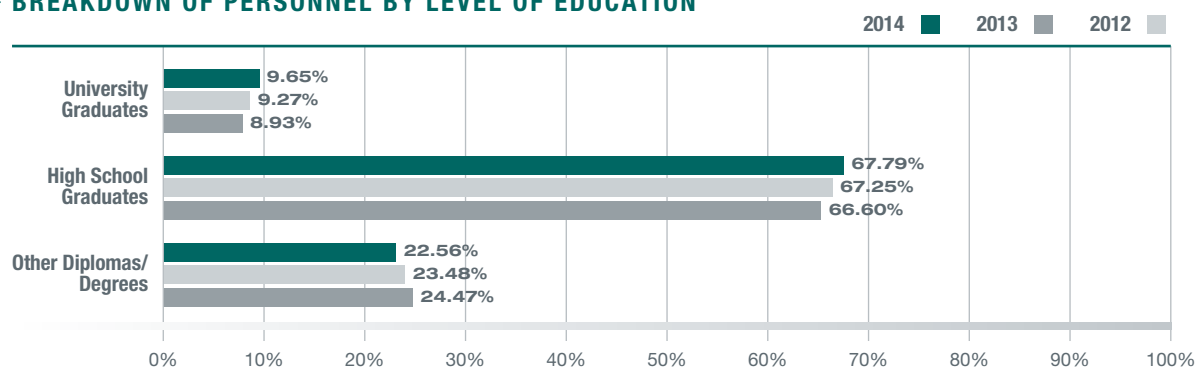


»» TURNOVER BY GEOGRAPHICAL SEGMENT



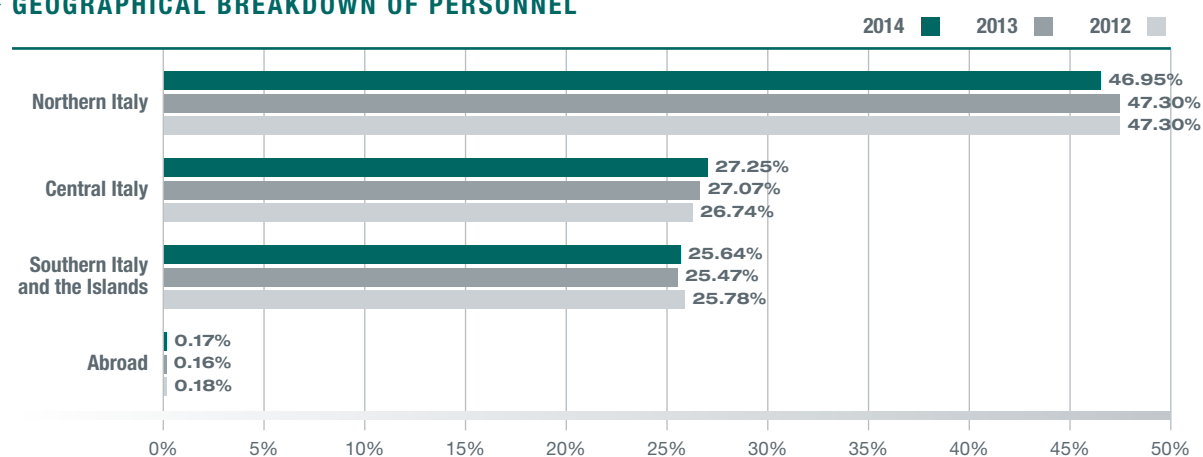
The percentage of university graduates and high school graduates out of total employees is on the rise.

» BREAKDOWN OF PERSONNEL BY LEVEL OF EDUCATION



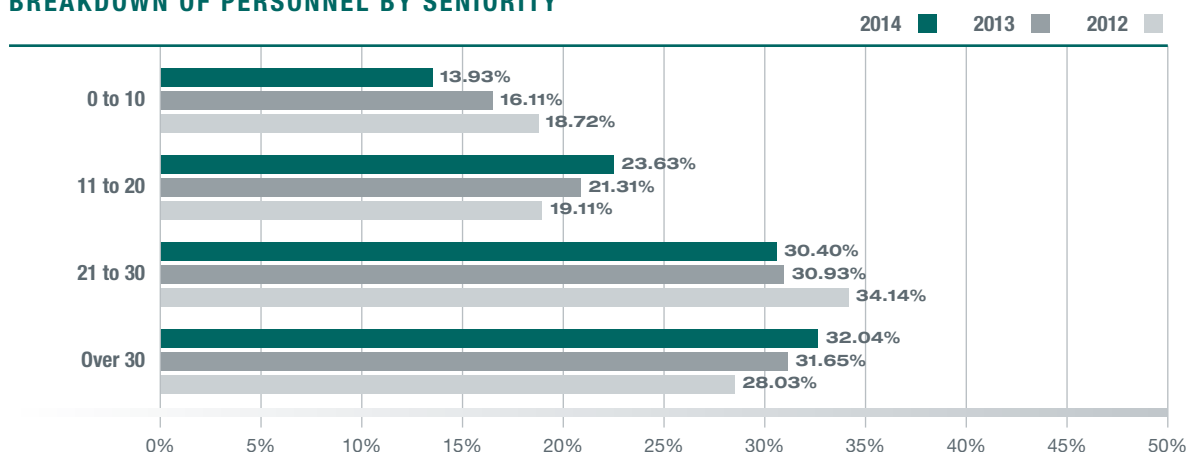
The geographical breakdown of personnel shows no significant changes on the previous year: approximately 46.9% of current employees work in the North, while 27.2% work in Central Italy and 25.6% in Southern Italy, including the islands.

» GEOGRAPHICAL BREAKDOWN OF PERSONNEL

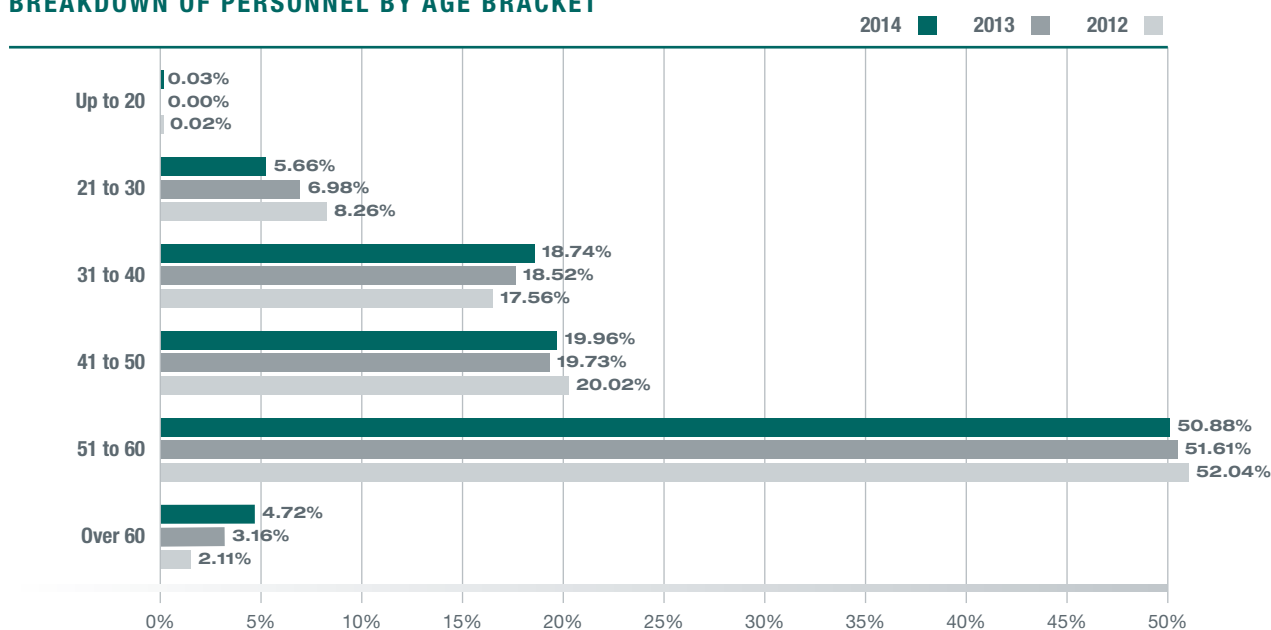


The average seniority in 2014 is 23.8 years, compared to 23.3 in 2013.

» BREAKDOWN OF PERSONNEL BY SENIORITY



» BREAKDOWN OF PERSONNEL BY AGE BRACKET



In 2014, the average age of employees was 48.6, compared to 48.1 in the previous year.

5.1.2 Remuneration and social security contributions

GRI EC3 | EC5 | LA1 | LA3 | LA4 |
LA11 | LA14

The most common type of contract is open-ended, which is used for 99.1% of the Group's personnel⁹⁸. 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 companies pay the contractual minimums applicable to each employee with a fixed-term contract based on their parameter group⁹⁹. The parameter group for apprenticeship contracts is one step lower than 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, they do not receive the additional amounts typically paid for jobs in these fields, such as 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 (%)

	2012	2013	2014
Junior managers			
Gross annual remuneration	100.8%	101.3%	101.6%
Total annual remuneration	95.1%	96.1%	96.1%
White collars*			
Gross annual remuneration	97.6%	98.3%	98.3%
Total annual remuneration	82.9%	83.2%	83.5%
Blue collars			
Gross annual remuneration	101.0%	100.6%	100.6%
Total annual remuneration	93.4%	93.7%	94.1%

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

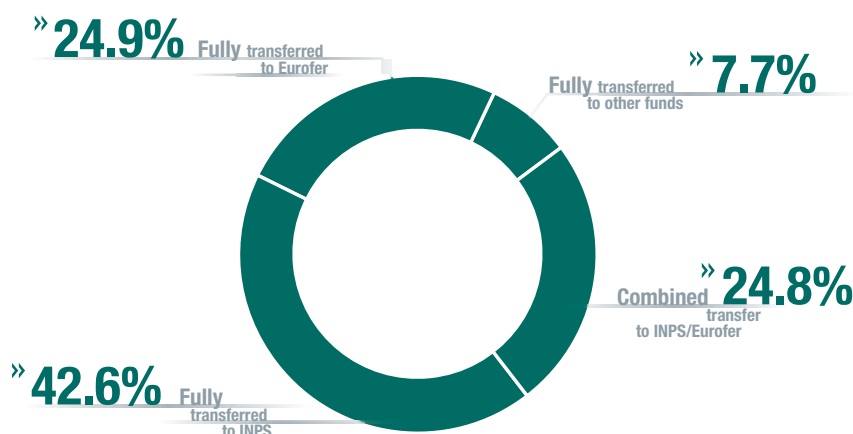
98. In 2014, apprenticeship contracts account for roughly 0.8% and fixed-term contracts make up 0.1%.

99. Reference is made to the applicable national labour agreement for the monthly minimum amounts to be paid upon hire pursuant to contract.

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 €3,836¹⁰⁰. On the other hand, employers pay contributions equal to 23.81% of each employee's remuneration base for the calculation of contributions. Employers in the Group cover, for all employees, additional costs for maternity leave, illness and social employment insurance (ASpl and Mini-ASpl). Supplementary pension funds in which the Ferrovie dello Stato Italiane Group employees participate consist of an agreed pension fund or, alternatively, an open-ended pension fund that is financed as required by law and must be a defined-contribution plan.

The Group's main supplementary pension fund is Eurofer, based on an agreement, in which the employer and the employee share contributions equally¹⁰¹. Workers 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-ended funds, to which only 100% of post-employment benefits required by Italian law are transferred. In addition to the company's supplementary pension fund (Eurofer), the updated national labour agreement, introduced supplementary healthcare, in effect as from 2013. The following table illustrates employees' selection of where to allocate their post-employment benefits.

» ALLOCATION OF POST-EMPLOYMENT BENEFITS – 2014



100. Inps maximum for 2014.

101. In accordance with article 222 of the Group's company contract dated 20 July 2012, the social security contributions consist of 1% of monthly remuneration, calculated out of 12 monthly salaries and referring to: the contractual minimum amounts, the individual super-minimum amount, periodic seniority raises, indemnities for junior managers and salaries.

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 – considers the professional and managerial duties of each position and the organisational roles held, as well as management and performance assessment scores. Each position is evaluated using a specific weighting method to obtain objective elements for planning, designing 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 and compensation in the world. The Ferrovie dello Stato Italiane Group manages remuneration policies to ensure that internal remuneration is consistent (internal fairness) considering the different roles within the organisation and that remuneration is in line with market pay. In par-

ticular, annual bonuses are given to reward the contribution of each manager based on their performance in terms of ongoing excellence.

Remuneration adjustments are aimed at supporting internal management policies and rewarding personnel so their sense of belonging and motivation grow over time.

Managers with key duties that affect strategies and company processes receive 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 targets¹⁰². The MBO system for 2014 was designed to help optimise business processes and achieve business goals. To this end, the managers involved in the process were assigned individual objectives in relation to their direct duties and the collective results of the company and/or Group. As in the past, safety in the workplace and environmental sustainability were key aspects of the 2014 MBO plan in terms of developing the culture and awareness of all Ferrovie dello Stato Italiane 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 (%)

	2012	2013	2014
Gross annual remuneration	91.20%	93.30%	93.90%
Total annual remuneration	82.40%	92.70%	93.30%

Total remuneration to managers is also integrated with a series of benefits (which, in certain cases, require their explicit participation and contribution on a pro quota basis), 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 integrative pension fund (Previndai) and additional supplementary healthcare insurance (Assidai).

102. The targets 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.



5.1.3 Making the most of human capital

GRI EC7 | LA10 | LA11 | LA12

Development

In the scope of the assessment, development and monitoring of the relevant target groups, these activities focused on two main areas:

- the assessment of targets of interest to the Group: a total of 532 people were evaluated to verify whether they could support organisational changes and/or cover specific positions. These targets were managed through corporate and intercompany potential assessment campaigns using an integrated evaluation system. Furthermore, data from 127 corporate assessments by RFI were included in the system.
- upgrade of the integrated evaluation system: a module was implemented in the system to manage development plans, replacement tables and a dashboard to support resource managers in searching for and using evaluation data.

As part of the FS Italiane Group's annual performance assessment conducted by resource managers using the integrated evaluation system and involving key resource groups (managers, junior managers and university graduates), 4,476 men and 1,395 women¹⁰³ were evaluated (annual average over the past three years), representing about 9.5% 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 technical/professional expertise. In 2014, training focused on strengthening and developing the skills needed to consolidate a company culture aimed at creating value, developing customer-based business models, improving operational processes and increasing synergies between the various Group operators. Roughly 318 thousand training days were provided at Group level, with a total cost of €8 million. Much of the cost (€7.2 million) was covered by specific financing for training provided by external entities, as in previous years.

The following main training targets were achieved:

- strengthening specialised knowledge in connection with the various roles;
- developing a customer-based approach in operating roles;
- focusing on the behavioural approach to occupational safety;
- strengthening and consolidating managerial skills;
- supporting the performance of top managers with the most responsibility;
- orientation for fresh graduates and training on behavioural skills as the basis for professional growth.

Below is a description of the Group's main intercompany training projects.

103. The data refer to Trenitalia, RFI, FS Italiane, Italferr, Ferservizi and FS Sistemi Urbani.

INSTITUTIONAL TRAINING

Training projects continue for newly hired graduates. The orientation, which consists of 15 total days of classroom lessons and on-site visits, is aimed at imparting strategic guidelines and the business vision, while teaching new hires about processes, players and the main railway systems in Italy, sharing values and technical/railway knowledge. In 2014, two complete sessions were organised, with the involvement of 40 resources at Group level.

The same target group was also involved in an online managerial training course organised about a year and a half after the orientation. The focus of this training course was on developing basic behavioural skills: working for project objectives, team work, learning to communicate and being proactive. The course, which consisted of 10 classroom days, involved 37 resources in two sessions.

MANAGERIAL TRAINING

Specific focus was devoted to the Group's junior managers with responsibility for operating structures and those holding management positions.

Specifically, the management position training involved 96 junior managers and was aimed at training and developing in the management of human resources in terms of the objective assessment of people, team building and leadership, motivation management, setting objectives and managing feedback for value enhancement and development.

The "Managerial skill development" project continued,

giving 33 junior managers the chance to ramp up their managerial growth. The project also entailed one-on-one coaching with mentors from within the Group to support managers in their growth paths.

Managerial training for managers focused on two initiatives:

- managerial workshop in two 2-day modules for the development of the main empathetic leadership skills, with the participation of 30 managers;
- registration for ongoing Ambrosetti refresher courses, which enabled 130 Group managers to receive training and updates on economic policy, finance, market and business.

All target groups (managers, junior managers and university graduates) received various training courses in 2014, with different levels of depth, on economics, providing the total of 170 trainees with the theories and tools to support their specific business, financial and asset management activities.

The definition of a training model on the remuneration of invested capital considered the key elements in measuring value in the context of Trenitalia's regional transport business. The pilot session involved 27 people including regional Directors and managers in the maintenance and production areas of the Regional Passenger Division.

PROFESSIONAL TECHNICAL TRAINING

Professional technical training, with roughly 297,000 man-days of training provided, focused on imparting and updating specialised know-how for the main professional families.



Training continued on the environment and sustainability through ad hoc training activities (e.g., training for 39 auditors on methodologies and tools to manage the activities provided for by the Group's governance model and environmental management systems).

Training and updates continued for the tax and audit families, involving 62 tax resources and 80 audit resources.

Training for human resources consisted of certifying 14 new assessors and maintaining expertise for 30 internal coaches.

In 2014, the parent invested significantly in occupational health and safety training, with specific focus on behaviour. Roughly 200 employees, including managers, nominees and workers, received training.

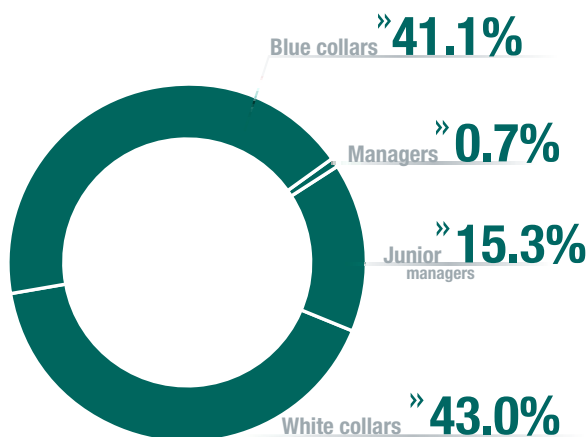
In addition to continuing the development of training projects to support the specialised technical skills used in their specific business, the individual Group companies devoted particular attention to customer-related aspects, occupational health and safety and the continuous improvement of operational processes.

CROSS TRAINING

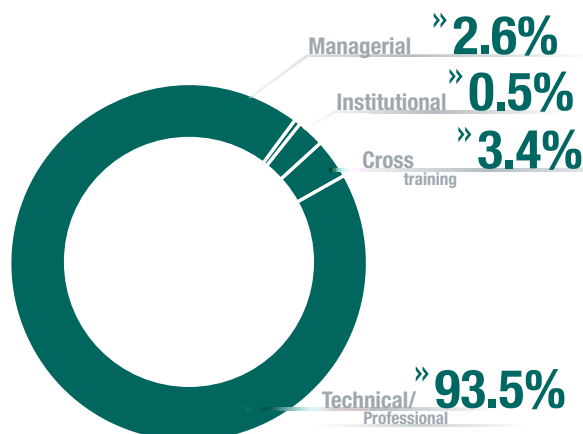
In 2014, there was a sharp increase in the volumes and budget dedicated to individual and collective language training.



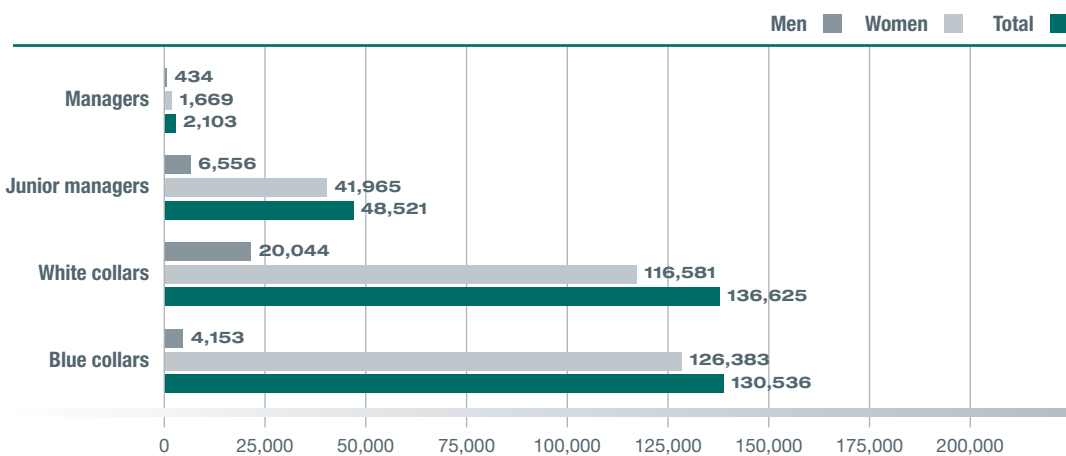
» TRAINING DAYS BY PROFESSIONAL LEVEL - 2014



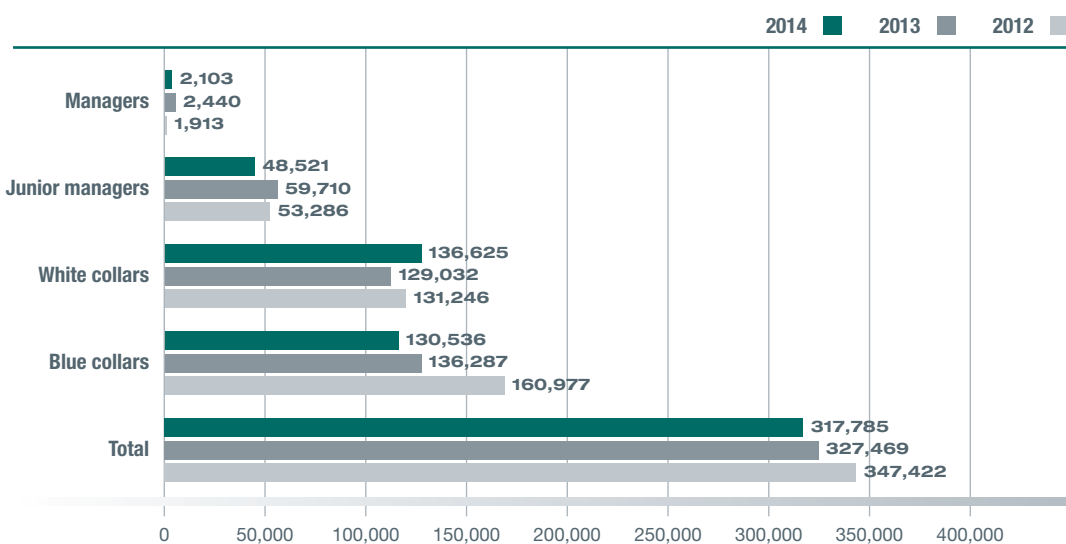
» TRAINING DAYS BY SUBJECT AREA - 2014



» TRAINING DAYS BY PROFESSIONAL LEVEL



» TREND IN TRAINING DAYS



Employer branding and recruitment

In 2014, internal job posting was promoted to facilitate the development and retention of human resources within the Group companies through professional diversification and job rotation among the various companies. Specifically, to cover 36 positions, 20 jobs were posted, leading to the evaluation of over 440 applications and the identification of some 30 suitable candidates.

Candidates from outside the company were considered mainly for specialised professional positions that were difficult to fill using resources already inside the Group. In this respect, 28 searches were conducted to fill 42 positions, with the evaluation of around 2,050 applications and the identification of 94 suitable candidates.

New employees were hired in accordance with the principles endorsed in the Code of Ethics, and with fairness and transparency in particular, ensuring equal opportunities for all candidates and consistent assessment criteria applied in the various selection processes for fresh university graduates, professionals and managers throughout the various Group companies.

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.

Communication channels for professional opportunities within the companies were expanded with the creation of a career page for the Group on LinkedIn.



Type of contract	2012	2013	2014
Apprenticeship	38	263	143
First job Law of 30/2003	23	2	0
Fixed-term*	316	189	199
Open-ended - full time	101	131	156
Open-ended - part time	2	7	0
Total	480	592	498

* Including fixed-term contracts in the ferrying sector

Significant changes were made to the "Work with us" section of the Group's website to meet the most frequent requests from candidates, such as being able to meet with recruiters, knowing response times after sending their CV and learning about the job location and positions to be filled.

Furthermore, again in 2014, the Group promoted significant employer branding initiatives:

- aligning school and university training to meet business requirements;

- developing excellent training to ensure innovation and development in the production system;
- guiding and introducing young people to the employment experience;
- consolidating the Group's highly attractive image with young people, emphasising the quality and innovation of processes underway.

In particular, the following activities were carried out:

- "Master in Engineering of Infrastructure and Railway Systems", in collaboration with Università La Sapienza

of Rome, Roma Metropolitana, Bombardier, Alstom 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 to transform know-how about business security into an asset and develop cutting-edge professional skills in the sector;
- Master in “Procurement Management”, in collaboration with Università di Roma Tor Vergata, with the Group contributing by financing scholarships to train procurement professionals for the domestic and foreign labour market;
- 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;
- seminars to develop personal skills within the Group companies;
- university competitions/business games to attract and train talent through national tournaments in which engineering students at major universities compete;
- development of relationships with schools, offering students at the best institutes “FS Open Days”, summer work experience, support in their theses and training on railway culture;
- alternating school/work paths to enable students to learn about the company and its main jobs first hand;
- updates to the “Work with us” section of the website and development of the company’s profile on other employment websites;
- career days and job meetings in which the Ferrovie dello Stato Italiane Group, the job opportunities in the various companies and the hiring and development policies are presented;

- Big Company Engineering” project to offer engineering students the chance to learn up close and firsthand about the companies through orientation seminars and workshops within university courses and innovative research projects, events and meetings between managers and students.

All this, and more, put the FS Group first in the “Best Employer of Choice 2014” ranking, a statistics-based survey of a sample of 2,500 fresh university graduates. In addition, the Group won an award for the “Work with us” section of its website, taking third place out of 81 in a survey conducted by Potential Park, a company based in Stockholm.

Internal communication

2014 saw the implementation of the new internal communications model, which was fine-tuned in 2013 to involve an increasingly larger number of employees, particularly through the identification of key figures in local communication processes.

To this end, 14 meetings were scheduled and held with the involvement of roughly 1,200 local managers about engagement and involvement, with very positive feedback. During the year, through company communication channels and, in particular, using the intranet, which on a business day receives an average of 15,000 hits, business issues, the performance of accounts and environmental and social sustainability were constantly referred to.

Furthermore, the Group carried out awareness campaigns on health issues and, in particular, on cancer prevention, good eating habits and healthy lifestyles.

The Group’s participation in group activities included the Race for the Cure. The Group’s team, with over 600 members, was awarded as one of the most numerous.



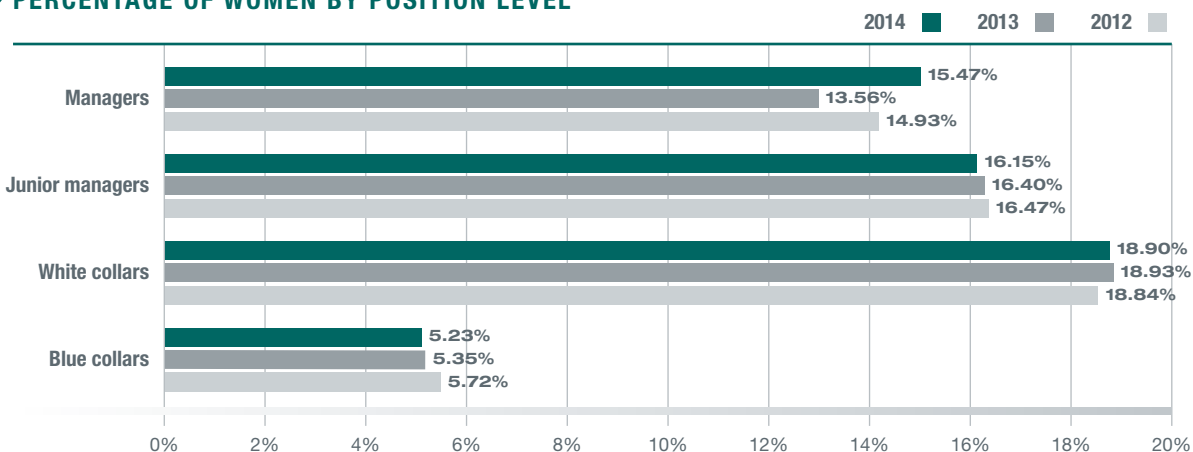
5.1.4 Diversity and equal opportunities

GRI LA13

The Ferrovie dello Stato Italiane Group manages human resources in complete compliance with the rights guaranteed by legislation and labour agreements, without discriminating based on sex, ethnicity, language, religion, political opinions or personal/social status. Through the Equal Opportunities Committee, the Group promotes initiatives and positive actions to offer women workers more favourable conditions and greater opportunities. In 2014, as part of the performance of its obligations under the national labour agreement for the mobility/railway sector, the Equal Opportunities Com-

mittee continued to support women's shifts (shorter shifts upon their return from maternity leave) for on-board personnel. It also promoted "Frecciarosa" seminars on prevention issues affecting women (cancer prevention and prevention of occupational injuries) and, with the support of anti-assault institutions and associations, spread awareness among travellers about violence against women by distributing training/information material at train stations. At the end of 2014, women made up approximately 14% of the Group's employees, in line with 2013.

» PERCENTAGE OF WOMEN BY POSITION LEVEL





As part of the diversity management project, in 2014, the Group promoted the following initiatives:

- maternity training and multi-faceted leadership: another two sessions were held for about 30 women after they returned from maternity leave and to about 25 of their direct or higher supervisors. The main objectives of the course were to provide women with the tools to establish a balance between their professional life and family life, instil a greater understanding in direct supervisors about motherhood and develop multi-faceted leadership awareness and tools to manage motivation, motivate and encourage professional efficiency;
- publication of maternity leave guidelines: “Guidelines for the management of maternity leave in the Ferrovie dello Stato Italiane Group” were prepared and published via internal communication channels. They consist of three separate guides, one for mothers, one for supervisors and one for the Human Resources Department, providing instructions, recommendations and proposals on how to best manage maternity before, during and after leave. The personnel offices give the manuals to women and their supervisors when they announce the maternity;
- telecommuting/smart working project: the analysis and design of a telecommuting/smart working test began within the Group. To this end, the Group looked at other large Italian companies to see how they applied these policies. Furthermore, the Group began analysing the related legislation and set up a work group to design the test in detail;
- DyMove project: in partnership with the Prime Minister’s Anti-Racial Discrimination, the Group presented and obtained financing from the EU for the DyMove project “to value diversity in government and public service companies”, to spread awareness about the fight against racial discrimination. The plan for this project includes carrying out communications campaigns in 2015 with customers and training for Group personnel on multi-culturalism. The aim is to encourage people to think about the value of diversity and to provide communications tools and techniques that respect cultural differences;
- benchmarking people caring: a benchmarking analysis began on people caring to initiate discussion about and evaluation of initiatives that could encourage a better balance between personal needs and organisational requirements.

5.1.5 Safety in the workplace and protecting health

GRI LA6 | LA7 | LA8

In 2014, in line with the aim of reducing accidents and improving prevention, as set forth in the 2011-2015 medium term guidelines, the Group companies consolidated prevention activities through projects to improve the characteristics of health and safety in the workplace management systems and to reduce accidents in the workplace.

The Group companies are expanding the tools already in use to analyse non-conformities and the causes of accidents with new projects to analyse “previous experience”, focused on statistics, human error engineering and the emotional depiction of safe conduct. These organisational safety learning initiatives were presented by experts from INAIL (the Italian labour insurance institute) and the La Sapienza University in Rome in April during the workshop titled “Learning about unfortunate and unforeseeable events”, in which over 200 health and safety managers from the Group companies participated.

To examine occupational health and safety responsibility and organisation, a seminar was held in May titled “Structure of occupational health and safety responsibilities for production units”.

In line with EU guidelines for the prevention of the abuse of alcohol and drugs, the Group is promoting healthy lifestyles that prevent the related dependence and disease in its employees, through specific awareness campaigns.

Based on data (not yet consolidated) provided by the national insurance agency, Inail, the Group’s trend in accidents in the workplace shows additional improvements, and is better than the targets it had set: the number of accidents decreased by more than 13% compared to the target of 3%, and the accident rate improved by 10%, compared to a target reduction of 2%. The data on indemnified accidents in transit were nearly the same as in 2013. Accordingly, the ongoing development trend of all five previous years continues. On the other hand, deaths caused by being hit by trains, electrocution and shunting in stations, show a negative trend.

About 18% of man-days in the technical/professional learning area were devoted to occupational health and safety and environment training, for a total of 54,701 main-days.



» THE GROUP COMPANIES' OCCUPATIONAL HEALTH AND SAFETY ORGANISATION¹

	2012	2013	2014
Number of production units	127	129	123
Production units with occupational safety certification	127	95	95
Prevention and Protection Representatives	127	129	113
Company doctors	150	160	190
Workers' Safety Representatives ²	534	534	534
Personnel subject to health monitoring check-ups	49,166	47,503	46,753
Personnel subject to railway safety medical check-ups	15,308	14,012	14,646

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

2. The number of Workers' Safety Representatives has been defined by union agreement in 2014, in compliance with the law. Such agreement is supposed to be redefined in 2015

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

	2010	2011	2012	2013	2014 ²
Accidents in the workplace	2,901	2,555	2,197	1,960	1,688
Frequency ³	38.32	36.29	32.79	30.43	27.37
Fatalities	5	2	1	3	5
Seriousness index ⁴	1,354	1,296	1,210	1,106	n.d.
Accidents in transit	475	418	420	316	297

1. The slight differences with the data published in the 2013 Sustainability Report are due to changes in Inail's data

2. Inail data for 2014 at 10/03/2015 subject to consolidation

3. Frequency rate: $[\text{no. of accidents at work/amount}] \times 1,000$ employees, calculated in accordance with European ESAW standards

4. Seriousness index: $[\text{number of missed days/amount}] \times 1,000$ employees

» ACCIDENTS INDEMNIFIED BY INAIL – WOMEN

	2010	2011	2012	2013	2014 ¹
Frequency - Women	309	276	230	231	196
Accidents - Women	30.88	29.21	25.11	25.80	23.01

1. Inail data for 2014 at 10/03/2015 subject to consolidation



5.1.6 Industrial Relations

GRI 4.12 | HR5 | LA5 | LA7 |
LA9 | LA11 | LA15

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 agreement¹⁰⁴. 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.

With respect to the "Fund for the pursuit of active policies to support income and employ Group companies'

personnel", on 23 May 2014, an agreement was signed with the trade unions agreeing to ask the fund's administration committee to call an extraordinary meeting to expand the validity of the local agreements signed in 2013 to 2014 as well. Following this agreement, another 389 employees were included in the programme, which already consisted of 875 receiving the extraordinary benefits under the fund.

In July 2014, upon the request of the agreeing organisations and in compliance with the contractual procedures in this respect, Agens (the transport and service agency confederation) began negotiations to renew the national labour agreement for the 2012 railway redundancy/contractual areas applicable to the company's employees which expired on 31 December 2014.

At international level, through CER (the Community of European Railway and Infrastructure Companies), the Group continued to monitor developments in the legislative revision of the IV railway package for as far as it is concerned, with specific regard to the "social clause" within the scope of LPT tenders.

In terms of the protection of personal data, in 2014, the Group's managers received instructions after the Personal Data Protection Authority issued specific measures and guidelines¹⁰⁵.

The percentage of Group employees who are members of trade unions¹⁰⁶ decreased from 64.77% in 2013 to 64.12% in 2014. On the other hand, the absenteeism rate was 8.8% in 2014 and 8.7% in the previous year. 2014 saw an increase in the number of hours missed due to strikes, mainly as a result of "political" strikes.

	2012	2013	2014
Absenteeism rate*	8.4%	8.7%	8.8%
Missed hours due to strikes**	145,231	49,669	167,439

* The data refer to the following companies: Ferrovie dello Stato Italiane, Trenitalia, RFI, Italferr, Ferservizi, FS Logistica, FS Jit and FS Sistemi Urbani and do not include the ferrying sector. The absentee rate includes, in particular, missed hours due to illness, injury, maternity, strikes, the circumstances covered by Law no. 104, study leave, wedding leave and compensatory time off

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

104. The trade unions' role is to ensure that there are no risks to the freedom of association and bargaining within the Ferrovie dello Stato Italiane Group.

105. With respect to: general authorisation for the treatment of sensitive and legal data, the simplified methods for disclosing and obtaining consent for the administrators of websites that use cookies for profiling and marketing purposes, employers' treatment of data relating to employees' absences, the possibility of requesting, in exceptional cases, the Data Protection Authority to extend the length of time that recorded images can be kept.

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



Parental leave

For the first eight months of a baby'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 dated 20 July 2012 implements the provisions of Legislative decree no. 151/2011¹⁰⁷ and establishes, in the Group's supplementary contract, better economic conditions during the voluntary leave for any employee who takes it.

The number of employees who took at least one day of parental leave¹⁰⁸ in 2014 is detailed as follows:

	No.	days
Women	848	24,874
Men	3,005	48,460
Total	3,853	73,334

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.

No members of Group personnel took any action in response to acts of discrimination (based on sex, ethnicity, region, political opinions, nationality or social background) or for violations of human rights.

107. Consolidated act of legislation protecting and supporting parenthood.

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



5.1.7 Disputes with employees

GRI SO8

		2012	2013	2014
Disputes with compensation	<i>no.</i>	2,749	2,945	2,398
Pending disputes	<i>no.</i>	7,488	6,600	5,144
Economic value of the disputes	<i>Euro</i>	41,003,000	46,534,000	47,678,000

The figures shown in the table refer to labour disputes, as determined at 31 December 2014, and appeals filed in 2014. The data relate to lawsuits filed by employees, former employees or workers for the companies that provide contracted services to Group companies. The most frequent types of disputes in 2014 are detailed below by potential costs:

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.

There has been 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.

In this respect, the Supreme Court's ruling no. 15432/2014 upheld the non-applicability of article 29 of Legislative decree no. 276/03 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.

4. Conversion of fixed-term employment contracts in the shipping sector into open-ended contracts.

As in the past, there was no increase in the number of disputes initiated by workers in the shipping sector requesting open-ended subordinated employment contracts with RFI in 2014.

The previous decisions by the Messina Court of Appeals in the company's favour have now reached the Court of Cassation, which, following the ruling by the European Justice Court, annulled the decisions and sent the case to the relevant court of appeals to decide whether, in these cases, the renewal of fixed-term contracts was used to evade the application of regulations on open-ended contracts under the shipping code.

5.2 Community

GRI 2.10 | 4.12 | EC1 | EC8 | HR3 | LA8 | PR1 | SO1

5.2.1 Solidarity initiatives

The Ferrovie dello Stato Italiane Group's calling to support solidarity initiatives has always been a fundamental value, and for years, it has been tangibly committed to carrying out projects and initiatives to help disadvantaged people.

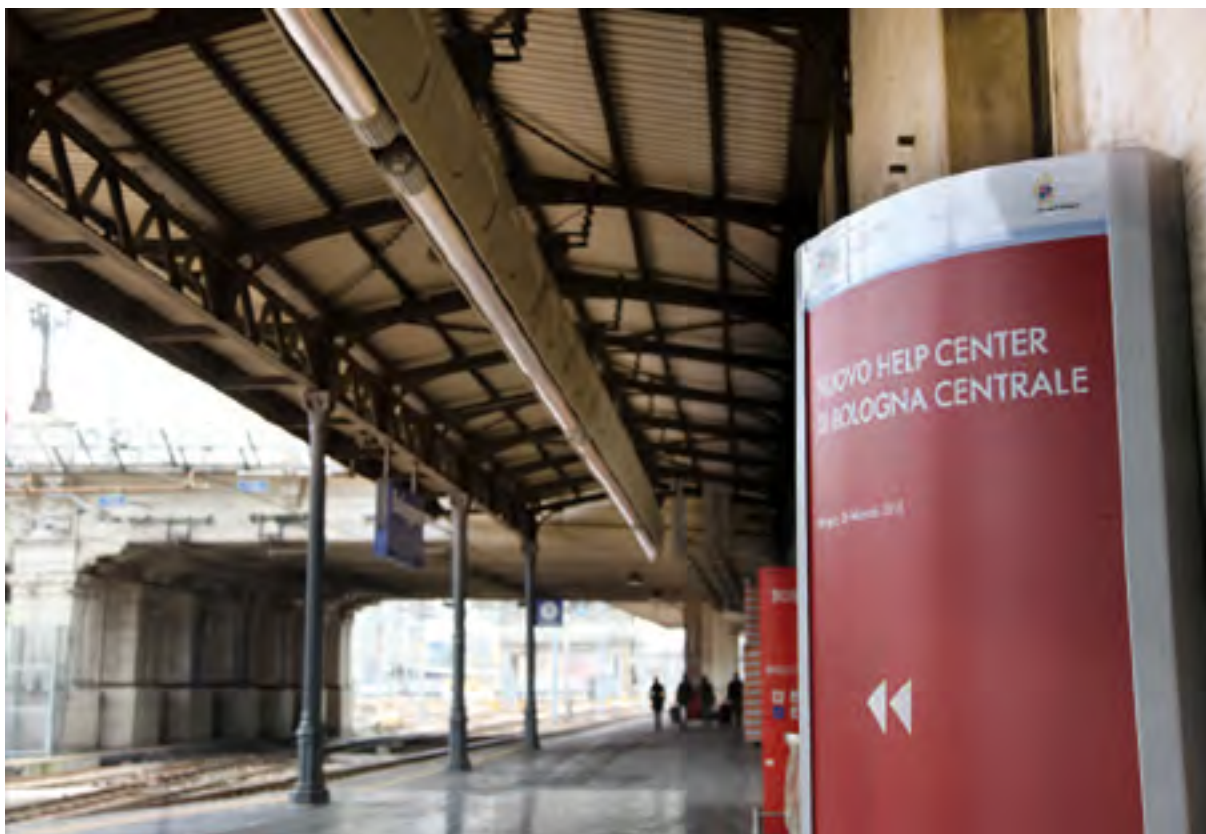
In particular, the Group has embraced a policy to support and plan social initiatives in the railway areas, in collaboration with local associations and bodies. It has promoted many initiatives in 2014.

Help centre centres and shelters

The current emergency of disadvantaged people covers all of Italy and is concentrated especially in train stations: help centres constitute a large solidarity project that the

Group promotes and carries out in collaboration with local bodies and charitable organisations to help reduce these difficulties. Help centres are "low threshold" centres, i.e., there is no entrance and they are located inside and/or near train stations. The purpose is to help disadvantaged people recover, in collaboration with the social services and local institutions established for this purpose. To create the help centres, the Group offers premises inside or nearby trade stations on free loan to associations and bodies that help marginalised and socially disadvantaged people.

The help centre network currently covers 15 train stations from Northern to Southern Italy. In the past year, given the significant flow of immigrants, efforts have intensified to find new spaces for help centres in the South.



» STATION HELP CENTRE NETWORK

EXISTING	POTENTIAL ¹
Rome	Pistoia
Chivasso	Prato
Milan	Pisa
Genoa	Livorno
Messina	Firenze Campo di Marte
Bologna	Firenze Rifredi
Bari	Viareggio
Pescara	Genoa (P. Principe)
Foggia ²	Palermo
Naples	Villa San Giovanni
Catania	Venezia Mestre
Turin	
Florence Santa Maria Novella	
Melfi	
Reggio Calabria ³	
Trieste ⁴	

1. The memorandum of understanding with the Tuscany regional authorities could lead to the opening of new centres at the stations in the region: Pistoia, Prato, Pisa, Livorno, Firenze Campo di Marte and Firenze Rifredi. Specifically, the formal preparation of the free loan agreement is being completed in Viareggio and it will most likely be the first help centre created following the memorandum
2. As a result of the financial difficulties faced during the year, the Foggia help centre was manned but did not carry out any activities
3. Additional help centres are scheduled to open in Southern Italy in strategic areas for new immigrants. This strategy includes the Reggio Calabria help centre, with the ribbon cutting on 31 December 2014 with local institutions and churches present. It will be managed by religious charitable organisations, in accordance with the Reggio Calabria associations
4. The plan for the Trieste Help centre was presented during a conference held on 3 September 2014 at the station, where an agreement was officially signed for the free loan of space to the municipal authorities. Renovations are underway and the centre is slated to open after summer 2015

In addition to the help centres, shelters have been created in railway premises no longer in use and now managed by a variety of charitable organisations:

- the “Don Luigi Di Liegro” shelter at Roma Termini;
- the “Rifugio Caritas” shelter in Milan, managed by Caritas Ambrosiana, which was given another area measuring about 460 m²;

- the “Binario 95” day shelter in Rome;
- the “Pedro Arrupe” shelter for those seeking asylum and political refugees, managed by the “Centro Astalli” association¹⁰⁹.

The total surface area granted under free loan agreements for social activities in 2014 measures 18,187 m², with a total estimated value of €27,280,500¹¹⁰.

109. 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, Anci and the Rome municipal authorities. Its activities consist of: professional training, educational projects for minors, Italian language courses to help guests integrate socially and find jobs. Spaces have been granted for social and cultural activities, such as the Shoah Museum inside the Milano Centrale station.

110. The surface area data include the help centre network (1,898,898 m²) and the shelters (9,289 m²). In addition, spaces have been granted for social and cultural purposes, such as the Shoah Memorial (7,000 m² at the Milano Centrale station, with a market value of €10,500,000), granted to the Shoah foundation for a symbolic fee. The total value therefore comes to € 27,280,500, calculated by multiplying the total surface area (18,187 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.

So that the help centres work in synergy, the Group collaborates closely with ONDS, the National Observatory for the Disadvantaged and Solidarity at Stations. ONDS, which is managed by a social cooperative, Europe Consulting Onlus, coordinates all training for help centre personnel and conducts detailed analyses on social disadvantage¹¹¹.

In 2014, compared to 2013, active help centres posted a total increase of 26% in the number of users served,

alongside a 43% increase in the number of new users served, i.e., those who used the help centre for the first time during the year. Social assistance¹¹² projects also increased considerably (+70%), along with low threshold projects¹¹³ for the people assisted (+ 151%). One of the reasons for this exponential increase, particularly, in low threshold services, was presumably the arrival of massive numbers of immigrants to the southern shores of Italy in 2014 (over 170,000 people¹¹⁴).

» THE HELP CENTRE NETWORK'S MAIN SERVICES AND AVERAGE IMPACT¹

		2013	2014	2014 vs 2013
Total days open	days	3,744	3,570	-5% ²
Total hours open	hours	23,660	29,369	+24%
Social assistance projects	no.	82,534	139,978	+70%
Low threshold projects	no.	133,196	330,844	+148%
Total people served	no.	25,110	31,702	+26%
Total new people served	no.	12,040	17,184	+43%
Average impact				
Social projects/day	no.	284	448	+58%
Low threshold projects/day	no.	442	1,105	+150%
Users/day	no.	79	96	+21%
New users/days	no.	39	52	+33%

1. The "daily average" is the sum of the average projects performed by each centre for every day that it is open. If, for example, the Rome centre is only open one day per year and performs five projects, its daily average will be five. If the Milan centre is open three days per year and performs four projects for each day that it is open, its average per day will be four. The average of the network consisting of two centres, in this case, is therefore $5+4=9$, which differs from the average calculated as the sum of the projects of the centres divided by the sum of the days that they are open $(5+4+4)/(1+3) = 4.25$

2. Negative variation is due the difficult situation at the Foggia Help center – opened but not operative – and at the Bologna's one, which had been closed for several months. All the others Help centers had been opened longer, so explaining the total hours open increase recorded in 2014

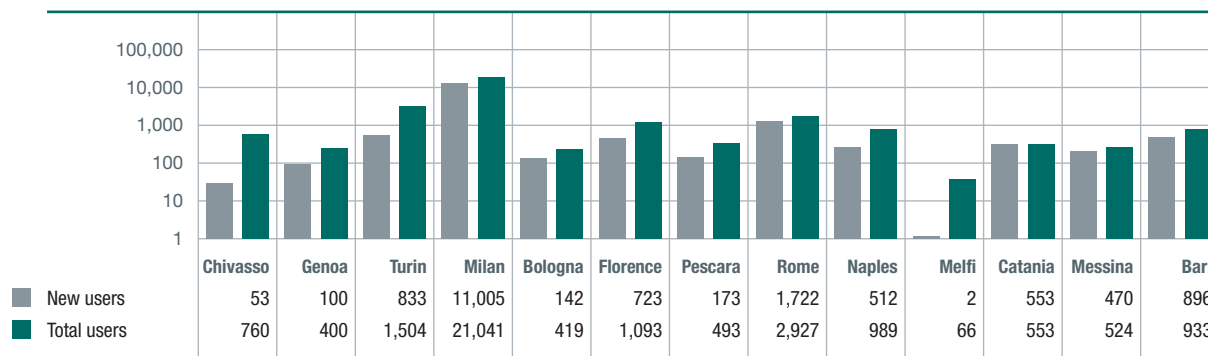
111. To collect and analyse data, ONDS uses the IT platform Anthology specifically created with the contribution of all network players and which won the Sodalitas Social Innovation Award in 2012.

112. Actions to help people achieve social reintegration and find jobs.

113. All steps to provide basic services such as breakfast, canteen, showers, food and clothing banks and toilets are offered to identified or anonymous users who arrive at the individual centres.

114. Source: www.unhcr.org/pages/4a1d406060.html.

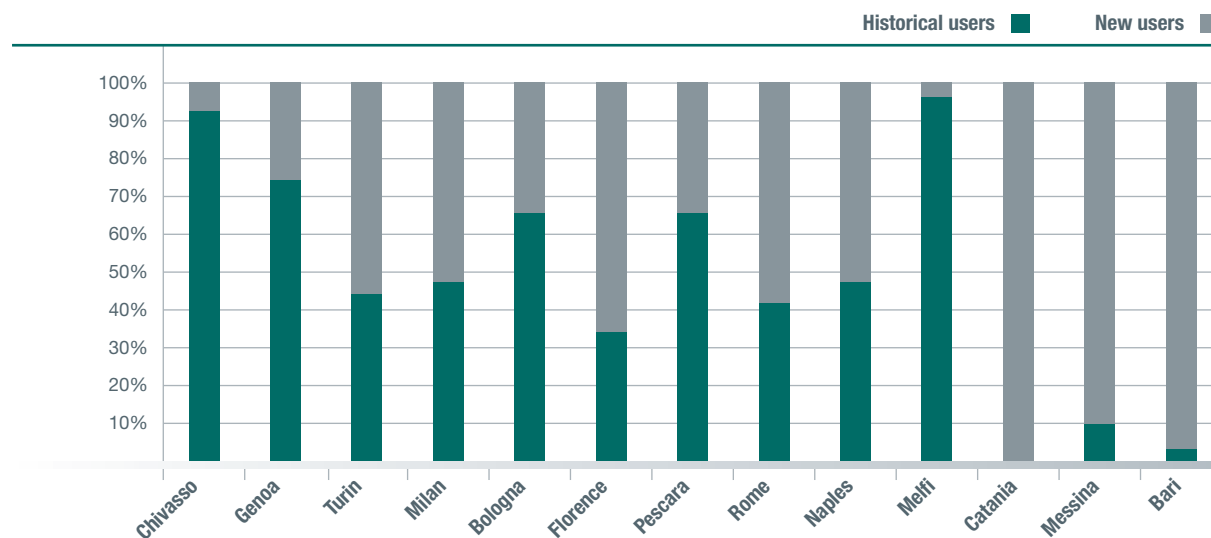
» TOTAL ONDS NETWORK HISTORICAL USERS AND NEW USERS (LOGARITHM SCALE) IN 2014*



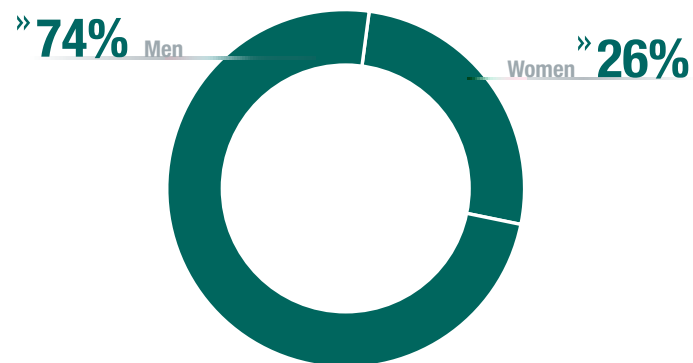
* In this and the following charts, the Bologna figure only refers to the first seven months of 2014. Data collection was suspended due to renovations. The chart does not include Foggia, which did not operate in 2014 due to a lack of funding, Reggio Calabria, which was symbolically opened on 31 December 2014, and Trieste, where renovations are underway

The chart below shows the percentage of new users, highlighting the concentration in Southern Italy.

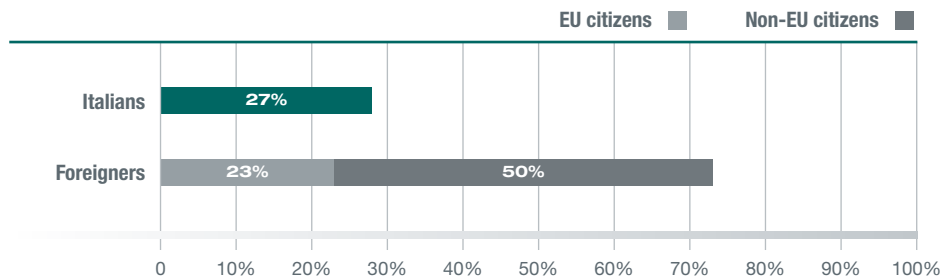
» PERCENTAGES OF HISTORICAL USERS AND NEW USERS – ONDS – 2014



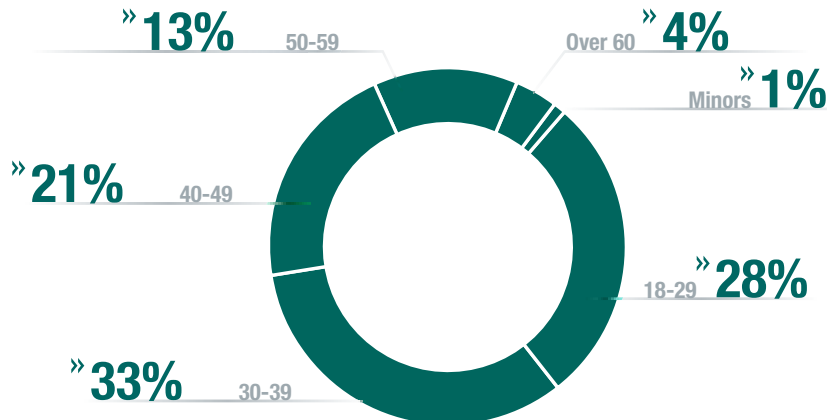
» BREAKDOWN OF NEW USERS BY GENDER



» BREAKDOWN OF NEW USERS BY NATIONALITY



» BREAKDOWN OF NEW USERS BY AGE





Fund raising campaign

During the 2014 Christmas season, a solidarity campaign called “It takes more than things to emerge from poverty” to renovate the new Rifiugio Caritas day shelter at the Milano Centrale train station was launched. Volunteers from the Group and the charitable organisation gave passengers on *Frecce* trains chocolate bars in exchange for donations. Other funds were raised at the station, where customers could make donations at the self-service ticket machines, ticket offices and at the *FrecciaClub*. Internal fund raising among the Group’s employees also contributed to the end result¹¹⁵.

Finally, January 2014 saw the conclusion of the “Casa Dolce Caritas” solidarity campaign promoted by the Group and Caritas Romana to support the completion and renovation of the “Don Luigi Di Liegro” shelter at the Roma Termini station, Italy’s largest homeless shelter¹¹⁶. The final total raised was over €200,000.

The “Casa Dolce Caritas” campaign was awarded as one of the best Italian social responsibility projects at the Sodalitas Social Awards for 2014, along with the *Frecce* project.

National and European projects

During the year, the Group prepared a “Winter emergency plan” to reinforce the activities that the help centres¹¹⁷ and major Italian charitable organisations carry out during the cold winter months. In particular, via the network of help centres and organisations, about 2,000 blankets, 19,600 chocolate bars and 4,900 containers of condensed milk provided by Trenitalia were distributed to homeless people.

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.

115. The Christmas fund raising campaign is held every year to support the large charitable organisations in their initiatives to help disadvantaged people.

116. The shelter at Roma Termini has 34 new rooms (73,000 overnight stays per year) for homeless people who, without this shelter, would sleep in the station or on the streets nearby.

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

Socio-labour repercussions of the help centres

In 2014, the Ferrovie dello Stato Italiane Group committed roughly € 270,000 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 (€)
Social disadvantage and solidarity initiatives at stations	Convention of the National Observatory on Disadvantage and Solidarity at train stations; opening of new help centres; use of unmanned stations and social spaces, projects and initiatives to assist people during cold weather	229,857
European social initiative and station activities	Gare Européenne et Solidarité network activities	18,444
Communication projects on the Group's corporate social responsibility ("CSR")	Discussion about CSR issues, with an international approach for companies, the public administration and charitable organisations	13,000
Other social initiatives	Support for social reintegration/return home to family following release from prison, motivational days and fund raising campaign with FS volunteers, online information services	8,758
Total		270,059

For example, the social cooperative structure that manages the help centre and "Platform 95" at Roma 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 54 workers directly or indirectly permanently at the centre at 31 December 2014 in the design or management of station services¹¹⁸. In each month of 2014, the Platform 95 centre at Roma Termini assisted an average of 30 people socially reintegrate and find jobs. Two of these people found permanent positions at the social awareness publication "Shaker, pensieri senza dimora", whose editorial offices are in the same space on Via Marsala 95 that the Group granted on free loan. In addition, four disadvantaged people have, for many years, permanently contributed to Platform 95 services or the social awareness publication.

Furthermore, the Florence help centre at the Santa Maria Novella train station stood out in 2014 for the start of professional training for disadvantaged people. Italian and English courses, IT courses and family assistance courses were held with 156 participants, 112 of whom found employment.

Thanks to help centre activities, in the past three years, 12 families, including three in 2014, who lived in the Florence railway area, found a home and, through the employment assistance services, were able to pay their rent.

118. A few of these (about ten) are not directly used for the station but rather for parallel services (immigration office in Rome and the Civil Protection Service office); all contribute to the cooperative's overall work.

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 train stations, booths and tracks.

» STATUS OF THE REDEVELOPMENT OF REAL ESTATE ASSETS

Unmanned stations	Stations operating without railway personnel	1,738
Stations redeveloped for social use	Red Cross, charities, fire brigade, civil protection service, natural parks, environmental and cultural associations	509

In the 509 train stations redeveloped for social use, approximately 67,000 m² has been granted on free loan, with a market value of €67,000,000¹¹⁹.

A few examples of redeveloped areas are:

Civitella Roveto train station (Avezzano-Roccasecca section)	Local Green Cross
Milan S. Cristoforo	Depot for trains departing for Lourdes, managed by Unitalsi
Lissone (Milan-Chiasso line)	Office for equal opportunities and sustainable mobility associations
Ceccano Eco-station (Rome-Naples line)	Valle del Sacco centre for environmental education managed by the Tolerus association/research centre
Arce (former station depot - Roccasecca-Avezzano line)	Office for the “La Lanterna” multi-association centre, which organises activities for residents and foreigners facing difficulties
Cervia station (Emilia Romagna)	There’s “space at the table” at stations
Gaggiano station (Lombardy)	Fair trade and anti-mafia along the tracks
Pedaso station (Marche)	Caritas warehouse for the re-use of clothing
Boscoreale station (Campania)	From a dump to an art and civic centre

119. 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.



On the basis of a protocol signed with Legambiente, the Group granted premises at the Potenza Superiore and Pescara Centrale stations on free loan or use as part of the Green Station project.

The social project carried out in 2013 within unused ground floor spaces at the Ronciglione station was further strengthened. The “*Cuore di Mamma Onlus*” (a mother’s heart) association had already opened shelter and vacation centre for families with children suffering from cancer.

The complex social redevelopment project for Ferrovie dello Stato Italiane’s vacant real estate assets, which includes this initiative, is one the most significant examples of the use of real estate for social purposes by a company in Europe.

Finally, in Italy, there is a massive amount of railway lines no longer in use, only partly owned by the Group, which could potentially be used for greenways. Approximately 325 km of these lines has already been used for greenways.

» STATUS OF THE REDEVELOPMENT OF RAILWAY LINES NO LONGER IN USE

Retired national railway lines	6,500 km
FS Italiane Group’s retired national railway lines (which could potentially be used as greenways)	2,000 km
Retired national railway lines used for non-motorised traffic	325 km



Ferrovie dello Stato's commitment for the community

The Ferrovie dello Stato Italiane Group's commitment for the community can also be seen in its periodic meetings with associations representing consumers and people with reduced mobility, in order to prevent any criticalities and to develop projects to meet their needs.

Furthermore, two years ago, the Group began meeting annually with its main stakeholders, an occasion that has enabled it to begin actively listening to their needs¹²⁰.

RELATIONSHIPS WITH CONSUMER ASSOCIATIONS

National initiatives in this respect involve the national representatives of consumer associations participating in talks with the Group focusing on issues that relate to customers in general (service quality, prices, legislation, etc.). On the other hand, the purpose of meetings held with local consumer representatives and the commuters' committees are to meet specific local needs.

Top management participates in the meetings and discussions with consumer associations and the same associations take part in public events organised by the Group, demonstrating its attention to dialogue with them. In particular the consumer associations participated in the local public transport forum held in Rome on 27 March 2014.

The Group is also an active participant in the Consumers' Forum, a body made up of the most important consumer associations, some industrial and service companies (such as Centromarca, Intesa San Paolo, Poste Italiane, Telecom Italia, Vodafone and Wind), trade associations (Confservizi, Federdistribuzione, Federfarma and UnionCamere) and universities (Università di Catania, Università Roma Tre, Università di Siena and Università di Torino).

By drawing on the technical/scientific contribution of universities and researchers, the Consumers' Forum seeks to create opportunities for the discussion and exploration of issues of general interest, financed with budget funds.



120. See the paragraph on "Stakeholders".

RELATIONSHIPS WITH DISABLED PERSON ASSOCIATIONS

Ensuring that people with reduced mobility have access to railway services is one of the Ferrovie dello Stato Italiane Group's most important commitments.

In order to better understand the needs of people with reduced mobility, the Group is committed to listening to their suggestions and recommendations sent through their associations, from design to inspection. For this purpose, since 1998, a specific round table was set up for discussion between the Group and the main associations representing disabled people.

The meetings held in 2014 are listed below:

» OFFICIAL MEETINGS WITH ASSOCIATIONS FOR THE DISABLED IN 2014

DATE	SUBJECT
20 January Milan	Start of activities to share the testing of the system for hearing device users in the Sala Blu at Milano Centrale
11 June Rome	Meeting in Rome with FAND and FISH representatives for the associations' involvement in training for RFI's assistance service personnel
27 June Rome	Meeting in Rome with FAND and FISH representatives for the associations' involvement in training for RFI's assistance service personnel
8 July Milan	Meeting with the associations for the hearing impaired about testing the functions of the system for the hearing-impaired at the Sala Blu in Milano Centrale
18 July Rome	Meeting with FAND and FISH representatives for the associations' involvement in training for RFI's assistance service personnel
23 October Rapallo	Meeting with FAND and FISH to perform the technical test to have the Rapallo station certified for assistance services using forklifts
7 November Rome	Meeting with the associations for the visually impaired to present the tactile walkways using the Loges-Vet Evolution system, as recommended by the associations
14 November Rome	Meeting with FAND and FISH representatives about the project to use the simultaneous translation system in the Sala Blu network
1 December Milan	Meeting with ENS and specialists in the sector about the use of the simultaneous translation system
20 December Rapallo	After the positive outcome of technical tests, in agreement with FAND and FISH, RFI activated the assistance services using forklifts at the Rapallo station.

The Sala Blu rooms in the main terminals constitute the central axis for the organisation of travel for disabled people¹²¹. Since 2013, under a specific agreement with the associations, RFI submits to INMACI¹²² in advance all tactile

walkway projects in new stations or stations undergoing renovations, in order to receive feedback, findings and proposals with respect to their suitability in ensuring the best accessibility to the visually impaired.

121. See the chapter on "Service quality".

122. National Institute for the Autonomous Mobility of the Blind and Visually Impaired, consisting of the Association of Visually Impaired and The Italian Union of the Blind and Visually Impaired.



5.2.2 Social and cultural activities

The FS Italiane Group's commitment to culture

The Group sponsors national events like concerts, exhibitions, performances, conventions and initiatives to safeguard artistic, cultural and scientific heritage. Again in 2014, the Group renewed a major partnership with Italy's leading foundations and museums to create new travel opportunities by encouraging the use of trains as the ideal way to reach cultural capitals, learn about the country's heritage and see the most important exhibitions.

The main events in which the FS Italiane Group participated in 2014 were:

- the large Complesso del Vittoriano exhibitions in Rome: "Musée d'Orsay – Masterpieces", "Mario Sironi 1885-1961";
- the Venice Biennale (Art and Film Festival);
- the exhibitions at Palazzo Strozzi, Florence, the Scuderie del Quirinale and Palazzo delle Esposizioni in Rome, Mart in Rovereto, Palazzo Reale in Milan and Palazzo Ducale in Genoa;
- the exhibitions at the MAXXI museum in Rome.

In addition, it partners with Fondazione Musei Civici di Venezia, Fondazione Mart di Trento e Rovereto and Fondazione Agnelli di Torino, which offer benefits to visitors who arrive by train.

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 FS Italiane Group's commitment to crucial social issues

In 2014, together with leading associations in this field, the Group developed initiatives to support current social issues like protecting children's health, preventing school drop-out risk, promoting and protecting women's health and eco-sustainability. In particular, it developed the following projects:

- **Frecciarosa Prevention travels at high speed**

In October, breast cancer awareness month, the Group held a series of initiatives and deals for women travelling on the Freccie trains.

- **Children's train**

An event promoted and organised by the "Pontificio Consiglio della Cultura" and "Cortile dei Gentili" with the sponsorship of the Ministry of Education, Universities and Research. A special *Frecciargento* train left Naples and carried over 400 children at risk of dropping out of school to the Vatican to meet the Pope.

- **Green train**

20,000 students and residents visited Legambiente and Ferrovie dello Stato Italiane's 25th annual Green Train to promote a more sustainable lifestyle.

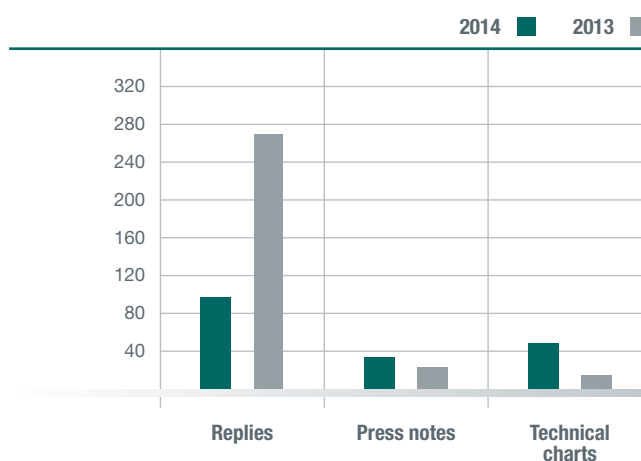
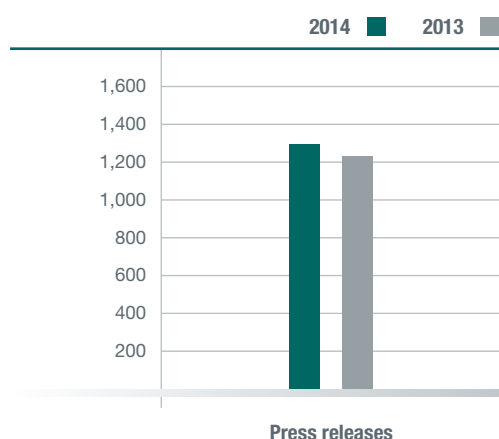
5.2.3 Relationships with the media and new media

In 2014, the Ferrovie dello Stato Italiane Group managed relationships with national, local and international media¹²³, and with online publications, websites and blogs (web 2.0). It has its own Press Office to carry out activities for this purpose, as well as the Group's latest external communication channels, which include:

- the online newspaper *fsnews.it*;
- the company website *fsitaliane.it*;
- the radio *FSNews Radio*;
- the web television station *La Freccia.TV*;
- the Creative and Broadcasting departments' audio-visual content;
- the *La Freccia* magazine, *Frecciaviaggi*, the special *La Freccia* editions: *La Freccia Fashion*, *La Freccia Expo* and the volumes created in collaboration with Fondazione FS Italiane;
- social networks (Twitter, YouTube, Facebook, Flickr, Storify and FourSquare).

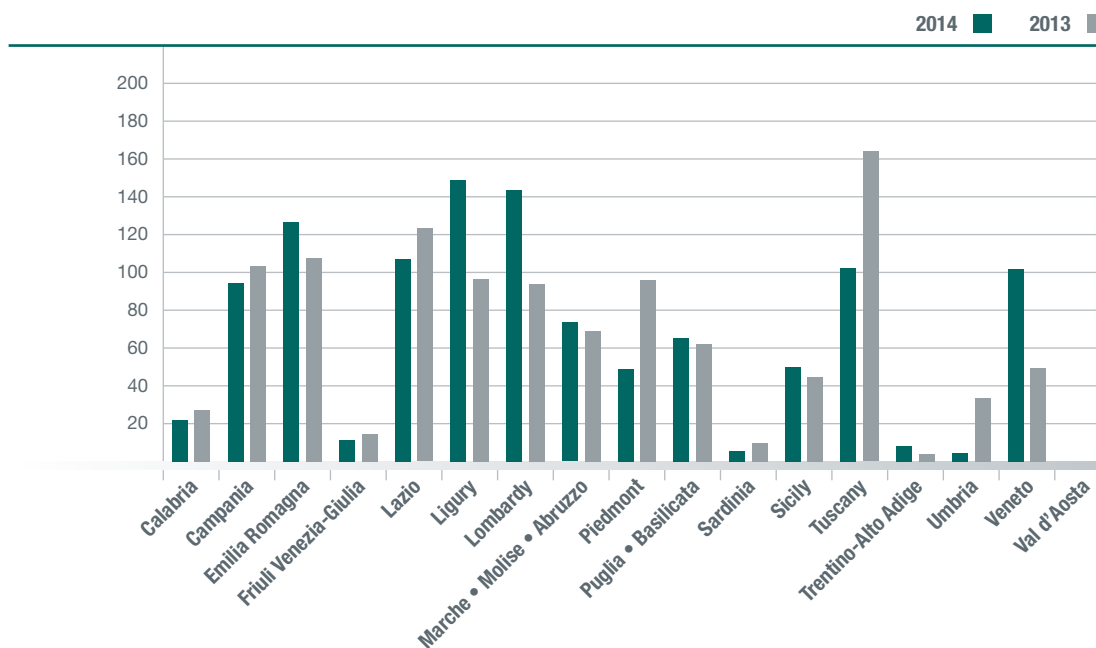
Relationships with the media and publishing activities

In 2014, Ferrovie dello Stato Italiane's Press Office prepared 1,460 documents, including press releases, notes to the press, replies and technical charts. The decrease in the production of documents (1,551 documents for 2013) is the result of a lack of material criticalities, like the "snow and cold emergencies" that occurred in previous years.



123. Press agency and national, local and foreign newspapers, the free press, magazines and general and trade publications, television and photography agencies.

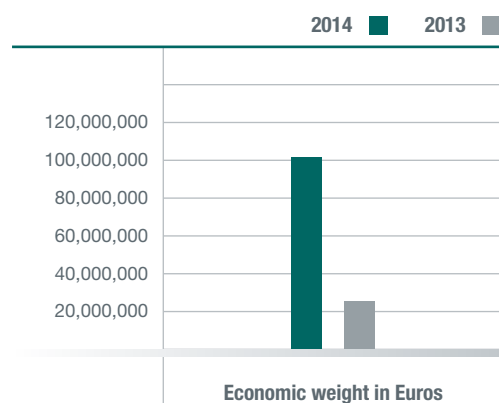
The Group communicates efficiently, including at local level, through its nine local media correspondents which, in 2014, produced 1,181 news documents, like press releases, notes to the press, technical charts and replies, over 80 news releases for the Group's online newspapers (*fsnews.it*).



Publishing products

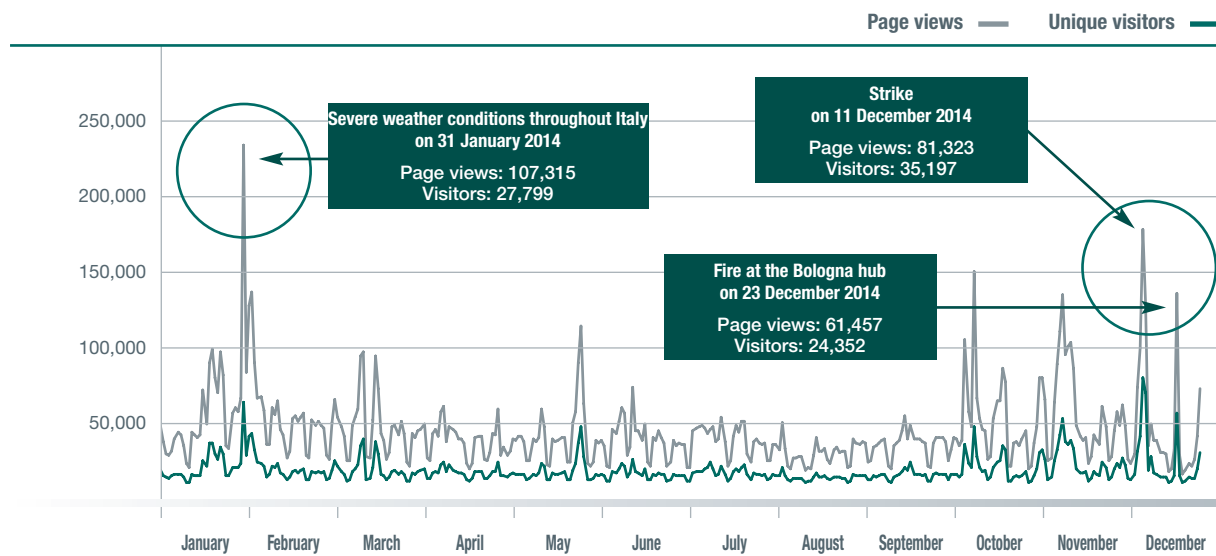
In 2014, the economic weight of articles published by national and local newspapers, in terms of the space that news about the FS Italiane Group takes up in pages and on the space devoted to the Group on TV and the radio is about €100 million.

The use of printed paper was reduced by approximately 20% on 2013, thanks to the increasingly frequent use of the online publication of digital formats and digital transmission. Paper publications are in any case printed on certified FSC® (Forest Stewardship Council) paper.

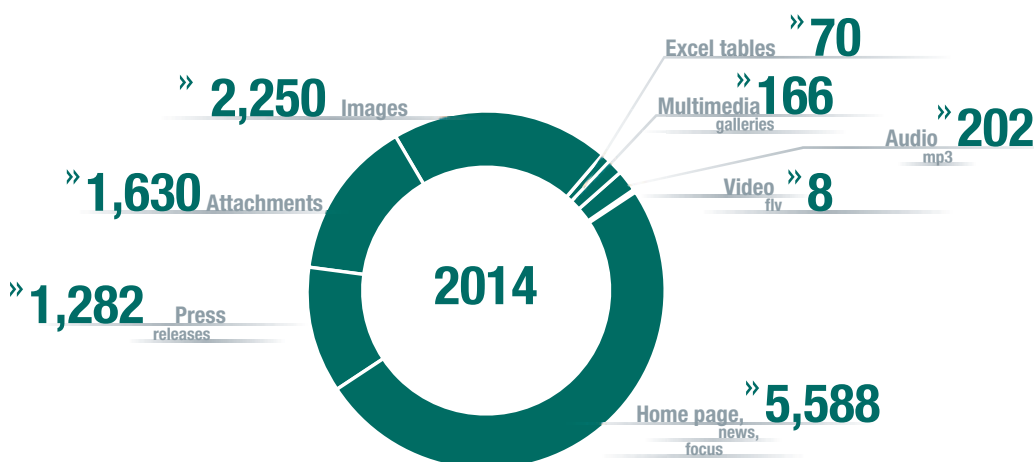


FSNews.it

FSNews.it, the Group's online newspaper, remains a reliable service site for travellers. Indeed, in 2014, it recorded peaks when particularly high-impact events for travellers occurred (strikes, bad weather, etc.). Overall, the site received 6,875,310 page views from 1,831,367 unique visitors.



In 2014, FSNews.it's editors published over 5,500 pages of news, profiles and focuses, in addition to over 1,300 press releases.

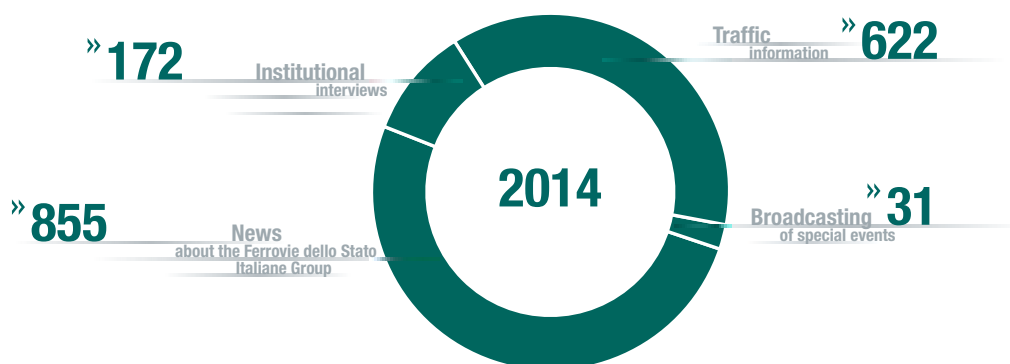


FSNews Radio

In 2014, the FSNews Radio editorial department broadcast 12 hours of live content per day, including news, interviews and traffic information.

FSNews Radio

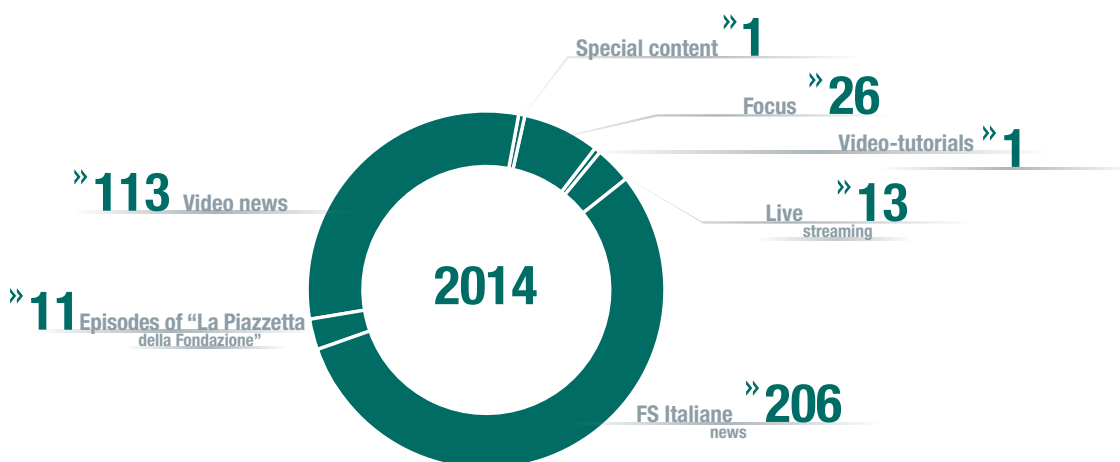
Nel corso del 2014 la redazione di FSNews Radio ha messo in palinsesto 12 ore di diretta giornaliera, tra notizie, interviste e informazioni sulla circolazione.





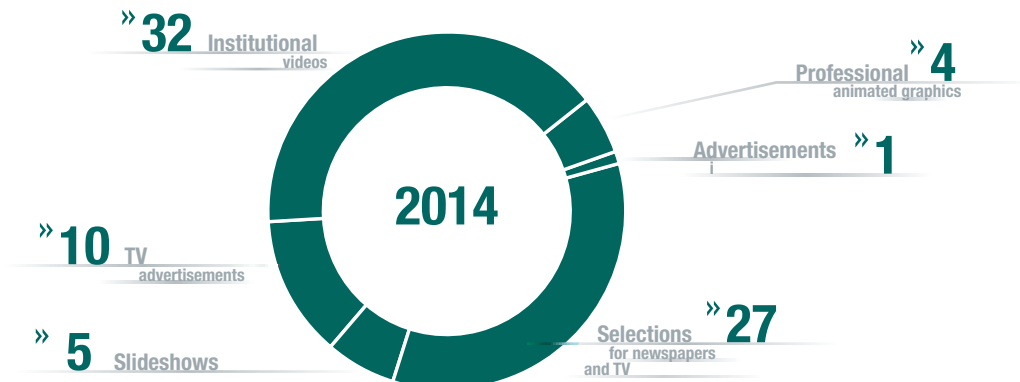
La Freccia.TV

La Freccia.TV is Ferrovie dello Stato Italiane's video-information channel. Its editorial department creates content from concept to broadcasting. In 2014, 358 videos and 13 live streaming programmes were shown.



Audio-visual content

In 2014, 79 institutional, promotional, advertising and documentary films were made.



Editorial content of the *La Freccia* editions

The on-board magazines, *La Freccia* (monthly) and *Frec-ciaviaggi* (quarterly), are printed and published online, as are the editorial columns.

La Freccia, a general-content magazine with a focus on Ferrovie dello Stato Italiane, is also interactive: the augmented reality application enables them to access images, videos, interviews and links. In 2014, new editorial products were created for specific themes, such as special *La Freccia* editions: *La Freccia Fashion* in June, devoted to the men's fashion event, Pitti Uomo, *La Freccia Expo* in December for the 2015 Universal Expo.



Web & New Media

In 2014, the Group's website fsitaliane.it was expanded to include Investor Relations and Corporate Social Responsibility sections, and other content was further developed to make the *La Freccia* magazine more visible, strengthening the photo galleries of the Group's main events, introducing the schedule of events and FS press releases and social widgets.

Given his appointment as Extraordinary Commissioner for the construction of works on the Naples-Bari and Palermo-Catania-Messina railway lines, FS Italiane's CEO, Michele Mario Elia, was given a dedicated channel for these projects, in which all documents and official orders are published.

In terms of online initiatives for Fondazione FS Italiana, in addition to the website fondazionefs.it there is the Museo di Pietrarsa website www.museopietrarsa.it. Furthermore, a project began in 2014 to update the Group companies' websites to make them more visually and architecturally effective. The navigation tree was designed to make content more accessible to users with a responsive design, so various mobile devices read the sites as native, in accordance with accessibility regulations and to make the content easier for search engines to find.

In terms of social networks, the Group is on:

- **Twitter:** with approximately 150,000 followers, including the accounts [@FSNews_IT](https://twitter.com/FSNews_IT), [@LeFrecce](https://twitter.com/LeFrecce) and [@Grazie1000](https://twitter.com/Grazie1000), plus more than 70,000 mentions (quotations/requests for assistance);
- **Pagina Facebook FondazioneFS:** with approximately 6,700 fans, 1,000 posts, 10 albums and around 500 photos;
- **Flickr:** with the account "Ferrovie dello Stato Italiane" where 142 albums have been published with nearly 3,000 photos;
- **Storify:** the [@FSNews_it](https://www.storify.com/FSNews_it) profile has gathered multimedia content and information on events of interest, which are also shown on the Group's websites to give a multi-media timeline of events;
- **FourSquare:** the accounts *LeFrecce* and *FSNews* provide service and commercial information on the main Italian train stations, with over 200,000 check-ins;
- **Linkedin:** the official pages of the main FS Italiane Group companies have been created, and employer branding communications on sustainability, along with general Group information on the same topic, have been launched;
- **YouTube** (*LeFrecce* and *FerroviedelloStato* channels): with about 175 videos published;
- **Pinterest** (*FondazioneFS* channel): 12 bulletin boards of images for historic train aficionados;
- **Slideshare** (*FSNews* channel): 13 FS Group documents have been uploaded.

The network listening process continues: each year, an average of 1.5 million conversations are analysed from 10,000 different online sources, to learn about the perception of services and the Group's reputation. All of these activities further expanded the FS Group's communications, which increasingly target a public made up of the main stakeholders.

5.2.4 Fondazione FS Italiane

Fondazione FS Italiane was established in March 2013 as a foundation to safeguard and make the most of the historical and technical assets that the various Group companies had, until that time, individually conserved. The foundation promotes the rediscovery of national railway history by sharing its culture, highlighting the Museo Ferroviario Nazionale di Pietrarsa and other sites throughout Italy and by organising historical/tourist train rides.

The following assets belong to the foundation:

- **200 historical trains travelling throughout Italy and, in particular, on the “Timeless tracks” lines:** four breathtaking historical and scenic railway lines, a genuine “moving museum” that the Fondazione FS makes the most of by organising journey on board historic trains;
- **retired historic trains** and railway museums serve as a historic tribute to the Italian railways. Museo Nazionale Ferroviario di Pietrarsa, which is housed in the former Bourbon workshops of the mechanical and explosives factory, takes travellers on the ideal journey back in time among rolling stock of olden days;
- the **library**, which houses over 50,000 publications (volumes, columns and magazines), from before the unification of Italy to today, including the largest national collection of train timetables since 1899, can be visited at the foundation's headquarters in Villa Patrizi, Rome;
- the **archives**, which currently consist of two main collections:
 - Archivio storico Architettura e Servizio Lavori e Costruzioni (the Historical Archive of Architecture, Works and Construction), which holds the designs for Italy main train stations, with a particularly prestigious section devoted to the plans for the stations built in the 1930s. All the documentation relating to the construction of the network, the large railway works and the production plants, consists of over 8,000 files.
 - Archivio Disegni dell'ex Servizio Materiale e Trazione (the Drawings Archive of the former Material and Traction Service), which holds over 7,000 rolls of technical drawings of historic locomotives and vehicles and 10,000 photographs, most of which are on glass plates from the 1920s, 1930s and 1940s, which were already part of the foundation's assets;
- **audio-visual material**, making up a total of over 500,000 black and white and colour film and digital photographs, more than 5,000 video cassettes, 3,000 films made between the end of WWII and the 1980s and a recent trove of HD digital videos that is continuously growing.

The foundation benefits from the collaboration of many associations of railway aficionados, volunteers and railway pensioners, who contribute to keeping the historic rolling stock in neat and tidy shape and handle a number of logistics and support activities on a voluntary basis. The foundation's many activities are publicised on the website, while the official Facebook page has seen the increased involvement of fans and those interested.

» FONDAZIONE FS ITALIANE IN FIGURES

Historic operating rolling stock	<ul style="list-style-type: none"> • 200
Events on historic trains organised in one year	<ul style="list-style-type: none"> • 100 journeys • 30,000 passengers • 4 lines where no local public transport services are carried out were reopened for tourism (42 journeys, 14,500 passengers)
Library	<ul style="list-style-type: none"> • 50,000 volumes
Archives	<ul style="list-style-type: none"> • 8,000 plans and blueprints of the network and the stations • 7,000 rolls of technical drawings of historic locomotives and rolling stock • 10,000 photographs
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	<ul style="list-style-type: none"> • 11 depots + Museo Nazionale Ferroviario di Pietrarsa
Museo Nazionale Ferroviario di Pietrarsa	<ul style="list-style-type: none"> • 36,000 m² (14,000 m² of which indoors) • 50 historic trains • 20,000 visitors • 10 large events (exhibitions, concerts and performances) • Trecentotreni model (18x2 m) • largest conference hall in Campania (1,000 seats)
Associations in the convention	<ul style="list-style-type: none"> • 13



Business identity

Corporate Governance

Economic responsibility

Product liability

Social responsibility

Environmental responsibility







6. Environmental responsibility

The Group's main environmental issues

GRI 1.2 | EN30

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:

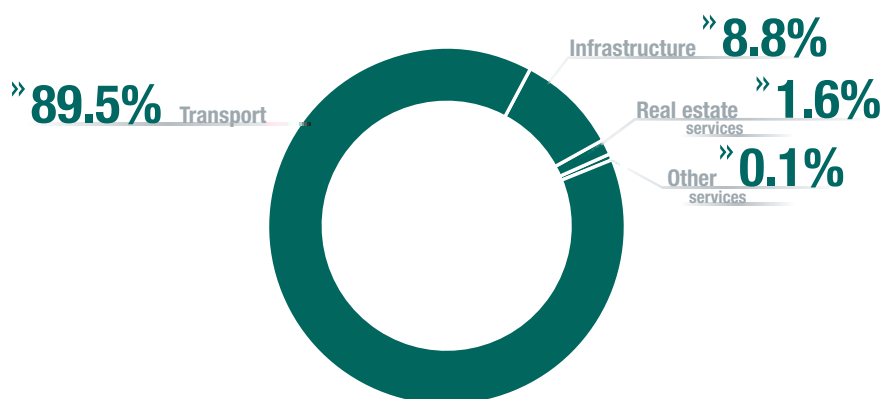
- Infrastructure: RFI and Italferr;
- Transport: Trenitalia, the Netinera group, Busitalia - Sita Nord, FS Logistica, Serfer, Terminali Italia, TX Logistik, Ataf Gestioni, Umbria Mobilità Esercizio and Blufferies;
- Real estate services: Grandi Stazioni, Centostazioni, FS Sistemi Urbani and FS Italiane¹²⁴;
- 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).

» TOTAL ELECTRICITY

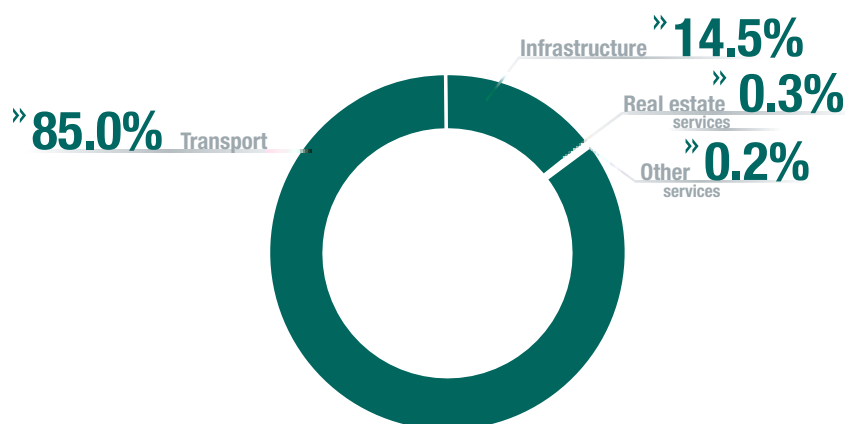
TOTAL 4,571 GWh



124. FS Italiane's environmental aspects were included in the "Real estate services" because they relate to the company's real estate management activities.

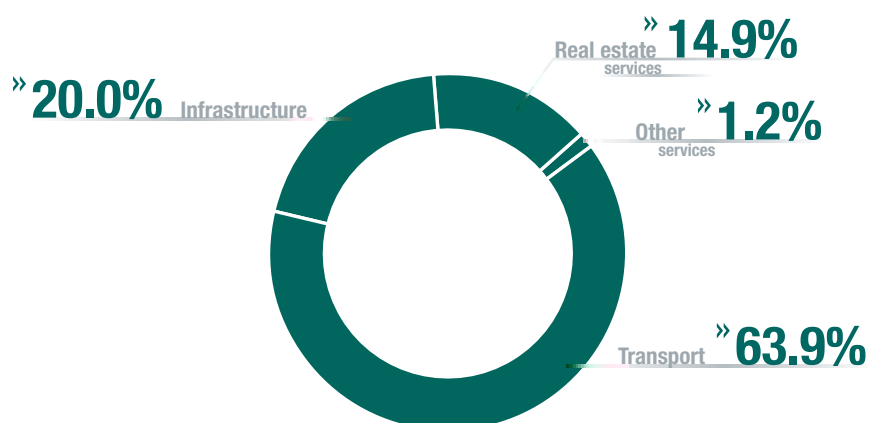
» TOTAL DIESEL

116,713 T



» TOTAL NATURAL GAS

40 MILLION M³



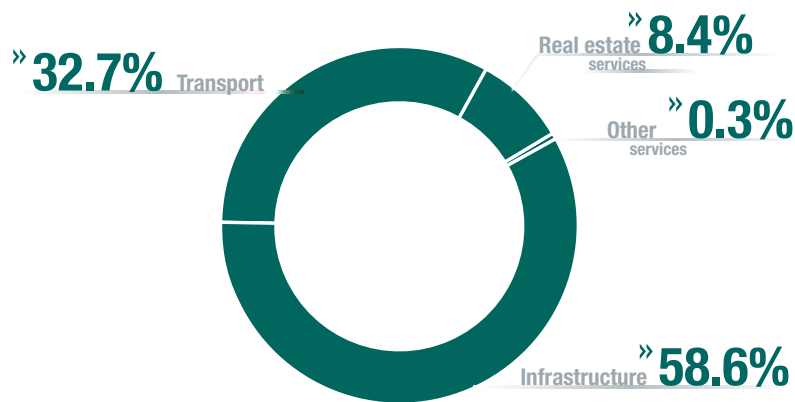
An analysis of the charts that show data on the waste produced by Group companies, including special hazardous and non-hazardous waste and the urban waste collected in the main train stations (Grandi Stazioni and Centostazioni networks), clearly indicates that the processes carried out in the Infrastructure and Transport segments, particularly maintenance of rolling stock and the infrastructure network, contribute most to the overall value recorded in 2014.

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.

As for waste collected at the main stations, the data confirm that there is wide margin for improvement, despite the Group companies' commitment to overcoming the difficulties of managing large spaces open to the public, by organising, for example, awareness campaigns on sorted waste. This commitment also extends to environmental issues, as demonstrated by an analysis of costs (over €12.8 million) for personnel assigned to managing the Group's environmental aspects and expenses incurred (€510,067) to ensure their professional growth and ongoing updates.

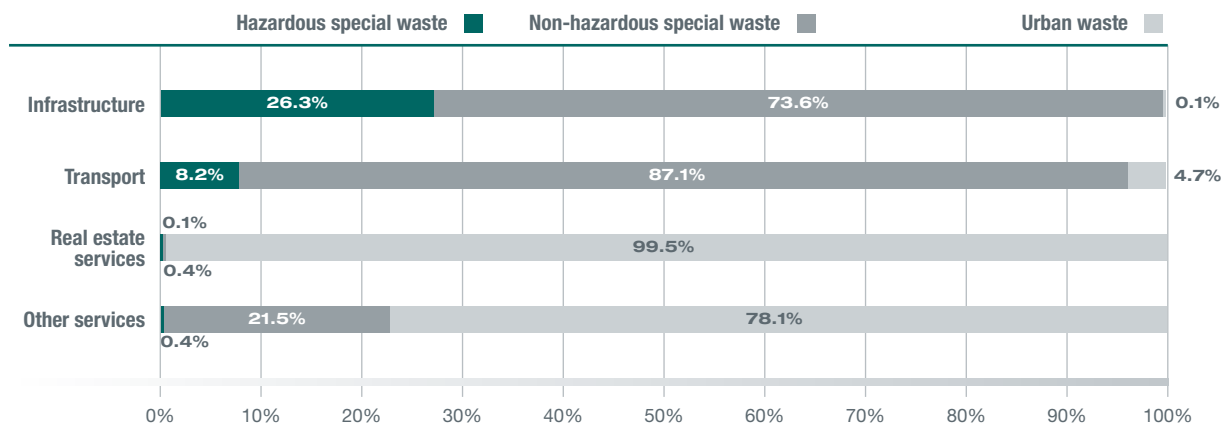
» TOTAL WASTE PRODUCED

235,541 TONNES

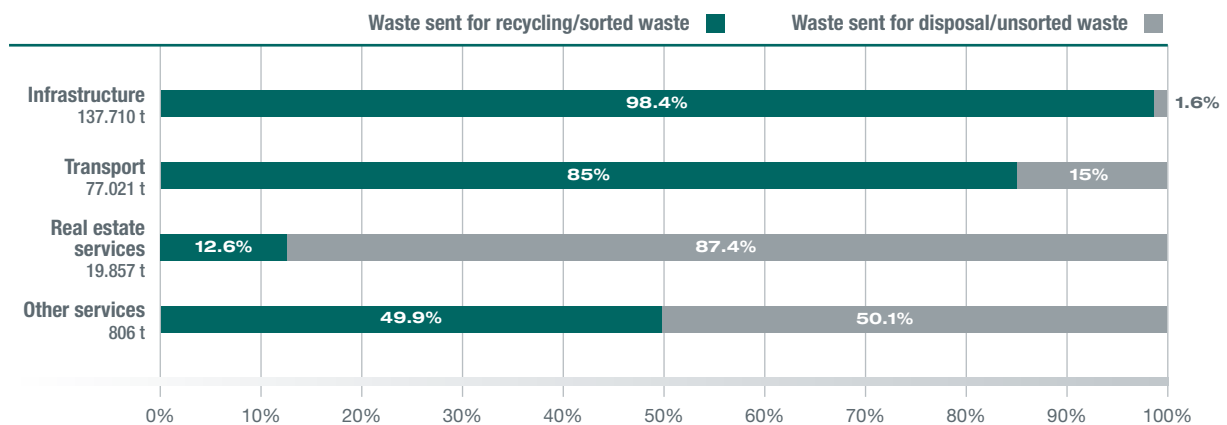


» TOTAL WASTE PRODUCED

235,541 TONNES



» WASTE SENT FOR TREATMENT



6.1 Energy

GRI EN3 | EN4 | EN5 | EN6 | EN26

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

The Group's total primary energy consumption decreased by 4.3%, despite the expansion of the reporting scope (2014 data include Ataf Gestioni and Umbria Mo-

bilità Esercizio, Busitalia - Sita Nord's subsidiaries, in addition to Blufferies, a subsidiary of RFI). On a like-for-like basis, the overall reduction in consumption compared to 2013 is 7%.

The trend in consumption is favourable, although it differs for each destination.

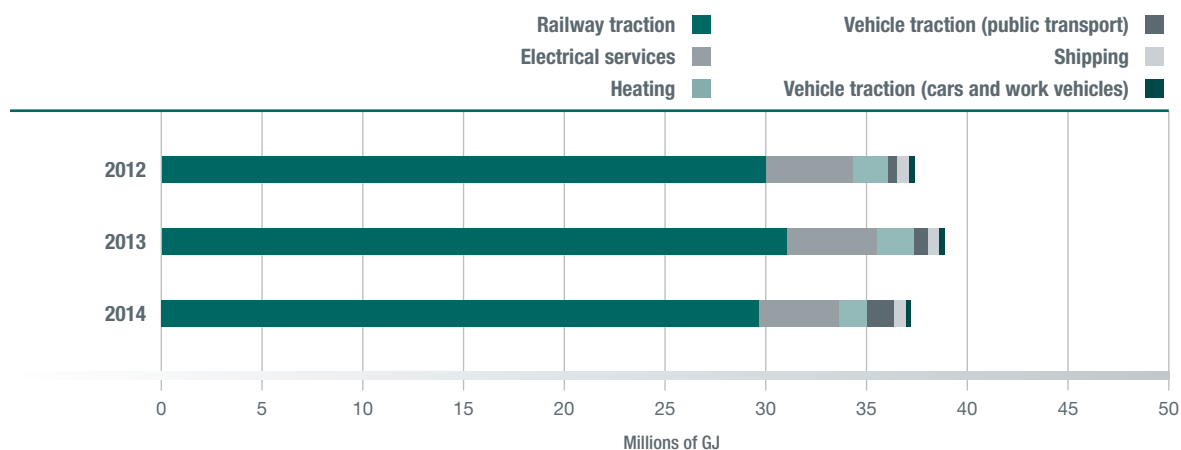
» TOTAL PRIMARY ENERGY CONSUMPTION BY TYPE OF USE¹

	2012	2013	2014	Δ 2014/2013
Railway traction	29,915,173	30,866,221	29,482,879	-4.5%
Electrical services	4,343,218	4,434,054	3,970,683	-10.5%
Heating	1,693,705	1,829,835	1,387,769	24.2%
Vehicle traction (public transport)	455,321	689,605	1,330,878	93.0%
Shipping	592,725	543,649	562,937	3.5%
Vehicle traction (cars and work vehicles)	295,222	297,874	281,897	-5.4%
Total	37,295,364	38,661,238	37,017,042	-4.3%

Amounts in GJ

¹, Energy consumption data have been processed using the following sources: Terna, International Union of Railways (UIC), Eurostat, International Energy Agency (IEA), ISPRA

» TREND IN PRIMARY ENERGY CONSUMPTION

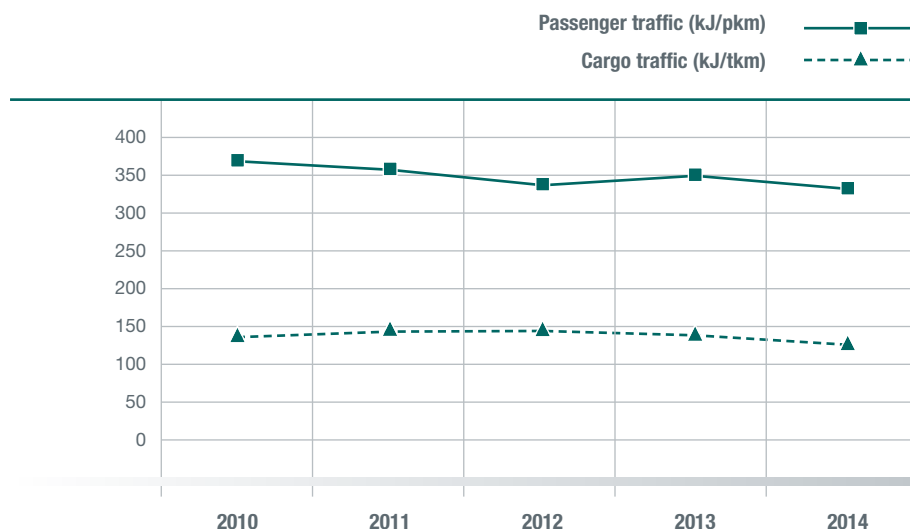




Energy consumption for railway traction, which makes up 80% of the Group's primary energy consumption, decreased by 4.5% although the total transport offer decreased by a lesser extent (1.2% drop in train-km on the Italian railway network compared to 2013) and the balance is positive compared to 2012 as well (1.4% decrease in energy used while train-km rose by 1.3%). Accordingly, the data confirm

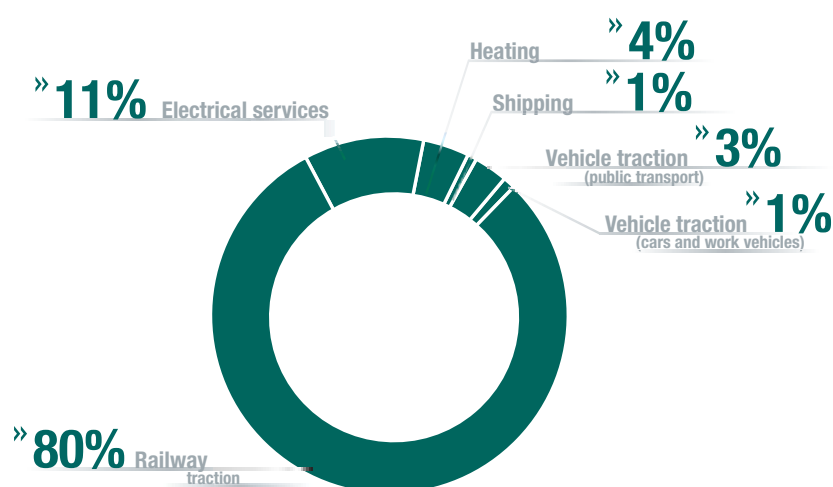
the effectiveness of rationalisation actions taken to save energy in railway operation. Nevertheless, the improvement in the trend can be traced back to a progressive decrease in train-km provided using diesel traction in addition to, for 2014, the favourable weather, which made it possible to decrease consumption for air conditioning/heating in the summer and winter on board trains.

» FINAL SPECIFIC CONSUMPTION BY RAILWAY TRACTION (TRENITALIA)



The improvement in driving style and consequent reduction in consumption are targets that the Netinera group pursues as well: as part of the Traveltainer project, which began in 2013, the testing of the digital energy monitoring system was completed. It obtains data on position and performance in real time. Moreover, the Bahnbook system, based on an online browser whereby conductors can enter a driving profile for the route, became operative. In 2015, the system will be optimised and improved to make it easier to use.

» TOTAL CONSUMPTION OF PRIMARY ENERGY BY DESTINATION (2014)



Energy use for electrical services (lighting, data processing centres, lifts, air conditioners, etc.) accounted for 11% of total energy use by type of consumption by the Group's operating companies. During the year, the Group 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.

Primary consumption for electrical services decreased by over 10% on 2013: this trend confirms the expected results following the Group companies' investments in recent years.

The main initiatives in 2014 in this respect were as follows:

- 14 Trenitalia workshops installed a remote energy consumption measurement system, so consumption can be subsequently managed on the IT platform. The new system measures in real time irregularities in consumption and takes the necessary corrective measures. Furthermore, the energy diagnosis plan continued and was extended to another seven maintenance systems;
- projects to update and rehaul lighting systems continued in the Grandi Stazioni network, with the installation of new LED devices. In addition, feasibility studies were conducted for similar projects at the Napoli Piazza Garibaldi underground station and the Napoli Centrale, Bologna Centrale and Roma Tiburtina stations;
- similar feasibility studies were conducted on a sample of 500 RFI stations. The results were useful in preparing an energy efficiency plan that provides for the replacement of lighting systems with LED technology (for platforms, underpasses, travellers' buildings and light towers) and the introduction of remote control and management systems.

- New LED lighting systems were installed in the Centostazioni network at the Bergamo, Gallarate, Milano Porta Garibaldi, Monza, Padua, Termoli and Verbania stations.

Energy consumption for heating (3.8% of the total) decreased by over 24%, a change significantly affected by the favourable weather conditions and the progressive elimination and, where possible, the replacement of diesel water heaters with natural gas or district heating water heaters, as in the case of RFI. Grandi Stazioni, Centostazioni, Ferservizi and Trenitalia carried out similar initiatives in 2014 to improve the efficiency of thermal power stations.

Sea shipping showed an overall increase in diesel consumption of 3.5%: this increase was due to Blufferies' operating schedule. RFI's consumption for shipping in the same period fell by 4.6% thanks to the roll-out of the new ferry boat, Messina, which is more energy efficient than the older boat that it replaced.

Consumption for public service road vehicle traction showed a general increase of 93% out of overall consumption, mainly due to the inclusion of Ataf Gestioni and Umbria Mobilità Esercizio within the reporting scope. Their consumption is added to that of the Netinera group and Busitalia - Sita Nord, which were already present in 2013. The four companies are committed to progressively updating their bus fleet with new vehicles that have high-efficiency engines.

Finally, consumption for road and work vehicle traction decreased by 5.4%. Rationalisation activities in this area were numerous, and included the updating of company fleets with more efficient vehicles.

The Ferrovie dello Stato Italiane Group companies are also committed to promoting the use of energy from renewable sources, noting this in tenders for the sup-

ply of electricity (Grandi Stazioni, Centostazioni and Trenitalia have signed agreements for the supply of electricity from renewable resources accounting for 20% to 100%). Furthermore, in 2014, two solar power systems were activated in Milan (Trenitalia's IMC ETR 500) and Udine (Serfer workshop), and activities began to install additional solar power systems for

Trenitalia for a total of approximately 4,500 kWp. These systems are in addition to those already operating at the Torino Porta Susa HS station, generating around 350 MWh, and the San Lorenzo hub in Rome, which generated 570 MWh in the year. FS Logistica, which manages and uses the system, consumed 46% of the 570 MWh.

» DIRECT CONSUMPTION OF ENERGY FROM PRIMARY SOURCES

	2012	2013	2014	Δ 2014/2013
A. Direct consumption of energy from non-renewable primary sources	5,537,970	6,290,707	6,448,504	2.5%
Diesel	4,212,905	4,808,032	5,041,216	4.8%
Natural gas	1,278,757	1,438,618	1,371,167	-4.7%
Petrol	17,863	16,257	14,400	-11.4%
Coal	5,507	6,290	2,209	-64.9%
LPG	7,953	7,821	6,990	-10.6%
Fuel oil	14,987	13,689	12,522	-8.5%
B. Direct consumption of energy from non-renewable primary sources	997	2,212	2,264	2.4%
Self-generated and consumed solar power	997	2,212	2,264	2.4%
EN3 Total direct consumption of energy from primary energy sources (A+B)	5,538,967	6,292,919	6,450,769	2.5%

Amounts in GJ

» INTERMEDIATE ENERGY CONSUMPTION

	2012	2013	2014	Δ 2014/2013
EN4 Indirect primary energy consumption to generate intermediate energy	31,756,396	32,368,319	30,566,273	-5.6%
Direct intermediate energy consumption	16,090,932	16,539,588	16,480,703	-0.4%
Electricity	16,069,897	16,519,365	16,455,854	-0.4%
for railway traction	13,917,370	14,309,129	14,364,059	0.4%
for other uses	2,152,527	2,210,236	2,091,795	-5.4%
Heat	21,035	20,223	24,849	22.9%
for heating	21,035	20,223	24,849	22.9%

Amounts in GJ



6.2 Emissions

GRI EN7 | EN16 | EN17 | EN18 | EN19 | EN20 | EN26 | EN29 | PR1 | PR3

In 2014, the Ferrovie dello Stato Italiane Group's total greenhouse gas emissions decreased by 7.2%, despite the expansion of the reporting scope, due to the reduction in the Group's overall consumption.

This factor is in addition to the significant decrease in specific emissions from the production of electricity.

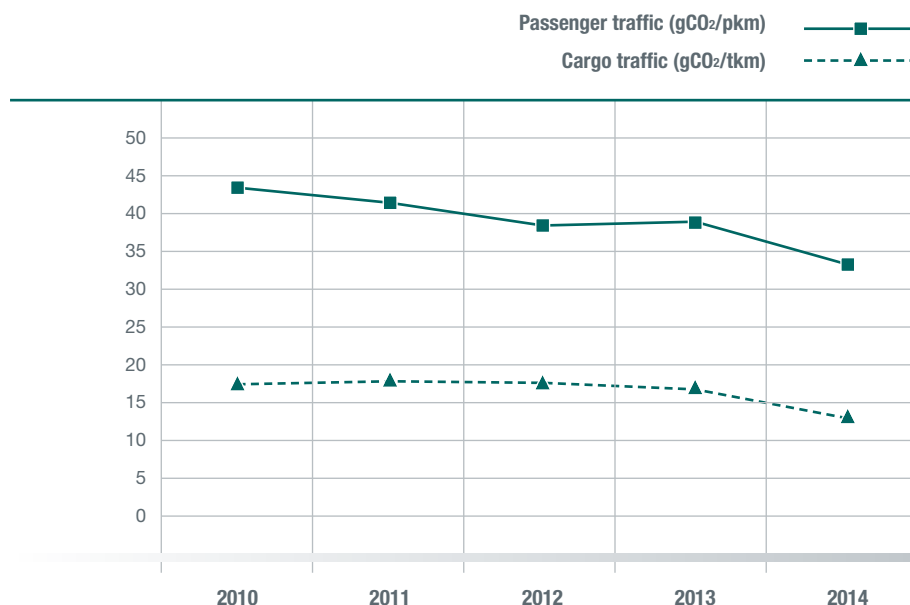
» GREENHOUSE GAS EMISSIONS¹

	2012	2013	2014	Δ 2014/2013
A. Total indirect greenhouse gas emissions	386,667	439,771	452,308	2.9%
Diesel	310,657	354,590	371,616	4.8%
Natural gas	72,585	81,906	78,066	-4.7%
Petrol	1,271	1,157	1,025	-11.4%
Coal	505	578	203	-64.9%
LPG	516	508	454	-10.6%
Fuel oil	1,133	1,033	945	-8.5%
B. Total indirect greenhouse gas emissions	1,798,155	1,816,530	1,642,154	-9.6%
Electricity	1,796,961	1,815,379	1,640,739	-9.6%
– for railway traction	1,552,792	1,569,728	1,433,290	-8.7%
– for other uses	244,169	245,651	207,449	-15.6%
Heat	1,194	1,151	1,415	22.9%
– for heating	1,194	1,151	1,415	22.9%
EN16 Total greenhouse gas emissions (A+B)	2,184,822	2,256,301	2,094,462	-7.2%

Amounts in tCO₂

1. To calculate emissions, the Group used the coefficients indicated by the IPCC "2006 Guidelines for National Greenhouse Gas inventories" and the ISPRA "National Inventory Report 2014"

» SPECIFIC CO₂ EMISSIONS FOR RAILWAY TRACTION (TRENITALIA)



The railway offer maintained nearly steady, while specific emissions for passenger and cargo transport performed well, considering the quality of the electricity acquired and the introduction of more efficient trains, such as the new regional *Jazz* trains, in addition to the replacement of diesel traction vehicles, such as electric vehicles.

In particular, Trenitalia's specific CO₂ emissions for railway traction for passenger and cargo service decreased by 14.4% and 22.7%, respectively. Overall, the trend is in line with the strategy for the railway sector.

The result of the Group's commitment in promoting and carrying out projects to mitigate its environmental impacts can be seen in the trend of CO₂ emissions from Trenitalia's industrial systems subject to the ETS (Emission Trading System) directive, down by 28% on the previous year, thereby enabling it to return emission rights to the Ministry of the Environment corresponding to 2,677 tonnes of CO₂.

In 2014, the Ferrovie dello Stato Italiane Group confirmed its commitment to replace thermal power stations based on diesel and fuel with power stations that use natural gas and district heating and progressively rationalise diesel railway traction. Overall, indirect emissions of SO₂, NO_x and PM₁₀ decreased due to the growing percentage of electricity generated from renewable sources, while direct emissions increased with the inclusion of Busitalia - Sita Nord's two road passenger transport subsidiaries (Ataf Gestioni and Umbria Mobilità Esercizio) within the reporting scope.

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» OTHER MATERIAL ATMOSPHERIC EMISSIONS¹⁻²

	2012	2013	2014	Δ 2014/2013
Total indirect emissions				
SO ₂	1,025.1	1,330.7	1,030.4	-22.6%
NO _x	1,170.4	1,345.2	1,186.0	-11.8%
PM ₁₀	43.1	44.2	39.7	-10.2%
Total direct emissions				
SO ₂	381.8	367.8	352.4	-4.2%
NO _x	4,691.9	5,339.6	5,692.4	6.6%
PM ₁₀	137.4	156.5	163.0	4.2%
Total emissions				
SO ₂	1,406.9	1,698.5	1,382.9	-18.6%
NO _x	5,862.3	6,684.8	6,878.5	2.9%
PM ₁₀	180.5	200.7	202.7	1.0%

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 "2013 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 account 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 so much of the national network is electrified: over 71%, compared to European average of 52%. By using electricity for approximately 90% of trains, Italy benefits from the mix of the national average combination, used to produce the electricity fed into the network, nearly 30% 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 and car). For cargo, on the other hand, similar comparisons can be made using Ecotransit simulations. This application is available on the website for Trenitalia's Cargo Division.

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 2014. 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 an interactive exhibition, a path towards smarter, more sustainable cities tailored to meet people's needs and, above all, free of smog. From 13 February to 27 March, in each of the 11 cities where the convoy stopped, (Palermo, Cosenza, Potenza, Caserta, Rome, Pescara, Ancona, Verona, Milan, Varese and Turin), the monitoring conducted highlighted and confirmed the main criticality in most of our cities: the unsustainability of private road transport and, consequently, the need to promote the use of public means of transport, bicycles and other innovative solutions to reduce traffic (e.g., car sharing, car pooling and telecommuting).



The “Enjoy” car sharing project continued, managed by Eni in partnership with Trenitalia and Fiat. Rolled out in Milan in December 2013, the service was also launched in Rome and Florence, bringing the current total number of shared cars to over 1,000.

Trenitalia has also developed a green travel offer, which includes accommodations in Rome and Milan in hotels with low environmental impacts and special offers for renting electric bicycles and for bike sharing.

The road transport sector also helped reduce atmospheric emissions.

17 old generation Euro0/Euro2 vehicles in Busitalia - Sita Nord's fleet were replaced with Euro5/Euro6 buses built using construction technologies and equipped with devices for low consumption and reduced emissions. The tender procedures were also concluded for the supply of new Euro6 diesel buses for the operating sites in Tuscany and Veneto.

Umbria Mobilità Esercizio updated its fleet, replacing old generation Euro0 vehicles with 11 new Euro5 buses.

Ataf Gestioni kicked off an energy consumption monitoring programme following the introduction of 64 new Euro6 diesel buses into its fleet. In addition, it began a study to evaluate the CO₂ emissions of Euro0 to Euro5 vehicles in order to highlight the reduction achieved by using new generation vehicles. Training sessions were held for drivers on the use of new technologies and ecological driving styles in conjunction with the roll-out of the more modern vehicles.

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 2014, greenhouse gas emissions resulting from travel for work were estimated to be approximately 3,607 tonnes of CO₂ equivalents¹²⁵; CO₂ was calculated considering all services booked on the centralised system and includes railway, air and road transport in addition to hotel accommodations.

Mobility Management

The main mobility management initiatives for Group employees consisted of the following:

- the preparation and updating of commuter plans in the metropolitan areas where Group mobility managers were appointed;
- sharing information on the Group's intranet to make it easier for employees to commute (including an info-mobility page that analyses in real time the status of public transport from/to the main Group sites);
- the launch of the “Organic groceries at your door”, initiative for the purchase of organic products for employees in Rome. The project entails reducing pollutant emissions by cutting back on the travel necessary for shopping and on the type of products sold, which are mainly sourced locally;
- the definition of an agreement with ATM whereby Group employees receive a discount on annual public transit passes in the city of Milan.

125. Source: Cisalpina ours.

6.3 Land

GRI 4.11 | 4.16 | 4.17 | EN1 | EN2 | EN3 | EN4 | EN7 | EN8 | EN9 | EN11 | EN12 | EN13 | EN14 | EN15 | EN21 | EN22 | EN25 | EN26 | EN30 | EC8 | SO1 | SO9 | SO10 | PR1 | PR3

Making the most of the land: design

The environmental impact assessment, service conference and 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.

Specifically, Italferr's approach consists of preparing an environmental pre-feasibility study for a project that:

- checks the project's compatibility with the provisions of any general or sector 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 site work, 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 monitors 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. In this context, to ensure systematic dialogue with all players involved in the construction of large works, such as railway infrastructures, with Italferr's support, RFI involves local communities by sponsoring technical talks or 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 the SIGMAP (geographical environmental and project information monitoring system) database. 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: construction new infrastructures

The construction of new infrastructures is a complex stage for Italferr, particularly given the potential environmental repercussions on the land where the projects are being carried out.

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 infrastructures¹²⁶. 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

	2014
Earth - Procurement	8,250,873,300
Earth - Reuse	1,820,642,730
Concrete	1,498,267,660
Inert material	1,644,663,970
Steel for railway superstructure	6,768,000
Steel for railway technology systems	3,128,000
Stone	272,410,270
CAP sleepers	30,869,800
Iron	64,747,190
Aluminium	2,100,000
Cast iron	62,730
Copper	125,000
Lubricants	30,402
Technical gases	11,457
Electrodes for welding	15,110
Fluorescent light bulbs	373
Industrial batteries	6,670
Paint	2,500

Unit of measure in kg

126. The reported data refers to a sample of about 50% of the main sites. In particular, it includes the following sites: Catania Ognina-Catania Centrale, the Fiumetorto-Ogliastrillo section, the Genoa hub, the HV Bologna station, the Treviglio-Brescia section, closure of the Brandizzo railroad crossing, closure of the Chivasso railroad crossing, closure of the Val di Susa railroad crossing, Castelpiano-Montecarotto section, Cattolica tunnel, noise reduction on the Pioltello-Treviglio line, Milan-Genoa line, repair of the Povo Mesiano stop, Ancona command and control device, Palermo command and control device, Palermo command and control system, Lercara tunnel, Brescia hub (contracts 1 and 2), Roma Tiburtina HS station, Grosseto command and control device, Livorno command and control device, Bari-Bitetto, Palermo hub, Bologna lot 15, Florence hub.

» WASTE PRODUCED

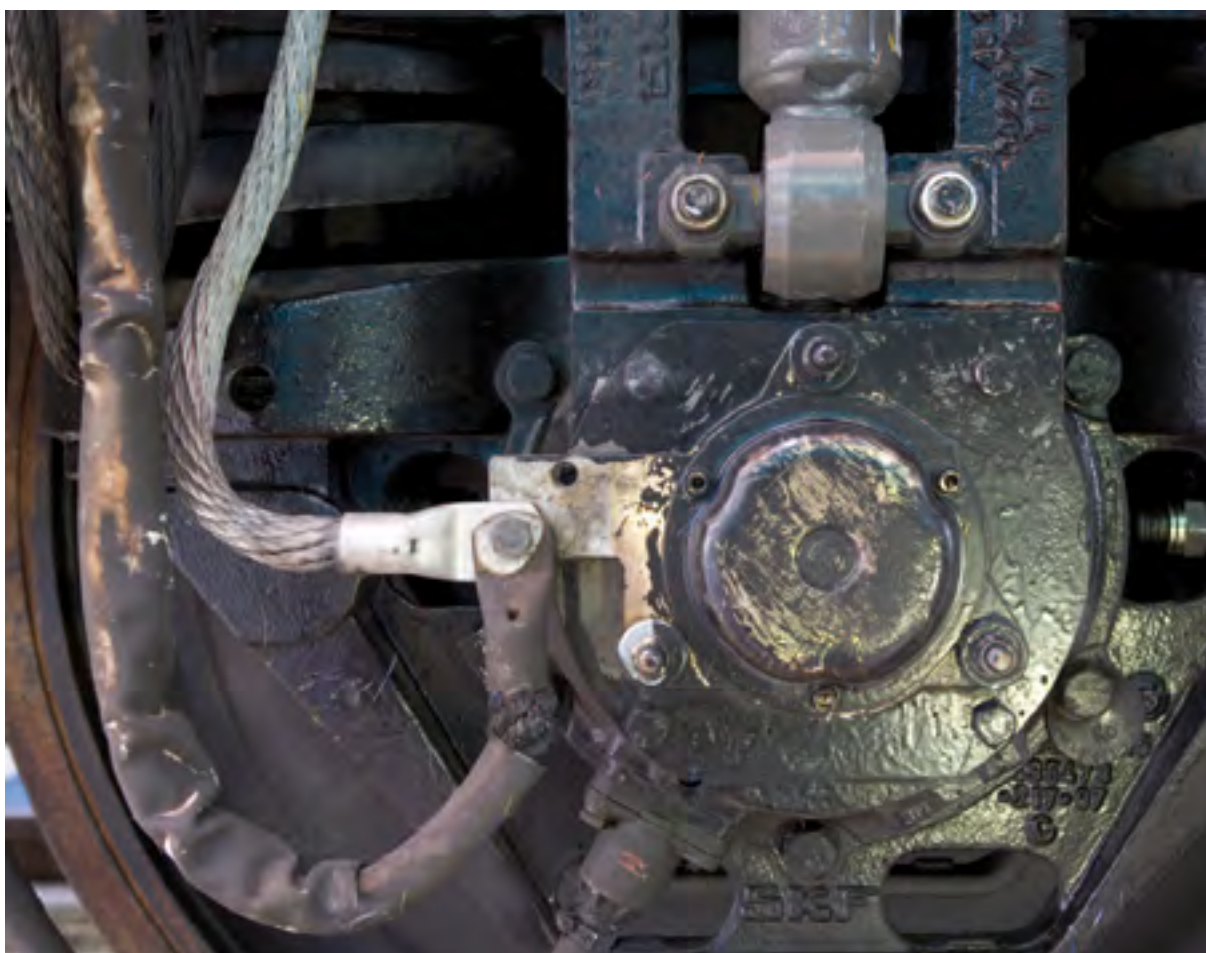
	2014
Non-hazardous special waste	1,362,591
Hazardous special waste	12,287
- Hazardous special waste - asbestos	1,659

Valori in tonnellate

» WASTE SENT FOR DISPOSAL OR RECYCLING

	2014
Non-hazardous special waste sent for recycling	1,127,803
Non-hazardous special waste sent for disposal	234,791
Hazardous special waste sent for recycling	452
Hazardous special waste sent for disposal	11,837

Valori in tonnellate



» WATER WITHDRAWN

	2014
Water withdrawn from the aqueduct for non-industrial use	94,193
Water withdrawn from the aqueduct for industrial use	74,947
Water withdrawn from bodies of water for industrial use	13,686
Water withdrawn from the water table for industrial use	28,237

Unit of measure in m³

» DRAINED WASTEWATER

	2014
Industrial wastewater sent to sewers	97,000
for treatment	96,000
Industrial wastewater sent elsewhere	723,005
for treatment	723,005
Domestic wastewater sent to sewers	58,570
Domestic wastewater sent elsewhere	6,832

Unit of measure in m³



No significant amounts of water (i.e., more than 5% of total water volumes) were withdrawn from sources located in protected areas.

Moreover, in the design and construction of infrastructural works, Italferr and RFI 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 UNI EN ISO 14064-1 standards 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 productions of cement and steel outweigh total CO₂ emissions during construction. In this respect, a contractual specification was defined in 2014 on which to base a rewards system for contractors that tangibly contribute to cutting CO₂ emissions.



Many site management measures have been taken to reduce energy consumption, including the use of energy-efficient light bulbs.

» PRIMARY ENERGY CONSUMPTION

	2014
Electricity	158,249
Diesel for road and work vehicles	491,862
Petrol for road and work vehicles	442
Natural gas for heating	514
Total	651,067

Values in GigaJoule

In 2014, the costs incurred for environmental monitoring totalled roughly €5 million, while the costs of environmental reclamation, including soil reclamation, came to approximately €0.8 million.

» GREENHOUSE GAS EMISSIONS¹

	2014
Energy consumption	31
Diesel for road and work vehicles	35,981
Petrol for road and work vehicles	29
Natural gas for heating	54
Total	36,096

Values in CO₂

1. To calculate emissions, the Group used the rates indicated in the IPCC's "2006 Guidelines for National Greenhouse Gas Inventories" and the ISPRA's "National Inventory Report 2014"



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.

The Ferrovie dello Stato Italiane Group is aware of the fragility of the ecosystems where it conducts its activities and, for this reason, has made safeguarding biodiversity a top priority.



The following table summarises the main data for Italferr's projects in 2014.



	USE OF SOIL IN PROTECTED OR HIGH-BIODIVERSITY AREAS	ENVIRONMENTAL IMPACTS IN PROTECTED OR HIGH-BIODIVERSITY AREAS	PROTECTED OR RESTORED HABITATS	STRATEGIES AND PROGRAMMES TO PROTECT BIODIVERSITY	PROTECTED SPECIES IN AREAS AFFECTED BY OPERATIONS
Preliminary plan for the Messina- Catania line Laying of double tracks on the Giampileri- Fiumefreddo section	<p>SIC ITA030036 "Alcantara River Natural Reserve" covers a surface area of 980 hectares.</p> <p>The railway line provides for repairing a 1050-metre long viaduct.</p> <p>A 120-metre long bridge has been designed to cross the river and its banks.</p> <p>The three site areas involved in the construction of works across the Alcantara River, AT07.1, AS03.1 and AT08.1 fall outside the site of EU interest.</p> <p>Given the project's configuration and the location of the sites, the work and the spaces where the processing will be carried out are not expected to directly eliminate habitats of EU interest.</p> <p>At the same time, as they do not directly occupy any habitats, there is no reason to believe they will be fragmented.</p>	<p>On a precautionary basis, the potential interference on habitats at the base of the bridge during processing and site activities has been considered.</p> <p>This interference could damage vegetation (cutting brush, dispersion of pollutants, temporary deposits of materials).</p> <p>To assess the extent of the interference and to quantify the extension of the areas involved, the processing is expected to affect an estimated surface area of 1560 m².</p> <p>The three habitats present are expected to be altered by less than 0.1 % with respect to the habitat's total area in the site of EU interest.</p> <p>Accordingly, the materiality level for the habitat is considered negligible.</p>	<p>Given the prestige of the landscape in this area and to support the guidelines of the management plan for the site of EU interest, in terms of preserving the vegetation along the banks of the river, landscape/ environmental projects have been planned, including wooded and shrub brush along the banks of the Alcantara river.</p>	<p>The environmental impact assessment procedure is being initiated with public participation.</p>	<p>Common kingfisher (<i>Alcedo atthis</i>)</p> <p>Purple heron (<i>Ardea purpurea</i>)</p> <p>Eurasian bittern (<i>Botaurus stellaris</i>)</p> <p>Western marsh harrier (<i>Circus aeruginosus</i>)</p> <p>Great egret (<i>Egretta alba</i>)</p> <p>Little egret (<i>Egretta garzetta</i>)</p> <p>Little bittern (<i>Ixobrychus minutus</i>)</p> <p>Black-crowned night heron (<i>Nycticorax nycticorax</i>)</p> <p>Little crane (<i>Porzana parva</i>)</p> <p>Spotted crane (<i>Porzana porzana</i>)</p> <p>Pond turtle (<i>Emys trinacris</i>)</p>



	USE OF SOIL IN PROTECTED OR HIGH-BIODIVERSITY AREAS	ENVIRONMENTAL IMPACTS IN PROTECTED OR HIGH-BIODIVERSITY AREAS	PROTECTED OR RESTORED HABITATS	STRATEGIES AND PROGRAMMES TO PROTECT BIODIVERSITY	PROTECTED SPECIES IN AREAS AFFECTED BY OPERATIONS
Preliminary plan - Munich- Verona railway axis Southern access to the Brennero tunnel Laying quadruple tracks on the Fortezza Verona Lot 4 line, entry to Verona	Site IT3210043 of EU interest, i.e., “Adige River between Belluno Veronese and West Verona” covers a surface area of 476 hectares. The planned track is approximately 9.5 km long in total and interferes with site IT3210043 where it crosses the Adige River due to the construction of the Nassar viaduct (VI02). The location for the sites was selected in order to avoid interfering with the Nature 2000 site.	The analyses of the area between the work and the protected areas do not show that the construction will have any impact.	It is necessary to redevelop the vegetation in the area under the Nassar viaduct, where the flora has deteriorated due to the two invasive species: <i>Broussonetia papyrifera</i> and <i>Robinia pseudoacacia</i> . Furthermore, a broader ecological restoration project is planned, as habitat 91E0* – the <i>Alnus glutinosa</i> and <i>Fraxinus excelsior</i> (<i>Alno-Padion</i> , <i>Alnion incanae</i> , <i>Salicion albae</i>) rain forests – is currently poorly conserved with respect to the vast presence of exotic species, and the area between the viaduct and the Boscomantico estate is fragmented.	The environmental impact assessment procedure is being initiated with public participation.	There are no protected species in the area.

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 2014, to obtain the local archaeological superintendent's opinions, archaeological studies were carried out on the following projects: Turin-Milan line, Croso Grosseto-Stura, noise dampening projects and GZP¹²⁷ for Milan-Lambrate, technological upgrade to Rubiera, Lot 4 entry to Verona, HS entry to Verona, technological upgrade to the Chiasso-Monza line, multi-function portals, Genoa Gate, infrastructural upgrade to Orte-Falconara, Fabriano double tracks, technological upgrade to the Campoleone-Priverno section, double tracks on the Aprilia-Campoleone section, increasing the speed of Metaponto-Sibari, electrification of Potenza-Foggia, multi-station interlocking system¹²⁸ in Lecce, interlocking system¹²⁹ at Bari Centrale, Giampilieri-Fiumefreddo section and double tracks on Catenanuova-Raddusa, Roccapalumba-Marianopoli section.

During the year, Italferr also directly carried out work to design and conduct the following surveys/archaeological digs and specialised analyses: NRP¹³⁰ Sesto Fiorentino, North lot; VMS¹³¹ Bologna, revolving platform; Roma San Lorenzo, trench lathe; updating the HS Rome-Naples tunnels to safety standards; technological upgrade in Naples; Naples-Bari route along the Cancelli-Frasso, Naples-Cancelli, Frasso-Vitulano sections; Afragola HS station; cancellation of the Naples-Battipaglia line RX¹³² in Pontecagnano; laying of the double track on the Cervaro-Bovino line, Sant'Andrea Bitetto section, updating the Potenza-Foggia line, Bari hub, southern section; Metaponto-Sibari-Sant'Antonello intersection line; Bicocca-Catenanuova section; Catenanuova-Raddusa Agira section.

In addition, 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. In the first half of the year, these activities were performed with specific regard to the laying of the double track on the Cervaro-Bovino section and the Bari Sant'Andrea-Bitetto section.

127. General zoning plan.

128. Computerised multi-station central unit.

129. Computerised central unit.

130. Noise reclamation plan.

131. Voltage maintenance system.

132. Railroad crossing.

6.4 Waste

GRI EN22 | EN24 | EN26

Indicators show a slightly downwards trend in the production of waste (-3.4% on 2013) which is explained by the analysis of data for the two main companies, RFI and Trenitalia, which account for 96.4% of the Group's total value. Indeed, RFI produces about 64% of all the Group's special waste, with substantially steady volumes over the years as its activity, i.e., infrastructure network maintenance is what generates most special waste. Although Trenitalia generated roughly 33% of total waste in 2014, its production of special waste fell by 24.6% on

2013. In particular, the reduced demolition of railway carriages to transport cargo resulted in a decrease in the amount of non-hazardous special waste produced (identified as waste consisting of retired vehicles).

The percentage of special waste sent for recycling out of total waste, which decreased on 2013, is higher than that in previous years, demonstrating that the rationalisation and improvement of waste management activities within the scope of the Group companies' management systems are having progressively positive effects.

» WASTE PRODUCED BY THE FERROVIE DELLO STATO ITALIANE GROUP

	2012	2013	2014
Waste classified as urban waste	1,920	2,470	4,442
sorted waste	429	1,177	2,606
Non-hazardous special waste	136,076	180,327	168,873
Hazardous special waste	40,413	40,689	42,572
Total waste produced	178,409	223,486	215,887

Values in t

» WASTE SENT FOR DISPOSAL OR RECYCLING BY THE FERROVIE DELLO STATO ITALIANE GROUP

	2012	2013	2014
Total waste special	t 176,400	222,460	211,299
sent for recycling	88%	92%	94%

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 (paper and plastic) at the Ferrotels and has renewed the memorandum of understanding with AMA SpA for the "Larger User" sorted waste service provided at the headquarters in Via Tripolitania, Rome¹³³.

133. In July 2013, Ferservizi received "Triple R" recognition, which is awarded when all stages of the sorted collection of waste, from communication to conferral, are carried out correctly.

Centostazioni has also signed a pilot partnership agreement with AMA SpA for its Rome offices to improve sorted waste. Grandi Stazioni has commenced a process to upgrade its centralised waste collection areas, beginning with the redevelopment of those in the Napoli Centrale station, to ensure better control over the conferral and sorting of waste. It has devoted specific attention to waste produced by the commercial operations in the network's redeveloped stations¹³⁴.

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.

» WASTE PRODUCED BY THIRD PARTIES ON BEHALF OF THE FERROVIE DELLO STATO ITALIANE GROUP¹

		2014
Waste classified as urban waste ²	t	19,692
sorted waste		13%
Non-hazardous special waste	t	10,291
sent for recycling		90%
Hazardous special waste	t	699
sent for recycling		30%

1. Excluding waste produced at the sites for new railway lines, which is covered in the paragraph on "Land"

2. Including the waste collected at the main railway stations

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.

» HAZARDOUS WASTE TRANSPORTED ON BEHALF OF THIRD PARTIES UNDER THE BASEL CONVENTION

	2012	2013	2014
Waste sent for recycling	359,106	322,044	159,509
Waste sent for disposal	97,275	64,485	41,840

Values in t

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

		2012	2013	2014
Non-hazardous waste	t	139,158	145,899	90,953
transported on behalf of third parties		100%	100%	100%
Hazardous waste	t	58,307	25,543	24,498
transported on behalf of third parties		91%	83%	92%

134. The Milano Centrale, Napoli Centrale, Torino Porta Nuova, Bologna Centrale, Roma Termini, Venezia Santa Lucia, Genova Brignole and Piazza Principe stations.

6.5 Noise

GRI EN26 | EN30

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.

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, production requirements permitting.



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 2014, feasibility studies or environmental impact studies were carried out in addition to preliminary or definitive plans for nearly 30 km of acoustic barriers. The following table provides a summary of the results of Italferr's activities relating to new lines, in terms of both the design and the construction of solutions to mitigate railway noise.

	2012	2013	2014
Design of acoustic barriers	77,200	49,320	29,500
Acoustic barriers built	1,714	0	4,102

Values in m



RFI, in investing substantial resources for projects to maintain and improve the existing network (new technologies for train traffic, electrification, double tracks, redevelopment of stations, maintenance, etc.) and for new railway infrastructures (new lines and new systems for passenger and cargo traffic, including intermodal solutions), does not underestimate the effects of noise impacts.

Since 2004, RFI is committed to the acoustic mitigation of operating railway infrastructures, in accordance with that approved by the Unified Government-Region Conference and the provisions of the acoustics reclamation plan. The plan, which covers 15 years and provides for a cost of roughly €8.3 billion, entails the construction of approximately 3,650 km of noise dampening barriers along the railway lines throughout the entire country and around 3,260 direct projects on isolated or sensitive receivers.

In the first four years, 428 projects were carried out under the plan. Progress in 2014 is summarised below:

- 45 projects at an advanced stage or completed;
- 320 projects commenced, including:
 - 88% design completed;
 - 9% design in progress;
 - 3% design beginning;
- another 63 planned projects, including:
 - 29 postponed by the regions;
 - 34 suspended because they were already part of other projects/programmes.

In 2014, RFI built about 14.5 km of noise dampening barriers. The following provides a summary of RFI's results (cumulative figures by year):

	2012	2013	2014
Acoustic barriers being approved	345,800	335,686	336,403
Acoustic barriers under construction	54,430	54,430	39,878

Values in m

With specific reference to the noise mitigation requirements established for the infrastructure operator, in 2014:

- "Technical specifications for the design of noise dampening barriers for railway use" were issued;
- the first stage of the inspection of the acoustic simulation software INAC 3D was completed, with inspection slated to end by 2015;
- the construction of the extension of noise dampening barriers in the autonomous province of Trento was completed. The original barriers were built in 2012, and now the reclamation plan pursuant to the Ministerial decree of 29 November 2000 has been fully implemented. The deadline for the work is the first half of 2015;

- preliminary activities for the issue of the next update of RFI's acoustic reclamation plan pursuant to the Ministerial decree of 29 November 2000 were completed. The update, scheduled for 2015, will be made on the basis of the observations, opinions and requests from public and private bodies downstream from the activities carried out pursuant to Legislative decree no. 194/2005 "Implementation of Directive 2002/49/EC relating to the determination and management of environmental noise".

Overall, the acoustic impact controls that Italferr and RFI conducted led to the installation of over 370 km sound absorption barriers and a number of direct projects on isolated receivers.

	2012	2013	2014
Total projects carried out to mitigate infrastructure sound (total cumulative length per year on the traditional and HS line)	353,714	353,714	372,368

Values in m

Trenitalia did not perform any mitigation projects in 2014 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.



6.6 Other impacts

GRI EN8 | EN9 | EN10 | EN21 | EN23 | EN26 | EN30 | PR1

Management of potentially contaminated sites

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 alternation 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 section for environmental reclamation in which the reclamation and recovery procedures can be checked and planned.

In 2014, 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 Grosseto station, the Napoli Centrale station, the Domodossola railway hub, the Milan Segrate shunting centre, the Settingiano-Catanzaro Lido section, the Campoleone-Villa Literno section, the railway connection between Porto of Taranto and the national network and the Isernia railway area.

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 (for the Santa Maria la Bruna site of national interest, technical specifications for the tender to award a contract were prepared).

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 18 RFI sites were involved in reclamation processes in 2014, fewer than in 2013, as projects underway in the previous year were completed. They affected events that can be considered modest in terms of their extension and type of pollution. The costs incurred for environmental recovery, which are included under reclamation costs, came to approximately €2.6 million. Finally, in 2014, there were no material spills of pollutants in connection with the Ferrovie dello Stato Italiane Group companies' activities.

Water

There was a slight decrease in the overall volume of water withdrawn compared to the previous year. Indeed, a number of initiatives were 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. In addition, Trenitalia plans to build water recycling systems in 2015 at two pilot sites (Napoli Gianturco and Mestre). No Group companies withdrew significant amounts of water from sources located in protected areas, i.e., withdrawals of water making up more than 5% of total withdrawn water.

» WITHDRAWALS BY USE AND SOURCE

		2012	2013	2014
Industrial use	m³	3,099,932	3,345,435	3,242,765
from aqueducts		46.0%	39.1%	46.7%
from the water table ¹		52.7%	59.4%	51.9%
from bodies of water		1.3%	1.5%	1.4%
Civil use	m³	22,652,208	21,034,213	20,444,212
from aqueducts		46.4%	41.1%	41.9%
from the water table ¹		53.6%	58.9%	58.1%
Total water withdrawn	m³	25,752,140	24,379,648	23,686,977

1. Withdrawal of water from the water table and sources

The summary provided in the table on water withdrawals shows the significant predominance of volumes for non-industrial use (offices, bathrooms and workshop showers, fountains at stations, etc.) out of total consumption. Industrial consumption trends reflect a shift in volumes from underground sources

(wells and springs) to public aqueducts, partly due to the changes in RFI water procurement requirements and partly due to the progressive replacement of water procurement at RFI and Trenitalia from underground water sources to water sourced from the public water grid.



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.

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. 152/06. On the other hand, the water used to wash trains in the workshop yards is considered industrial wastewater and is suitably treated before being drained in the sewers.

» WITHDRAWALS BY USE AND SOURCE

		2012	2013	2014
Wastewater sent to sewers	<i>m</i> ³	22,169,602	21,091,704	19,834,291
water treated beforehand		4.7%	5.1%	4.8%
Wastewater sent elsewhere	<i>m</i> ³	262,629	442,591	363,561
water treated beforehand		81.6%	84.1%	89.2%

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 measures the electromagnetic fields of rolling stock to prepare risk assessments pursuant to Legislative decree no. 81/2008. Within the scope of the continuous improvement of the company's integrated management system, a new specification was defined for the management of the electromagnetic fields of fixed and moving systems in 2014.

With respect to the 50 Hz electromagnetic fields generated by the power lines and systems, RFI constantly monitors voltage on its high voltage lines and reports the values to the relevant ARPA (environmental agency) offices. As for trains, testing in the conductor's cabin, on operating trains and outside trains held in the workshop for maintenance, present an overall profile that is in line with the legislative requirements for occupational exposure to electromagnetic fields.



Treni

Trains



Binari 1-6



Uscita

Exit



C.so Bolzano

Icons for accessibility: wheelchair, stroller, baby carriage, and a person with a cane.



C.so Inghilterra



**Fermata
Porta Susa**



**Biglietti
Tickets**



FRECCIA CLUB



Polfer



Annexes: Individual company attachments

Business identity

Corporate Governance

Economic responsibility

Product liability

Social responsibility

Environmental responsibility

Ferrovie dello Stato Italiane SpA

GRI 1.2

Environmental highlights

»» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Energy consumption	<i>MWh</i>	6,729	6,608	6,176
Natural gas	<i>Sm³</i>	322,590	356,990	275,760

Comments on the trend

Energy consumption relates mainly to the management of the building housing the central headquarters in Villa Patrizi, Rome. The trend in consumption is not linear and is impacted by weather conditions and, accordingly, varying needs for air conditioning.

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	3,414	3,387	2,783

»» WATER

		2012	2013	2014
Withdrawals for non-industrial use	<i>m³</i>	136,635	135,267	140,266

Comments on the trend

The figures in the table mainly refer to water withdrawals by the Villa Patrizi site in Rome, where the central structures of the main Ferrovie dello Stato Italiane Group companies operate. The growth trend is due to a leak detected in 2014, which was only partially offset by the decrease in consumption by the Trieste site. Consumption tracking and monitoring have begun to note any irregularities or leaks immediately.

» WASTE

		2012	2013	2014
Hazardous special waste	t	-	1.02	1.25
Non-hazardous special waste	t	-	2.96	10.15
Special waste sent for recycling		-	100%	100%

Comments on the trend

The figures in the table refer to waste produced by the Villa Patrizi site in Rome, where the central structures of the main Ferrovie dello Stato Italiane Group companies operate. The data show a growth trend due to the greater volume of non-hazardous special waste produced by the replacement of furniture in the rooms used by personnel.

WHAT WE HAVE ACCOMPLISHED

The company has extended the scope of application of the environmental management system by certifying all its operational and management processes in accordance with ISO 14001 standards.

The revised governance model for the Group companies' environmental management system was issued and the environmental guidelines were updated to ensure the alignment of environmental management throughout the Group.

The document audits required by the governance model were completed for five operating companies.

The start of renovation work on the central headquarters, including the installation of centralised air conditioning, was postponed. However, the environmental management system was integrated to include a specific monitoring process and a mitigation plan was launched for impact on logistics.

Development continues on the IT solution (SuPM – Sustainability Performance Management) for sustainability planning, monitoring and reporting. The Sustainability Reporting scope has grown since the previous year to include additional Group companies (Bluferries, Ataf Gestioni and Umbria Mobilità Esercizio).

WHAT WE AIM TO DO

As part of the environmental sustainability plan, the parent plans to audit its Italian suppliers in 2015.

In accordance with the revised version of the governance model, environmental targets will be added to the next strategic plan.

In order to ensure the proper environmental management of the Group companies' proprietary assets, a new set of guidelines will be issued in 2015.

Renovation work is slated to start in 2015 on Villa Patrizi, including, among other things, the replacement of around 2,000 air conditioners with a more modern and efficient centralised air conditioning system.

Start of the print management system for the centralised management of printers and multi-function devices and to monitor employees' consumption of toner and paper.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.

RFI

Environmental highlights

»» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel	<i>t</i>	27,486	24,605	16,785
Energy consumption ¹	<i>MWh</i>	424,699	435,816	400,829
Natural gas	<i>Sm³</i>	10,426,565	11,611,908	8,029,684

1. Including the electricity produced and consumed by solar power systems.

Excluding high voltage electricity absorbed by the railway companies' trains operating on the national network

Comments on the trend

RFI has implemented rationalisation and monitoring measures that have led to reduced consumption and cost savings in the procurement of energy. The measures taken consist of: replacing diesel systems with others that run on natural gas and updating natural gas systems with other, more highly efficiency systems; introduction of heat pumps in offices; streamlining the car fleet; and centralising supply agreements.

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	286,871	281,200	217,215

»» WATER

		2012	2013	2014
Withdrawals for non-industrial use	<i>m³</i>	17,620,433	16,734,766	17,092,223

Comments on the trend

The trend is in line with procurement requirements relating to the performance of activities. Improvements are planned in the monitoring of data on consumption in terms abduction from wells and springs.



» WASTE

		2012	2013	2014
Hazardous special waste	<i>t</i>	32,681.8	34,412.5	36,311.1
Non-hazardous special waste	<i>t</i>	92,063.5	91,845.2	101,602.1
Special waste sent for recycling		97%	97%	98%

Comments on the trend

The production of waste is closely linked to routine and non-routine maintenance work volumes on all railway infrastructure components (the superstructure, tracks, contact lines, etc.). The waste indicated in the table mainly consists of steel from the tracks and copper from the contact lines. The percentage of special waste sent for recycling is high, and shows growth on 2013.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.

RFI's subsidiaries

Environmental highlights

» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel ¹	<i>t</i>	1,220	1,195	6,803
Energy consumption	<i>MWh</i>	2,580	2,853	2,296
Natural gas	<i>Sm³</i>	15,593	0	0

1. The 2014 figure includes diesel for the subsidiary Blufferies' navigation

Comments on the trend

Terminali Italia

The reduction in diesel consumption in 2014 is due to the rationalisation of the terminal network that the company manages directly, a process that entailed the transfer of certain activities. With respect to electricity, the reduction in consumption was due to machine downtime in order to perform maintenance on the portal cranes. The elimination of natural gas consumption was due to the discontinuance of utilities in the company's name, with contracts transferred to the succeeding companies to which the company assigned management of certain terminals in the network.

Blufferies

Diesel consumption grew in 2014 in close connection with the operating schedule, which entailed an increase in Tremestieri-Villa San Giovanni connections.



» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	4,926	4,911	23,222

» WATER

		2012	2013	2014
Withdrawals for non-industrial use	<i>m³</i>	0	0	1,888

Comments on the trend

Terminali Italia

Terminali Italia's only utilities contracts in its name are for the Milan shunting site and the third Verona module, which is owned by QETG. These utilities contracts relate to the functioning of the fire prevention systems, which, once they have been filled, do not entail any water withdrawals (unless they are used for an emergency).

» WASTE

		2012	2013	2014
Hazardous special waste	<i>t</i>	74	43	172.3
Non-hazardous special waste	<i>t</i>	155	82	208.5
Special waste sent for recycling		30%	73%	78%

Comments on the trend

Terminali Italia

The increase in waste production in 2014 was due to non-routine maintenance and reclamation.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.

The data include amounts reported by the two subsidiaries Terminali Italia and Blufferies, which were included in the scope of the 2014 Sustainability Report.



WHAT WE HAVE ACCOMPLISHED

RFI

As part of the energy efficiency project, RFI assessed the financial feasibility of adopting LED technology for lighting systems at about 500 stations.

A retirement/replacement plan was created for thermal stations fuelled by diesel, which were mainly used to heat work areas, with more energy efficient systems (natural gas/district heating).

The GreenNebula system was rolled out, i.e., the cloud to manage the authorisation of entities assigned waste management services. In 2014, approximately 70% of the authorisations were input and validated.

With respect to sound pollution, the first stage of the INAC 3D software inspection was completed. This is a digitalised system that integrates the acoustic simulation system to consider the design of noise dampening barriers.

A training course was held for Project Engineers in the Investment Department on the “Managing of environmental aspects in investing”. The aim of the course was to provide the necessary information to monitor environmental aspects when planning and carrying out investments.

Preliminary activities were carried out to update the acoustic reclamation plan, which RFI prepared pursuant to the Ministerial decree of 29 November 2000. The update will be made on the basis of the observations, opinions and requests from public and private bodies affected by the railway infrastructure’s noise emissions.

Terminali Italia

Departing train loading lists were automated at the Verona and Segrate sites using vehicle tablets, concurrently speeding up acceptance, streamlining the intermodal transport unit tracking procedures and reducing the consumption of paper considerably.

Work was carried out to reduce light pollution produced by the light towers at the Verona terminal and the sound pollution created by activities at the Milan shunting hub.

Blufferries

In 2014, the company implemented its own safety and environmental pollution and prevention management system pursuant to the international safety management code adopted with EU regulation no. 336/2006 and the European Parliament and Council.



WHAT WE AIM TO DO

RFI

Following the financial assessment carried out in 2014 concerning the adoption of LED technology for lighting systems in the network stations, a tender will be published for the implementation of an energy efficiency project.

A plan will be carried out to replace thermal systems running on diesel with more energy efficient systems presenting a lower environmental impact.

The railway companies' and RFI's electricity consumption and cash outflows will be managed separately and independently, making it possible to more efficiently monitor the actual use of energy.

A digital system called Atlantide will be rolled out to manage both non-hazardous waste through the filling out of loading and unloading ledgers and forms and hazardous waste using SISTRI, in accordance with the interoperability specifications defined by the Ministry of the Environment.

An update will be made to the acoustic reclamation plan that RFI has prepared pursuant to the Decree of the Ministry of the Environment of 29 November 2000.

A revision has been scheduled for the executive plan for the standard HS noise dampening barrier for railway use pursuant to Ministerial decree of 14 January 2008 (technical construction regulations).

The second and final stage of the INAC 3D acoustic simulation software inspection will be completed. At the same time, a design manual will be prepared for noise dampening barriers.

Also with respect to noise pollution, an experimental sound reduction and track vibration mitigation system will be launched.

Terminali Italia

The company expects to receive safety management system certification.

Extraordinary cleaning will be carried out on all operating vehicles using third party companies at all terminals in accordance with current environmental legislation and safe conditions will be restored (floors, signs, etc.) at the Segrate, Bari and Catania sites.

The company will continue to participate in the integrated logistics platform for an integrated transport system that enables it to streamline operations, improve the services it offers and considerably reduce the use of paper.

Blufferries

As part of the safety and environmental pollution prevention management system, the training programme for the company's operating personnel will focus more on environmental issues (e.g., management of environmental emergencies such as spillage of products during on-board activities and the disposal/recycling methods for waste collected on board) , in complete compliance with procedures.



Trenitalia

Environmental highlights

» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel	<i>t</i>	55,131	54,412	46,034
Total electricity	<i>MWh</i>	3,804,878	3,992,867	3,746,274
for railway traction	<i>MWh</i>	3,720,203	3,910,433	3,670,262
for other uses	<i>MWh</i>	84,675	82,434	76,012
Natural gas	<i>Sm³</i>	20,132,634	21,465,122	15,960,292

Comments on the trend

The containment of electricity consumption, such as the decrease in the consumption of diesel, is mainly connected with railway production volumes, which fell in 2014 compared to 2013. The trend in natural gas in the past two years was affected by weather conditions, which were particularly mild in the winter, as well as, to a lesser extent, the retirement of certain systems.



» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	t	1,745,415	1,745,522	1,493,886

» WATER

		2012	2013	2014
Withdrawals for industrial use	m ³	3,061,381	3,283,727	3,182,306
Withdrawals for non-industrial use	m ³	1,405,486	1,159,249	997,637

Comments on the trend

In the 2013-2014 two-year period, the volume of water withdrawn for industrial use was substantially steady (-3%), while, following the gradual closure of certain wells, the mix of withdrawal sources changed, as water withdrawn from aqueducts increased and that withdrawn from the water table decreased. Withdrawals for non-industrial use saw a 14% decrease due to the maintenance of water grids and the consequent reduction in and prevention of leaks.

» WASTE

		2012	2013	2014
Hazardous special waste	t	6,900.8	5,625.4	4,211.1
Non-hazardous special waste	t	42,781.7	87,643	66,150.2
Special waste sent for recycling		66%	85%	86%

Comments on the trend

The reduction in Trenitalia's hazardous special waste was due to the outsourcing of certain maintenance activities and the containment of railway production in 2014, mainly in relation to regional transport services.

On the other hand, in 2014, non-hazardous special waste decreased due to the reduced demolition of obsolete cargo transport carriages which, in 2013, caused a peak in the quantities of ferrous materials to be sent for recycling.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.

Trenitalia's subsidiaries

Environmental highlights

»» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel	<i>t</i>	1,889	1,996	2,159
Total electricity	<i>MWh</i>	146,308	157,348	175,596
for railway traction	<i>MWh</i>	145,733	156,768	175,004
for other uses	<i>MWh</i>	575	580	592

Comments on the trend

The increases in diesel consumption essentially refer to the growth in the subsidiary Serfer's business volumes for shunting services.
On the other hand, the growth in electricity consumption was mainly due to greater cargo traffic volumes managed by the German subsidiary TX Logistik.

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	64,750	70,983	81,343

»» WATER

		2012	2013	2014
Withdrawals for non-industrial use	<i>m³</i>	12,810	12,900	12,900

Comments on the trend

The subsidiaries Serfer and TX Logistik do not withdraw water for industrial use. Their non-industrial withdrawals, which are estimated to be substantially steady over time, refer almost exclusively to Serfer.



» WASTE

		2012	2013	2014
Hazardous special waste	t	631.5	367.9	504.8
Non-hazardous special waste	t	679.2	102.4	164.4
Special waste sent for recycling		97%	100%	95%

Comments on the trend

After declining between 2012 and 2013, the increase in waste recorded in 2014 was due to the recovery of business volumes in connection with the maintenance of rolling stock and the construction and maintenance of railway works by Serfer.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.

The data include amounts reported by the two subsidiaries, Serfer and TX Logistik.



WHAT WE HAVE ACCOMPLISHED

Trenitalia

The installation of a remote energy consumption metering system was completed at 14 workshops, for subsequent monitoring via an IT system. This new system enables the company to monitor any irregularities in real time and taken the necessary corrective measures.

The maintenance system energy diagnosis plan continued with another seven diagnoses carried out.

The first 160-kWp solar power system was rolled out at Milano Martesana (IMC ETR 500) and specifications were prepared for the installation of additional solar power systems, for a total of approximately 4,500 kWp, while tenders were published for the assignment of contracts.

The green procurement policy was extended to more tenders for the supply of goods and services by establishing environmental pre-requisites in the tender documents.

Personnel training was carried out for the proper management of waste. The waste treatment methods in place at the production sites were redesigned and new centres equipped for the collection of sorted waste were set up.

Employee training and awareness activities continued with respect to the proper governance of water, and additional feasibility studies were completed on the recovery and reuse of meteoric water. Periodic monitoring was conducted on the status of water grids in order to minimise any leaks and waste.

Activities were carried out to contain acoustic emissions through specific management projects reducing the noise generated by production activities.

New ways of sanitising areas used for travellers were tested, defined and described in specific operational provisions. These methods use physical treatment (hot and cold) and cut the use of chemicals.

The “Enjoy” car sharing project continued to expand. Managed by Eni in partnership with Trenitalia, this project was also launched in Rome and Florence, bringing the total number of shared cars in Italy to over 1,000. The agreement between Trenitalia and Clear Channel was renewed to promote bike sharing in Milan and Verona. Green travel packages were developed, including stays in Rome and Milan in hotels with low environmental impacts, combined with special conditions for the rental of electric cars and bike sharing.

Serfer

The solar power system was rolled out to generate solar energy for the Udine workshop.

The fleet of owned vehicles was updated through revamping work that included the replacement of engines with new generation, more energy efficient and quieter devices.

Personnel awareness campaigns were carried out on the proper management of materials used and the waste produced in the performance of their activities and water procurement.

TX Logistik

More than 50% of the rental car fleet was replaced with new and quieter models.

WHAT WE AIM TO DO

Trenitalia

The remote energy consumption monitoring system will be strengthened and extended to another three workshops.

Energy diagnostics will resume at industrial sites, with four more analyses following a specifically defined procedure.

Contracts will be awarded for the installation of another solar power system at the Milan Martesana workshop and the new Roma San Lorenzo and Naples Santa Maria La Bruna sites, for a total of around 4,500 kWp.

“Measurement programme and project proposals” will be presented in order to obtain energy efficiency certificates for new trains, including those for the high speed network and those to be used for regional transport.

An electricity consumption measurement system will be implemented for electricity consumed by the Frecciarossa 1000, in order to accurately monitor the consumption of the new high-speed train.

Six training sessions will be held on energy savings and efficiency to some 40 local energy nominees.

Control activities will continue on the water grids with the rehaul of systems and the installation of visible pipes to reduce any leakage and minimise waste.

Additional sites will be identified where feasibility studies can be carried out on the reuse of treated water and rainwater.

Trenitalia will continue to partner with Eni, Trenitalia and Fiat in the “Enjoy” car sharing programme, which will be expanded to the city of Turin and strengthened in Milan, with a new scooter sharing service (approximately 150 scooters to be made available). In addition, to encourage intermodal transport using both trains and car sharing, a special car park solely for Enjoy cars will be opened at the Roma Termini station, with ten spaces available.

Serfer

Lighting in the workshop will be replaced with LED systems for increased energy efficiency.

Within the scope of non-routine maintenance to the vehicle fleet, catalytic transmissions will be installed on about 15 vehicles to replace the current transmissions, thereby cutting atmospheric emissions.

The personnel awareness campaigns for the proper management of raw materials and waste and the rational use of water will continue.



Environmental highlights

»» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel	<i>t</i>	172	125	125
Energy consumption	<i>MWh</i>	2,677	2,417	2,113
Natural gas	<i>Sm³</i>	110,656	58,832	42,151

Comments on the trend

The significant reduction in all types of energy consumption since 2012 mainly resulted from the closure of some of the company's sites (two out of eleven) and the optimisation of the car fleet.

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	1,916	1,530	1,280

»» WATER

		2012	2013	2014
Withdrawals for non-industrial use	<i>m³</i>	18,433	13,532	9,489

Comments on the trend

The reduction in water consumption (-50% on 2012) was due to the closure of some of the company's sites and the personnel awareness campaign.

» WASTE

		2012	2013	2014
Hazardous special waste	<i>t</i>	0.0	3.9	0.0
Non-hazardous special waste	<i>t</i>	70.5	81.3	17.5
Special waste sent for recycling		100%	95%	100%

Comments on the trend

The sharp decrease in special waste was due to the fact that, unlike in previous years, there were no significant relocations/renovations.

WHAT WE HAVE ACCOMPLISHED

The rationalisation of energy consumption continued at sites (with the closure/relocation of some of the company's peripheral offices to FS Italiane Group companies' properties).

The power management project was carried forward to reduce the consumption of IT equipment.

To contain the number of copies printed by project processors, a new process became operational which will cut the consumption of paper year by year at a linear rate of approximately 20% (i.e., as the new associated contracts progressively take effect). The company expects the complete digitalisation of printed matter within five years.

The installation of noise dampening barriers to mitigate the acoustic impact of the refrigeration units used for air conditioning at the Rome site was completed.

WHAT WE AIM TO DO

The power management project will continue to monitor energy savings resulting from work stations being automatically turned off at night.

Energy diagnostics have been planned for the Via Galati 71 site pursuant to Legislative decree no. 102/2014, which will guide energy efficiency activities in forthcoming years.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.

The data refer 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

»» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel	<i>t</i>	437	401	243
Energy consumption	<i>MWh</i>	6,102	5,289	4,585
Natural gas	<i>Sm³</i>	719,881	635,014	467,754

Comments on the trend

The significant reduction in consumption was due to the closure of seven Ferrotels.

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	5,352	4,709	3,391

»» WATER

		2012	2013	2014
Withdrawals for industrial use	<i>m³</i>	0	0	0
Withdrawals for non-industrial use	<i>m³</i>	73,691	76,639	56,584

Comments on the trend

The reduction in consumption was due to the closure of seven Ferrotels.

» WASTE

		2012	2013	2014
Hazardous special waste	t	14.5	8.5	2.9
Non-hazardous special waste	t	196.6	207.7	172.2
Special waste sent for recycling		52%	84%	94%

Comments on the trend

The reduction in quantities of hazardous and non-hazardous special waste and the increase in material sent for recycling are mainly the result of activities carried out as part of the environmental management system.

WHAT WE HAVE ACCOMPLISHED

The executive project for the new Genoa and Trieste site were prepared, providing for LED lighting and solar power systems.

Tenders were called for the acquisition of lubricant oil technologies for the Group. These tenders include pre-requisites and rewards for energy savings and recyclable components, such as ISO 14001 certification.

The connection to the municipal district heating grid was set up for the "Brennero" Ferrotel. A mobility management agreement, "Organic groceries at your door" was signed for the purchase of organic products, an initiative available to Group employees living in Rome.

A few master agreements were signed on behalf of the entire Group for "Services relating to the management of communication events", "Supply of stationery" and "Metal furniture", containing provisions that reward environmental sustainability.

Sorted waste collection (paper and plastic) began at 10 Ferrotels and the pilot partnership agreement with AMA SpA was renewed for the headquarters (for the 3R green rating). Through its delegates, AMA SpA also held eight awareness sessions for all personnel at the Via Tripolitania site on the correct conferral of waste.

A master agreement was defined solely for Ferservizi for the assignment of environmental services, including: clearing out, cleaning up areas and buildings; waste collection, transport and recycling; asbestos reclamation; and the reclamation of underground tanks. The environmental management system also provided for approximately 1,000 hours of specific training.

WHAT WE AIM TO DO

By 2015, work will begin in Genoa and Trieste on the relocation of the respective sites to buildings with LED lighting systems, heat pump air conditioning and the autonomous generation of electricity using solar panels.

An energy diagnosis will be conducted over the 2015-2018 three-year period pursuant to Legislative decree no. 102/2014, and actions will be defined for three of the most important buildings under Ferservizi's management to reduce consumption by at least 3%.

In terms of mobility management, an agreement will be defined with ATAC in Rome to facilitate the purchase of discounted transit passes for FS Group employees.

A master agreement will be defined for the Group for the supply of restaurant vouchers printed on low environmental impact paper, i.e., on recycled or FSC-certified paper or as e-vouchers.

The scope of the company environmental management system will be extended to all production processes that are not currently covered (sales, leases and custody); certification of the new scope is slated for December 2015.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.

Grandi Stazioni

Environmental highlights

»» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel	<i>t</i>	193	161	135
Fuel oil	<i>t</i>	203	202	171
Energy consumption	<i>MWh</i>	62,462	63,661	66,126
District heating	<i>MWht</i>	2,257	2,779	2,143
Natural gas	<i>Sm³</i>	6,605,813	6,861,295	7,077,786

Comments on the trend

The progressive increase in electricity and gas consumption in the three years considered was essentially due to the start-up and roll-out of systems serving the new station areas as they are progressively redeveloped. Diesel and fuel oil consumption fell as old thermal power stations were discontinued, while weather conditions are nearly entirely responsible for dictating the consumption of district heating systems.

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	36,968	36,596	35,365

»» WATER

		2012	2013	2014
Withdrawals for non-industrial use	<i>m³</i>	2,954,081	2,484,822	1,827,693

Comments on the trend

The reduction in the overall consumption of water was due to projects to optimise systems, rationalise devices and transfer utilities that do not fall within the scope of activities (utility segregation project).

» WASTE*

		2012	2013	2014
Waste classified as urban waste	t	15,000	18,048	18,048

* Station network and operating sites

Comments on the trend

There were no changes in the year. In 2013, the criterion used to estimate waste produced was changed.



The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies. They include the consumption of station customers.

WHAT WE HAVE ACCOMPLISHED

The analysis of electrical systems continued to rationalise energy consumption, particularly at the Napoli Centrale and Torino Porta Nuova stations.

Various updating and rehaul projects were carried out on the lighting systems with the installation of new LED lights. In addition, technical/economic feasibility studies began for similar projects at the Napoli Piazza Garibaldi (underground), Napoli Centrale, Bologna Centrale and Roma Tiburtina stations.

The new thermal power station was constructed at the Venezia Mestre station to increase average yield and reduce atmospheric emissions.

The new waste collection area was created at the Napoli Centrale station. In agreement with the municipal utilities company, AMA, the reorganisation of the waste collection area at the Roma Termini station was planned and sorted waste was organised at the Roma Tiburtina station, with the creation of a door-to-door collection service.

The station sewage network continued to be mapped and water consumption was continuously monitored in order to detect any irregularities and to eliminate leaks, including with on-site inspections.

Through the application of procedures and the performance of internal audits of the main network stations, activities progressed to obtain ISO 14001 certification for the environmental management system.

WHAT WE AIM TO DO

Energy diagnostics will be conducted on the main station complexes: 50% of sites will be diagnosed by December 2015 and the rest of the stations will be diagnosed by the end of 2016. The diagnoses will identify energy rationalisation projects consisting of LED lighting systems, efficient energy production (e.g., cogeneration) and energy generation from renewable sources (e.g., solar panels), with the implementation of the main projects identified by 2020.

The new Genova Brignole thermal power station will replace the previous diesel power station and the Bologna Centrale station will be connected to the district heating grid by 2016 with the consequent retirement of the current power stations (natural gas and diesel).

Office personnel awareness campaigns will be carried out on the rational use of paper and printers/photocopiers in order to reduce the consumption of raw materials.

The company plans to undertake a series of actions by 2016 to support and increase sorted waste collection at the network stations, including: the preparation of centralised areas, specific reporting, the inclusion of controls to involve the station complex cleaning companies and the development of communication plans targeting those who use the public and office spaces.

The environmental management system will be improved and made fully operational in order to achieve the objective of obtaining ISO 14001 certification, which is expected by 2016 for the Roma Termini, Milano Centrale and Venezia Santa Lucia stations.



Centostazioni

Environmental highlights

»» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel	<i>t</i>	470	467	296
Energy consumption	<i>MWh</i>	12,083	13,105	15,931
Natural gas	<i>Sm³</i>	2,083,300	1,798,104	1,541,512

Comments on the trend

Diesel and natural gas consumption decreased due to the retirement of certain thermal power stations. At the same time, electricity consumption grew slightly, as heat pump units were used to ensure comfortable temperatures in premises.

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	10,678	10,334	9,727

»» WATER

		2012	2013	2014
Withdrawals for non-industrial use	<i>m³</i>	1,003,516	1,036,700	511,745

Comments on the trend

The reduction in consumption was fairly significant in 2014 and resulted from the accurate water circuit system monitoring and optimisation and the awareness of station users about the importance of limiting waste. In particular, an IT system was implemented to read the water metres, alerting the local technicians when there are leaks before they can be seen so rapid action can be taken.



» WASTE*

		2012	2013	2014
Waste classified as urban waste	t	1,931	1,742	1,719

* Station network and operating sites

Comments on the trend

There were no particular changes.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies. They include the consumption of station customers.



WHAT WE HAVE ACCOMPLISHED

A contract was signed requiring that at least 30% of electricity comes from certified renewable sources by 2015.

Updating and rehaul projects were carried out on the lighting systems with the installation of new LED lights in seven stations (Bergamo, Gallarate, Milano Porta Garibaldi, Monza, Padua, Termoli and Verbania) and plans were drawn up to take similar measures at another 11 stations (Ancona, Lucca, Milano Rogoredo, Pesaro, Roma Ostiense, Salerno, Trento, Terni, Arezzo, Mantua and Milano Lambrate).

In implementation of the thermal power station optimisation plan, the five thermal power stations were retired/downgraded (Pesaro, Taranto, Piacenza, Rovereto and Desenzano) and two water heaters were rehailed/replaced with new condensation boilers (Verbania and Novara).

Office paper consumption was monitored and employee awareness measures were taken.

The company signed the "Pilot memorandum for large users" with AMA SpA in Rome, for the sorted collection of waste (glass/plastic/metal and paper) at the headquarters, where training/updating activities began for employees and freelancers.

The sorted collection of waste produced in public areas was strengthened with the installation of additional bins at 16 network stations (Ancona, Arezzo, Bergamo, Gallarate, Lucca, Mantua, Milano Lambrate, Milano Porta Garibaldi, Milano Rogoredo, Monza, Padua, Pesaro, Roma Ostiense, Termoli, Trento and Terni). In addition, work on the design of an ecological area inside the Milano Rogoredo station began.

Accurate monitoring of water consumption enabled the company to rapidly locate faults and restore correct water provision, with significant reductions in consumption at the Pistoia, Prato, Como San Giovanni, Rimini, Lucca, Rome Trastevere, Piacenza, Potenza and Benevento stations. The quality of drinking water at network stations was also regularly tested.

As part the "Operational station control" management model", 303 internal audits were conducted to check that the contracting companies operating at network stations are properly managing material environmental aspects. Furthermore, all personnel of these companies was involved in awareness campaigns and received information on environmental aspects.

WHAT WE AIM TO DO

The company will continue to sign supply agreements requiring that at least 30% of the electricity supplied comes from certified renewable sources and it will continue to replace traditional fluorescent light bulbs with LED lights.

Energy diagnostics will be conducted at the network stations that use the most energy, where TEP consumption accounts for 50% of total consumption (Milano Porta Garibaldi, Sanremo, Cremona, Pescara, Trieste, Cagliari, Padua, Brescia, Alessandria, Aosta).

The optimisation of thermal plants will continue, including the replacement of the power stations with plants based on innovative technologies.

The procurement/contracting management process will be digitalised, entailing environmental benefits due to the reduction in printed matter.

Three ecological areas will be created at the Milano Rogoredo, Bergamo and Milano Lambrate stations.

Monthly monitoring of water grids will continue. In addition, the quality of drinking water will also continue to be monitored for all water systems and air conditioning systems at stations.

The following actions will be taken within the scope of the "Operational station control" management model:

- Centostazioni personnel training and awareness building on environmental issues (specifically personnel operating at the restyling sites);
- 306 internal audits at the offices and stations in the network.



Busitalia - Sita Nord

Environmental highlights

»» FINAL ENERGY CONSUMPTION

		2012	2013	2014
Diesel	<i>t</i>	10,524	10,500	10,177
Energy consumption	<i>MWh</i>	1,147	1,167	1,086
Natural gas	<i>Sm³</i>	284,735	281,461	242,936

Comments on the trend

The slight drop in diesel consumption in 2014 is substantially due to two factors: the fact that vehicles travelled a shorter total distance than in 2013 and the fact that the new Euro5/Euro6 vehicles, which replaced the old Euro0/Euro2 in the company's fleet are more energy efficient. The reduced use of company cars at the Veneto operating site also helped cut diesel consumption.

The biggest decrease on 2013 was in natural gas consumption due to the reduced use of vehicles fuelled by natural gas, as these were replaced by new last-generation diesel buses at the Veneto operating site.

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	34,087	34,008	32,825

»» WATER

		2012	2013	2014
Withdrawals for industrial use	<i>m³</i>	20,507	19,703	13,689
Withdrawals for non-industrial use	<i>m³</i>	8,164	9,665	8,474



» WASTE

		2012	2013	2014
Hazardous special waste	<i>t</i>	94.7	103.8	200.6
Non-hazardous special waste	<i>t</i>	106.3	256.1	291.3
Special waste sent for recycling		29%	16%	37%

Comments on the trend

In 2013 Busitalia - Sita Nord, kicked off and executed various activities to obtain environmental certification for its Veneto operating site. The growth trend seen in 2013, compared to 2012, is due to more careful waste monitoring at all main sites, in addition to extraordinary activities in connection with the certification process itself.

The significant increase in hazardous special waste in 2014 is mainly due to the scrapping of many buses in 2014, unlike in 2013. This also generated a corresponding increase in the percentage of special waste sent for recycling.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.



Controllate di Busitalia - Sita Nord

Environmental highlights

» FINAL ENERGY CONSUMPTION

			2014
Diesel	<i>t</i>		11,815
Energy consumption	<i>MWh</i>		7,208
Natural gas	<i>Sm³</i>		7,703,412



» TOTAL CO₂ EMISSIONS

		2014
CO ₂	t	54,890

» WATER

		2014
Withdrawals for industrial use	m ³	13,513
Withdrawals for non-industrial use	m ³	53,712

» WASTE

		2014
Hazardous special waste	t	867.58
Non-hazardous special waste	t	169.19
Special waste sent for recycling		76%

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.

The data include amounts reported by the two subsidiaries, Ataf Gestioni and Umbria Mobilità Esercizio, included in the scope of the 2014 Sustainability Report.

WHAT WE HAVE ACCOMPLISHED

Busitalia - Sita Nord

The company replaced 17 old generation Euro0/Euro2 vehicles with Euro5/Euro6 buses built using construction technologies and equipped with devices ensuring low consumption.

In addition, the company completed two negotiation processes for the supply of up to 85 new diesel Euro6 buses for the operating sites in Tuscany and Veneto.

A new software programme was implemented for preventive bus management which enables the company to carry out targeted repairs on any type of bus in the fleet, ensuring that they are in the best working order, including in terms of energy consumption.

New accumulators with longer lifespans were purchased for the buses, reducing consumption.

The company purchased two new treatment systems for water resulting from bus washing. These systems use a bio-oxidation process to reduce the consumption of chemical/physical products, recover treated water and eliminate the production and disposal of treatment sludge.

In the areas equipped for refuelling at the operating site in Tuscany, a rainwater collection and treatment system was created by conveying the water to an oil separator before being sent to the public sewers.

The company began designing the occupational health and safety management system.

Ataf Gestioni

A programme was set up to monitor energy consumption following the renewal of the bus fleet with 64 new diesel Euro6 vehicles. A study began to evaluate CO₂ emissions of Euro0 to Euro5 vehicles, in order to highlight the reductions achieved through the addition of new generation vehicles to the fleet.

Devices were installed to monitor diesel withdrawals to refuel buses and company cars and to prevent spillage.

In order to reduce paper consumption, the company encouraged the digital transfer and archiving of company documentation and the sale of train tickets via text messaging, in addition to the installation of new ticket punchers for passes and e-tickets.

A project was kicked off to purchase new bio-oxidation treatment systems to reduce the consumption of chemical/physical waste water treatment products.

Umbria Mobilità Esercizio

Old generation Euro0 vehicles in the fleet were replaced with 11 new Euro5 buses.

The company also replaced four service cars with the same number of natural gas Euro6 vehicles and called a tender for the purchase of five urban buses with diesel Euro6 engines and four electric buses, all in order to contain emissions that pollute the atmosphere.

WHAT WE AIM TO DO

Busitalia - Sita Nord

Old air conditioning systems will be replaced with inverter systems in the offices.

The company plans to purchase 57 Euro6 buses to replace old generation Euro0/Euro2 vehicles: 25 of these will be used at the operating site in Veneto and 32 at the site in Tuscany.

The company also plans to roll-out the new bio-oxidation treatment plant for water resulting from bus washing at the operating site in Tuscany.

Ataf Gestioni

The company continues to pursue the vehicle fleet renewal plan and related drivers' training so they have all the tools for efficient driving.

The energy data and CO₂ emissions data monitoring plan will be completed for Euro0 to Euro5 vehicles.

A new mobility management questionnaire will be created to analyse the commutes of all company personnel.

The company will complete the acquisition of new bio-oxidation treatment systems and continue to pursue its sustainability policy in the procurement and use of products and materials.

Umbria Mobilità Esercizio

The fleet of Euro0/Euro1 buses will continue to be replaced with diesel/natural gas Euro6 vehicles and electric vehicles.

There are plans to replace the existing thermal water heater with a condensation boiler to optimise consumption at the Terni site.

New internal procedures will be prepared to decrease paper consumption.

Within the scope of water provisioning and drainage, the operational criticalities identified in 2014 will be monitored for an accurate control of the use of water at the various company sites.

The ship fuelling systems will be updated at the Passignano site.

Structural improvements will be made to the industrial drains at the Todi and Umbertide depots. At Todi, after treatment, the waste water will be sent to the sewers rather than to a body of water, while excess water in the Umbertide washing system will be reused to reduce water consumption.



FS Logistica

Environmental highlights

»» FINAL ENERGY CONSUMPTION¹

		2012	2013	2014
Diesel	<i>t</i>	95	43	27
Energy consumption	<i>MWh</i>	2,343	2,261	2,576

1. Including the electricity produced and consumed by solar power systems

Comments on the trend

The decrease in diesel consumption in the three years considered is due to the company reorganisation from 2012 to 2013 and the closure of the Industry business unit, which handled refuelling for shunting. Since the first few months of 2013 and for all of 2014, diesel was consumed solely for heating and to refuel the company car fleet.

»» RENEWABLE SOURCE ENERGY PRODUCTION

		2012	2013	2014
Solar energy	<i>MWh</i>	637	597	577

»» TOTAL CO₂ EMISSIONS

		2012	2013	2014
CO ₂	<i>t</i>	1,177	952	951

»» WATER

		2012	2013	2014
Withdrawals for non-industrial use	<i>m³</i>	6,779	6,562	6,845

Comments on the trend

Water withdrawals for non-industrial use mainly refer to consumption for the Roma San Lorenzo site. The data indicate a nearly steady trend.

» WASTE

		2012	2013	2014
Hazardous special waste	<i>t</i>	15.4	2.5	0
Non-hazardous special waste	<i>t</i>	0.0	90.2	7.9
Special waste sent for recycling		0%	42%	15%

Comments on the trend

The trend in the production of hazardous special waste is also related to the discontinuance of the Industry business unit in 2013, as it produced this type of waste with its cargo loading and unloading assistance operations and spot maintenance. On the other hand, the production of non-hazardous special waste relates to cleaning the local sites. In 2013, it exceeded the usual volumes due to the company reorganisation and the closure of certain units.

WHAT WE HAVE ACCOMPLISHED

The company has considered sustainability criteria in the procurement of certain types of materials (e.g., paper).

In 2014, FS Logistica had its environmental management system certified pursuant to ISO 14001 for the sites in Roma San Lorenzo, Marcianise, Bologna Interporto and Torino Orbassano.

WHAT WE AIM TO DO

The company will provide all personnel with 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.

By 2015, the company plans to extend the certification of its integrated management system (safety, the environment and quality) to other sites throughout Italy and to confirm that obtained for the Roma San Lorenzo, Torino Orbassano, Bologna Interporto and Marcianise.

The figures refer to the environmental aspects managed directly on behalf of the company or the Group companies.



The Netinera group

Environmental highlights

»» FINAL ENERGY CONSUMPTION

		2013	2014
Diesel	<i>t</i>	17,561	22,212
Total electricity	<i>MWh</i>	27,337	153,900
for railway traction	<i>MWh</i>	19,837	144,750
for other uses	<i>MWh</i>	7,500	9,150
Natural gas	<i>Sm³</i>	1,600,000	1,600,850

Comments on the trend

The greater consumption seen in 2014 is mainly due to the larger reporting scope. In particular, the reporting of the subsidiaries Erixx' and Metronom's data contributed considerably to the increase in electrical energy for traction.

»» TOTAL CO₂ EMISSIONS

		2013	2014
CO ₂	<i>t</i>	71,715	148,410

»» WATER

		2013	2014
Withdrawals for industrial and non-industrial	<i>m³</i>	22,601	22,096

Comments on the trend

Despite the broader reporting scope, water withdrawals decreased in 2014 due to the substantial reduction in one subsidiary's bus fleet.



» WASTE

		2013	2014
Hazardous special waste	t	120	300
Special waste sent for recycling		100%	100%

Comments on the trend

The increase in the quantity of hazardous special waste is almost entirely due to the expansion of the reporting scope.

WHAT WE HAVE ACCOMPLISHED

As part of the digital energy monitoring system (Traveltrainer), developed in 2013 to improve conductors' driving style and reduce energy consumption, another 130 traction vehicles were tested and equipped. The system portal and logic were validated, fine-tuned and adjusted according to the various operational situations.

The *Bahnbook* system (based on an online browser which conductors use by setting the driving approach to take during the journey) began operating.

Over 100 new diesel vehicles were rolled out, featuring engines that meet Stage IIIb standards for emissions, the highest level on the European rails. In addition, service stations were updated to be able to refuel the new vehicles with AdBlue fuel.

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 2,015 trees to reduce atmospheric emissions.

WHAT WE AIM TO DO

The Group will optimise the *Bahnbook* system and, by 2016, conduction personnel will be provided with tablets to make the system easier to use.

The entire Netinera fleet will be equipped with the Traveltainer system. At the same time, data for the 29 Bombardier locomotives, operating at the subsidiary Metronom, will be fed into the system.



FS Sistemi Urbani

Environmental highlights

WHAT WE HAVE ACCOMPLISHED

During the year, management and monitoring activities continued with respect to FS Sistemi Urbani's real estate assets through periodic inspections to prevent any environmental criticalities. Maintenance work mainly consisted of updating areas to safety standards, with the consequent environmental reclamation and removal of waste.

In January 2014, the company obtained ISO 14001 certification for its environmental management system. The scope of the certification includes not only all environmental aspects directly related to the office activities carried out at the headquarters in Villa Patrizi in Rome, but management processes and the development of real estate assets as well.

WHAT WE AIM TO DO

Monitoring continues on the company's assets to prevent any irregularities. The aim remains to pass the 100 annual inspections in order to ensure effective process control.

Where required, each inspection will be followed up with corrective action to clean up the areas (e.g., remove litter and larger objects) and the necessary preventive measures will be taken to prevent irregularities from reoccurring (e.g., demolishing unused buildings, fencing off areas, monitoring asbestos roofs and preparing characterisation plans for sites).

In the second half of 2015, the company will begin activities to extend the scope of the environmental management system certification.

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

GRI 3.13



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

Independent auditors' report on the sustainability report

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

We have carried out a limited assurance engagement of the 2014 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 "Sustainability Reporting Guidelines", issued in 2011 (version 3.1) by GRI – Global Reporting Initiative, that are detailed in the "Sustainability reporting: 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 - 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 "Sustainability Reporting Guidelines" and may be summarised as follows:

- comparing the information and data presented in the "Economic responsibility" 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 2014, on which we issued our report dated 11 May 2015 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 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 Grandi Stazioni S.p.A., Italferr S.p.A., Rete Ferroviaria Italiana - RFI S.p.A. and Trenitalia S.p.A, to gather information on the IT, accounting and reporting systems used in preparing the sustainability report, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the sustainability report;
 - sample-based analysis of documentation supporting the preparation of the sustainability report to confirm the existence and adequacy of processes and that the internal controls correctly manage data and information in relation to the objectives described in the sustainability report;
- analysing the compliance and overall consistency of the qualitative information included in the sustainability report with the guidelines referred to herein in the "Directors' responsibility for the sustainability report" paragraph, particularly with reference to the strategy, sustainability policies and the identification of significant matters for each stakeholder category;
- 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.

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.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2014 sustainability report of the Ferrovie dello Stato Italiane Group has not been prepared, in all material respects, in accordance with the "Sustainability Reporting Guidelines", issued in 2011 (version 3.1) by GRI – Global Reporting Initiative, that are detailed in the "Sustainability reporting: methodology" section of the sustainability report.

Other aspects

The 2013 sustainability report, whose figures are presented for comparative purposes, was reviewed by other auditors who issued their report thereon dated 29 July 2014.

Rome, 30 July 2015

KPMG S.p.A.

(signed on the original)

Marco Maffei
Director of Audit

Questionnaire

GRI 3.4

Dear readers,

This is the eighth 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 Sustainability section.

Requests for information on the 2014 Sustainability Report can be sent by e-mail to rapportostenibilita@fsitaliane.it or via fax to +39. 06.44102077.



GRI 2.4

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