

# ***Sustainability Report*** **2013**



## DISCLAIMER

This 2013 Sustainability Report has been translated into English solely for the convenience of the international reader. In the event of conflict or inconsistency between the terms used in the Italian version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.



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# Corporate Bodies

of Ferrovie dello Stato Italiane SpA and Independent Auditors  
at 31 December 2013

## Board of Directors

	Holding office until 8 August	Holding office from 9 August*
<b>CHAIRMAN</b>	Lamberto Cardia	Lamberto Cardia
<b>CEO</b>	Mauro Moretti	Mauro Moretti
<b>DIRECTORS</b>	Antimo Prosperi Alberto Brandani Stefano Zaninelli	Antimo Prosperi Mauro Coletta Maria Teresa Di Matteo

## Board of Statutory Auditors

	Holding office until 8 August	Holding office from 9 August*
<b>CHAIRMAN</b>	Alessandra dal Verme	Alessandra dal Verme
<b>REGULAR MEMBERS</b>	Giuseppe Di Giovanni Giancarlo Filocamo	Tiziano Onesti Claudia Cattani
<b>SUBSTITUTE MEMBERS</b>	Paolo Castaldi Cinzia Simeone	Paolo Castaldi Cinzia Simeone

## Member of the Court of Auditors Responsible for Control over Ferrovie dello Stato Italiane SpA

Antonio Ciaramella<sup>1</sup>  
Ernesto Basile<sup>2</sup>

## Manager in Charge of the Company's Accounting Documents Preparation

Vittorio de Silvio<sup>3</sup>  
Roberto Mannozi<sup>4</sup>

## Independent Auditors

PricewaterhouseCoopers SpA

\* As per the resolution passed by the Shareholders' Meeting on the same date in relation to the renewal of the appointment of corporate bodies. Furthermore, the Board of Directors appointed on 9 August 2013 was succeeded by a new governing body elected by the Shareholders' Meeting held on 29 May 2014 and composed of nine directors in accordance with the amendment to the Articles of Association which raised the maximum number of its members from five to nine.

1. Holding office until 11 February 2013.  
2. Holding office from 12 February 2013.  
3. Holding office until 31 July 2013.  
4. Holding office from 1 August 2013.





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# Letter to Stakeholders

GRI 1.1 | 1.2 | 4.12

We are glad to submit the 2013 Sustainability Report of the Ferrovie dello Stato Italiane Group, the largest industrial concern in the Italian transport sector, which has long since taken environmental and social impacts, in addition to financial considerations, into account in its business decisions. The results achieved in past years and our stakeholders' appreciation of the decisive role the Group plays in the path towards sustainability in our country bear witness to this.

These signs of appreciation also emerged during the first day of talks in December 2013 with 50 representatives of the Group's main business counterparts: entrepreneurs, public administrations, research institutions, universities, consortia, consumer associations, trade associations, civil society organisations, users/citizens, etc. discussed how to make progress in five specific business areas with their contacts in the Ferrovie dello Stato Italiane Group, thus contributing ideas and making suggestions to enrich or perfect corporate sustainability practices.

During these years, the ability to measure and present the effects of this enhanced awareness on the part of the Group has also improved, and this Report, drawn up for the third consecutive year in accordance with the highest standard of the GRI 3.1 Guidelines, is a practical example of this.

In presenting the Group's results, we start from its robust economic performance, with an increase of more than 20% in the net profit for the year, with Ebitda of over Euro 2 billion for the first time, Ebit of more than Euro 800 million and a profit before tax showing an increase of Euro 155 million compared to the previous financial year. The Group's solidity, expressed in these figures, is the prerequisite for the attainment of the objectives laid down in the 2014-2017 Business Plan, which was approved by the Board of Directors of Ferrovie dello Stato Italiane on 19 February 2014 and pre-

sented to the financial community on 25 March 2014 and which is still the reference for the new top management. The features of the Plan are a thorough review of business models, with a clear distinction between market services and universal services, and of governance in the cargo sector, as well as a vigorous development of transport services on foreign markets, especially by the subsidiaries (Netinera group and TX Logistik group) and by the engineering and certification companies (Italferr and Italcertifier). As regards investments, moreover, the Plan envisages a challenging programme of projects with a value of about Euro 24 billion aimed at expanding and maintaining the efficiency of our country's infrastructure and provide transport services to the increasing satisfaction of our customers.

In 2013, too, the Ferrovie dello Stato Italiane Group was prominent on the financial market with the launching of two bond issues (on 15 July and 5 December) for a total of Euro 1,350 million, out of the Euro Medium Term Notes programme of Euro 4.5 billion. On the date of the first of these transactions, the long-term issuer ratings awarded by the agencies Fitch and S&P's to Ferrovie dello Stato Italiane were, respectively, BBB+ and BBB, the same as these agencies' assessments of the Italian Republic.

To come to business, as reported in Chapter 4, the distinctive feature of the Group's performance in the railway sector was a substantial improvement in performance in terms of passenger and cargo traffic volumes: passengers-km transported in rail transport achieved 41.7 billion in absolute terms, with a total increase of 2.9% compared to the previous financial year. Overall production on the network operated by the Group was about 332 million trains-km (+4.8% compared to the previous year), with third-party operator traffic about 15% higher than in the previous year.



A vocation for solidarity has always been a basic value for the Ferrovie dello Stato Italiane Group, which has been constructively engaged in carrying out projects to the benefit of persons in need: Chapter 6, besides the usual report on human resources management, describes a number of projects with a social value, such as the “BIKE 95” scheme for deprived persons or the project for children with cancerous illnesses carried on in Ronciglione Station with the “Cuore di Mamma” (Mother’s Heart) non-profit association.

Finally, the last chapter summarises the Group’s environmental impact and the action it takes in favour of the environment. In 2013, for example, the Group again organised sustainable mobility information and awareness campaigns, such as the 24th edition of “Treno Verde” (Green Train), which visited various Italian towns and

cities in the framework of a noise and air pollution monitoring campaign. The innumerable activities having the purpose of improving the Group’s environmental performance also proceeded, including the continuation of the project involving the development and certification of the operating companies’ Environmental Management Systems.

All this and much more falls within a process of continuous improvement in which there are no final goals but only intermediate and increasingly ambitious stages towards Sustainability: our commitment for the future is not to dissipate what has been constructed so far, thus carrying on with that lasting “voyage”, started by those who preceded us, together with the thousands of men and women who work for the Ferrovie dello Stato Italiane Group.

*The Chairman*  
Marcello Messori

*The CEO*  
Michele Mario Elia

# What Sustainability Means for Ferrovie dello Stato Italiane

## Materiality

New methods for presenting the Sustainability Report after a thorough analysis of materiality conducted on 50 themes (social, economic and environmental).

## Stakeholder Engagement

The Group's first stakeholder engagement panel, involving the most important stakeholders in putting forward proposals for improvement in corporate sustainability. Constant monitoring of customer satisfaction, also conducted by means of surveys. New ways to develop ability and expertise for personnel growth and motivation.

## Management Systems

The phase of the implementation and certification of the Environmental/Integrated Management Systems of the Parent Company and the main operating companies has been completed. Implementation of an Environmental Management Systems Governance Model for the Group companies.

## Procurement Sustainability

Further efforts to spread sustainable procurement standards among all the Group companies, with the aim of improving the impact of costs and the impact on the environment and society along the services and product supply chain.

## Innovation, Safety and Respect for the Environment in Products and Solutions

In 2013 about Euro 311 million was invested in railway traffic safety and in better methods and procedures in rail transport systems design and maintenance.

## Fight against Climate Change

Constant pursuit of the sustainable use of resources with energy efficiency programmes, the promotion of renewable sources of energy and the development of means of transport that are compatible with the environment.

## Fight against Social Deprivation

Commitment to the realisation of projects and initiatives for socially deprived persons as a sign of the fact that solidarity is a fundamental value for the Group.

## Communication of and Involvement in Sustainability

Fifth edition of the Sustainability Report prepared according to the Global Reporting Initiative guidelines and certified by an independent third party. Participation in UIC and CER projects at European level. A section of the Internet website dedicated to Sustainability.





# Introduction

## Communicating Sustainability: a Note on Methodology

GRI 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 2013 Sustainability Report is compared with the reports of the two preceding Financial Years<sup>1</sup>. Any differences from the information in past Sustainability Reports are due to the refinement of the recording methods adopted: since 2011 the data collection process has been supported by a data monitoring and reporting program (SuPM – Sustainability Performance Management). Gradually proceeding from one of the Group's main operating companies to the other, we expect SuPM to run on more than one reporting level in order to collect and monitor data down to local level. Up to now, implementation on more than one level has ended for Trenitalia, RFI and Ferservizi, while the other Group companies that are covered by the Sustainability Report are in the system at only one reporting level, that of the company as a whole. The Group companies whose activities have been considered in this Report were chosen on the basis of the following criteria:

- materiality: importance of the reciprocal (social, economic and environmental) impacts between the company and the main stakeholders;
- control: the Group's capacity to influence its activities. The scopes of analysis resulting from the application of the materiality and control criteria, on the basis of the themes considered, are:

- 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 Responsibility: Ferrovie dello Stato Italiane, RFI, Trenitalia, Busitalia - Sita Nord, Netinera Deutschland (main companies with activities of significance as regards Product Responsibility);
- Social Responsibility<sup>2</sup>: Ferrovie dello Stato Italiane, Trenitalia, RFI, Italferr, Ferservizi, FS Logistica and FS Sistemi Urbani<sup>3</sup> (the scope of analysis takes in 91% of the total size of the Group);
- Environmental Responsibility: Ferrovie dello Stato Italiane, Ferservizi, RFI<sup>4</sup>, Terminali Italia, Italferr<sup>5</sup>, Trenitalia, Serfer, TX Logistik, Grandi Stazioni, Centostazioni, FS Sistemi Urbani, Netinera Deutschland, FS Logistica (i.e. the Group subsidiaries, as per the Consolidated Financial Statements, with more than 100 employees or a net invested capital exceeding Euro 400 million).

1. This is an annual publication. The previous edition, relating to the 2012 Financial Year, was published in August 2013.

2. In the chapter on "Social Responsibility", the data are those within the perimeter of the reporting year.

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

4. The consumption of diesel fuel for shipping includes that of Blufferies's ships in addition to that of RFI's fleet.

5. In the reporting activity, the environmental impacts of Italferr's sites have been separated from those of the Group's other activities; this decision was the result of an analysis of the environmental data of the sites which showed that the trends are not very significant for the purposes of an assessment of the sites' environmental efficiency: the trends are related to the stages reached in site works which, by their very nature, are not continuous or regular in volume.

The contents of the 2013 Report cover the values, the strategies, the policies, the management systems and the objectives of the organisation, set out according to the GRI-G3.1 Guidelines issued by the Global Reporting Initiative (GRI) organisation<sup>6</sup>. The main aim of the Report is to inform stakeholders of the progress made with economic, environmental and social sustainability in conformity to the triple bottom line scheme. Any data and information published herein have been provided by the relevant functions or have been taken from other official sources<sup>7</sup>. The 2013 Report was examined by the

Board of Directors of Ferrovie dello Stato Italiane SpA in the meeting held on 24 July 2014.

The approach adopted has enabled us to report the standard aspects and the performance indicators required by the GRI G3.1 Guidelines on the basis of application level A+, as audited by an independent outside firm (PricewaterhouseCoopers). The purpose of the audit was to assess whether the data are accurate and whether the contents of the document comply with the provisions of the Guidelines that were used for reference.

APPLICATION LEVEL		C	C +	B	B +	A	A +
Standard disclosures	Profile	Reporting on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report audited externally	Reporting on all the criteria listed for level C, as well as: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report audited externally	Same requirements as level B	Report audited externally
	Methods of operation	Not necessary		Methods of operation for each indicator category		Methods of operation for each indicator category	
	Performance Indicators	Reporting on at least 10 Performance Indicators, including at least one indicator for each type of performance: economic, environmental and social		Reporting on at least 20 Performance Indicators, including at least one indicator for each type of performance: economic, environmental, human rights, labour, society and product responsibility		Reporting on each GRI.3.1 Core Indicator and each Sector Indicator, with particular reference to the principle of materiality in reporting the indicator or justifying its exclusion	



The Disclosures on Management Approach (DMA), in accordance with the Global Reporting Initiative guidelines, summarises the Ferrovie dello Stato Italiane Group's approach to Sustainability management. The DMA are available on website [fsitaliane.it](http://fsitaliane.it) (Commitment/Sustainability Report).

The parts of the document that contain the standard information regarding the organisation's profile and performance are stated in the GRI Content Index, as required by the GRI Guidelines. The GRI Content Index is also available on website [fsitaliane.it](http://fsitaliane.it) (Commitment/Sustainability Report).

6. Global Reporting Initiative (GRI): this is an independent institution whose aim is to produce and promote guidelines for the preparation of Sustainability Reports. Compliance with the guidelines is voluntary. Launched in 1997, Global Reporting Initiative collaborates officially with UNEP (United Nations Environment Programme) and with the Global Compact programme for corporate social responsibility, sponsored by the United Nations Secretary-General.

7. For any information on: "Significant events after the year-end", "Judicial investigations and proceedings", "Anti-competitive behaviour" and "Significant loans received from Public Administrations", reference should be made to the 2013 Consolidated Financial Statements of the Ferrovie dello Stato Italiane Group.

## Materiality Analysis

The activities that are most relevant (or “material”) to our internal and external stakeholders are reported on in this Report. About 50 themes (social, economic and environmental) were analysed for selection and this enabled us to prepare the “materiality matrix” at the end of this paragraph.

The internal sources that our Group selected are:

- the 2012 Sustainability Report;
- the Business Plan;
- the Management;
- the internal policies and codes of conduct (e.g. Code of Ethics, Environmental policy, Charter of values, Antitrust handbook).

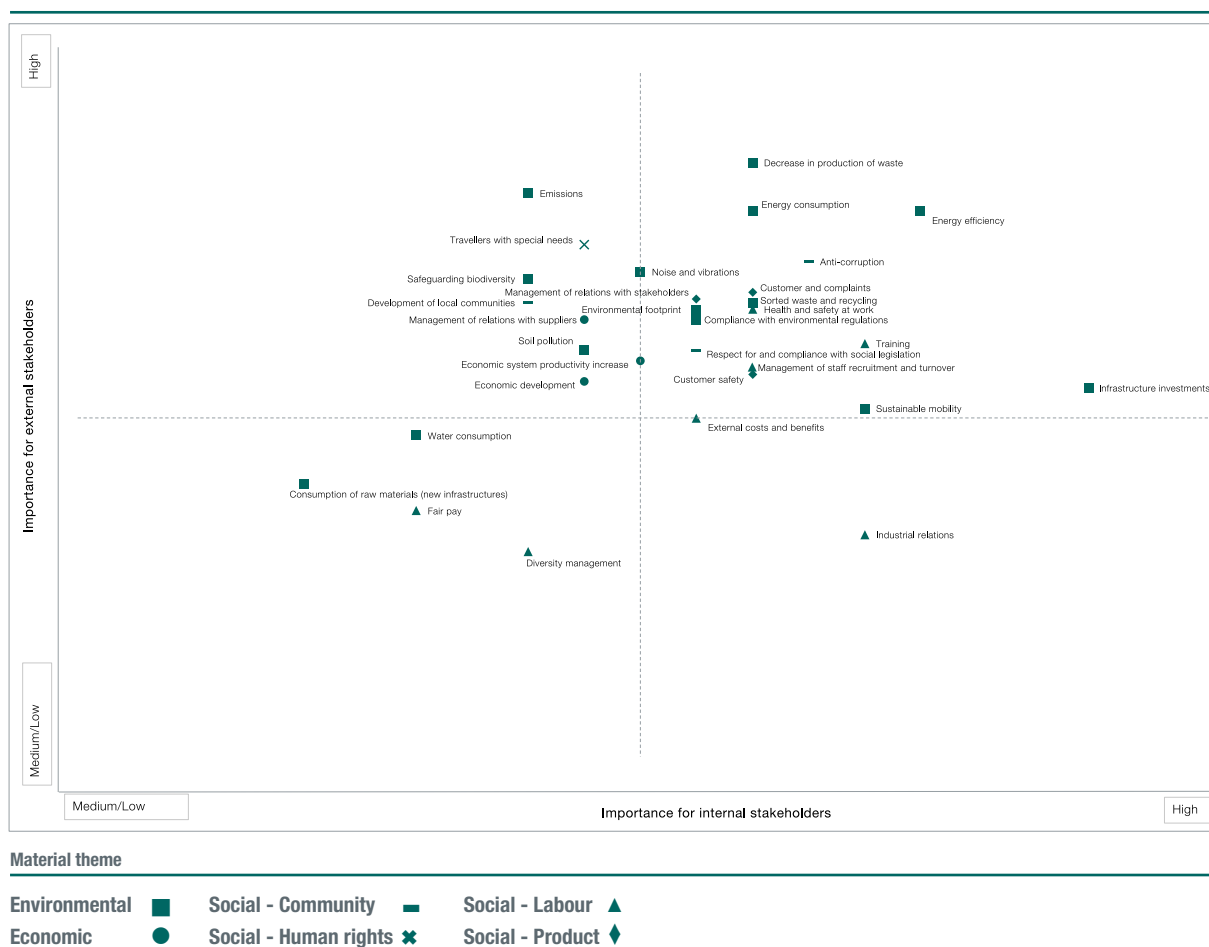
The following external sources were taken into account:

- the International Union of Railways (UIC, *Union Internationale des Chemins de Fer*) guidelines;

- the Sustainability Report of a major European railway group<sup>8</sup>;
- the main reporting standards for the sector (the GRI G4 sector and GRI 3.1 guidelines issued by the Global Reporting Initiative organisation);
- the requirements of ethical indexes and socially responsible investors (e.g. Dow Jones Sustainability Indexes);
- the Group’s exposure to the media;
- the main laws governing the sector;
- the focus groups with the external stakeholders (see paragraph on “The stakeholders”).

The “materiality” of each theme was calculated as a weighted average of internal and external stakeholders. The themes that reached the threshold that the Group set as material are reported on in this Report, mapped out in the matrix below.

## » MATERIALITY MATRIX



8. Deutsche Bahn, 2012 Sustainability Report.



# 1 Corporate Identity

## 1.1 Historical Background

The history of the Italian railways began in 1839 with the inauguration of the first Italian railway line (seven kilometres from Naples to Portici), laid to take Ferdinand II's Court to their residences outside the city. On 1 July 1905, the then Head of the Government, Alessandro Fortis, announced the founding of the *Azienda Unitaria delle Ferrovie dello Stato* (United State Railway Company), the State-owned company into which merged all the different railway companies then in the country. This was followed by years of successes, records, leadership, research and innovative engineering ideas. In 1985 a radical transformation took place for the railways: from

an *Azienda Autonoma* (public service corporation) to an *Ente Pubblico* (public corporation) and finally in 1992 to a *Società per Azioni* (public limited company). Afterwards, at the end of the twentieth century, in compliance with Community Directives governing the railway transport liberalisation, the Group put its hand to another thorough process of reorganisation in which Trenitalia was formed in 2000 and Rete Ferroviaria Italiana (RFI), the following year, while Ferrovie dello Stato became the Parent Company. In May 2011, Ferrovie dello Stato's company name was changed to Ferrovie dello Stato Italiane.



## 1.2 The Ferrovie dello Stato Italiane Group's Structure

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

The Ferrovie dello Stato Italiane Group's structure is the result of the process of reorganisation/privatisation started in 2000. The present structure is that of an industrial Group controlled by a Parent Company, Ferrovie dello Stato Italiane SpA, whose corporate purposes are<sup>9</sup>:

- creating and operating networks of railway transport infrastructures;
- transporting goods and persons, mainly by rail, including fostering, implementing and managing transport projects and services in the transport sector;
- directly or indirectly performing all the other activities that are necessary for and complementary to the above, expressly including services to customers and the enhancement of its corporate assets in order to carry out the activities envisaged in its Articles of Association.

The Group has been organised into four operating segments<sup>10</sup>: Transport, Infrastructure, Property Services and Other services.

Under the Parent Company are the companies that operate in the various sectors: the companies have their own specific corporate nature and have operational autonomy in the pursuit of their business objectives.

Specifically, the Transport segment is operated by the Ferrovie dello Stato Italiane Group companies that carry passengers and/or goods by rail, by road or by sea, among which Trenitalia plays a role of the utmost importance; also belonging to this segment are the Netinera group, the TX Logistik group (both mainly operating in Germany), FS Logistica, Busitalia and Ataf, as well as other smaller companies.

The main railway Infrastructure company is Rete Ferroviaria Italiana, the national operator, which deals with its maintenance and use; the Group's engineering company, Italferr, as well as other companies<sup>11</sup>, contribute to the results of this sector to a lesser extent.

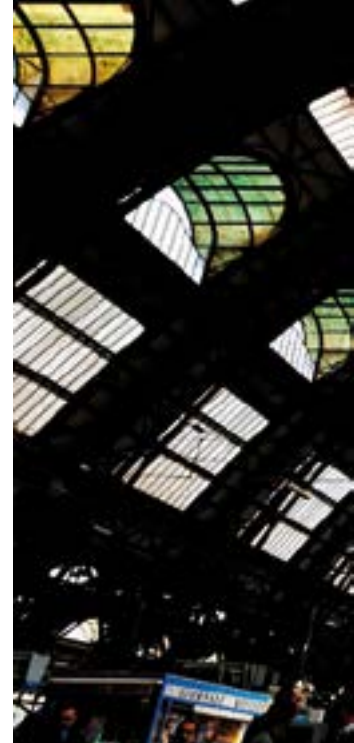
The Property Services sector includes the companies that manage and exploit the Group's property assets that are not strictly related to railway business; specifically, reference is made to Grandi Stazioni, Centostazioni, FS Sistemi Urbani and its subsidiary Metropark (which puts property to use as parking areas) and to the Parent Company.

Finally, other activities that the Group carries out in house, but whose importance is not such as to constitute specific independent businesses, are included in the "Other Services" sector, which also includes administrative management, building and facility management activities carried out by Ferservizi, financial services provided by Fercredit and the certification of technological transport and infrastructure systems carried out by Italcertifer.

9. See Section 3.1 of the Articles of Association approved by a resolution passed by the Shareholder's Meeting on 19 May 2010.

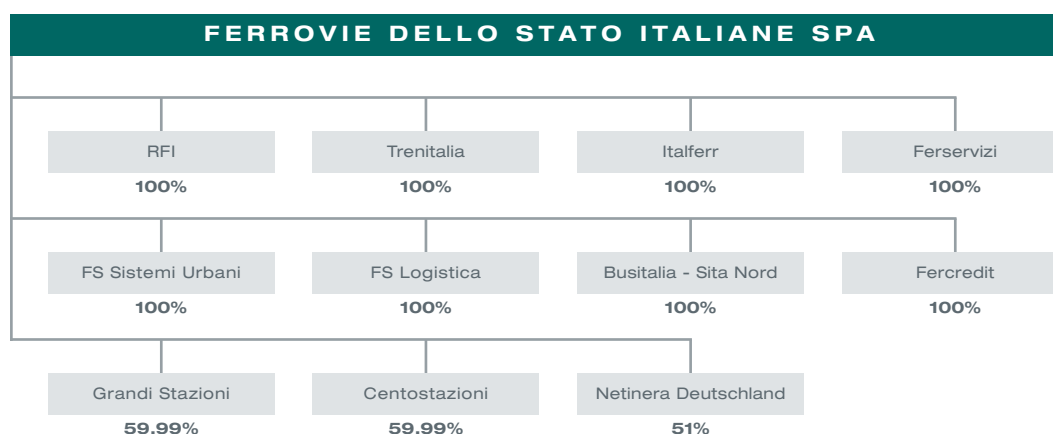
10. This was done in accordance with IFRS 8 "Operating Segments", as the Parent Company issued bonds listed on an EU regulated market in the course of 2013.

11. Tunnel Ferroviario del Brennero (TFB), Brenner Base Tunnel (BBT) and Lyon Turin Ferroviare (LTF); the main activity of the latter two, both European companies in which the Group has a share, is the construction of tunnels between Italy and Austria and Italy and France, respectively, while the former is a finance company which holds the Italian part of the equity in BBT.





## » THE MAIN COMPANIES OWNED BY FERROVIE DELLO STATO ITALIANE SPA



**Trenitalia** transports passengers and cargo. It handles more than 8,000 trains a day and carries 600 million passengers and 45 million tons of goods every year. It is the Ferrovie dello Stato Italiane Group's biggest market operator and has recently been focusing strongly on international business: with its subsidiary Thello it provides connections from and to France and carries international freight throughout Europe with TX Logistik AG, a company incorporated under German law.

**Netinera Deutschland GmbH**, the parent company of about fifty German undertakings, mainly provides regional passenger transport services in Germany. On 25 February 2011, the Arriva Deutschland Group was acquired by the "vehicle" company FS 2 Move GmbH, which is 51% owned by Ferrovie dello Stato Italiane SpA and 49% owned by the Cube Infrastructure

Fund; afterwards, FS 2 Move GmbH incorporated Netinera Deutschland GmbH (the new company name given to Arriva Deutschland in March 2011), taking on its name at the same time. At present the Netinera group mainly provides rail and road transport services in the German local and metropolitan transport market, with some cross-border services such as connections to the Czech Republic and Poland. From the point of view of corporate structure, Netinera Deutschland, as parent, controls seven other companies which, in their turn, govern about 40 undertakings: Netinera Bachstein (which in turn controls Ostthannoversche Eisenbahnen, *OHE*), Prignitzer Eisenbahn, Regentalbahn, Verkehrsbetriebe Bils, Autobus Sippel, Südbrandenburger Nahverkehrs (SBN) and Netinera Immobilien.



**RFI**, the company which has the public role of Italian railway infrastructure manager under a concession, manages the railway lines, stations and systems. It provides the various Railway Companies with access to the Italian network, which it maintains and keeps safe for traffic, manages investments in the expansion and development of railway lines and systems, and also handles the sea-rail connections between Calabria and Sicily, through its subsidiary *Bluferries*.

**Italferr** is a traditional high-speed and metropolitan railway transport engineering company operating on the Italian and foreign markets. It also handles other transport systems and all the complementary engineering sectors, which gives it a key role in the process of the modernisation and growth of the Italian railway network and enhances its international prestige.

The internal situation in Italy adversely affected the operations of *Italferr* in 2013, thus entailing a reduction in production volumes from mainly captive customers in favour of an increase in no-captive operations; in fact, the company was awarded important contracts above all in the Persian Gulf countries.

**Ferservizi** is a centralised management services company whose aim is to create value and financial benefits, improving the efficiency of the processes and the quality of the results of all the activities supporting the Ferrovie dello Stato Italiane Group's core business.

**FS Logistica** carries out integrated logistics services: warehousing, handling and order management from the production plants to the large-scale retail trade consumer market and the design and construction of terminal facilities. This company has logistics facilities all over Italy. In 2013 *FS Logistica*'s portfolio of assets was thoroughly restructured. It is now mainly concentrated in the sectors of big institutional clients and consumer goods transport and multimodal logistics services.

**FS Sistemi Urbani**'s role is to exploit the real estate portfolio and the assets that are not related to the Ferrovie dello Stato Italiane Group's railway operations and to supply integrated urban services from the points of view of business, rationalisation, functional improvement and service to the community.

**Grandi Stazioni** is a services company that is 60% owned by Ferrovie dello Stato Italiane and 40% owned by *Eurostazioni SpA*<sup>12</sup>, responsible for making general improvements to, and managing, the commercial spaces in the network of the 14 main Italian railway stations, with the aim of transforming them into "city piazzas", open, clean and secure areas with the capacity to enhance the surrounding urban fabric. Apart from facilities for travellers, in future in these spaces the public will find a services centre with a complete range of functions.

**Centostazioni** came into being from the partnership between Ferrovie dello Stato Italiane, which controls 60% of the company, and *Archimede* <sup>13</sup>, which similarly to *Grandi Stazioni*, is engaged in regenerating and managing the commercial spaces in 103 medium-sized stations throughout the country.

**Busitalia - Sita Nord** is the Ferrovie dello Stato Italiane Group company that provides road transport services in various business areas, such as local public transport, both urban and suburban, long-haul bus service, tourism and hires, replacement bus services for railways. Together with other partners, *Busitalia - Sita Nord* has acquired from *Ataf SpA* the entire stake in the quota capital of *Ataf Gestioni Srl*, which provides public road transport services in the metropolitan area of Florence. In 2013 *Busitalia - Sita Nord* was awarded the tender launched by *Umbria TPL e Mobilità SpA* for the acquisition of a 70% interest in *Umbria Mobilità Esercizio Srl*.

**Fercredit** is a financial services company which provides support within the Ferrovie dello Stato Italiane Group and also meets particular financial requirements arising from contracts for the supply of goods and/or services to the Group itself.

12. Its shareholders are *Edizione Srl* (Benetton group), *Vianini Lavori Spa* (Caltagirone group), *Pirelli & C. Spa* (Pirelli group) and *SNCF Participations S.A.* (*Société Nationale des Chemins de Fer*).

13. A private-shareholder company composed of *Save - Aeroporto Marco Polo di Venezia*, *Manutencoop*, *Banco Popolare*, *Pulitori & Affini*.

## » THE FERROVIE DELLO STATO ITALIANE GROUP IN FIGURES: 2013

Ebitda/Operating revenues		24.37%
ROS (Ebit/Operating revenues)		9.82%
Labour cost/Operating revenues		(46.94%)
Traffic units per employee	<i>i.n. 2006=100</i>	134
Trains-km per network km	<i>i.n. 2006=100</i>	93
Operating revenues per employee	<i>i.n. 2006=100</i>	145
Labour cost per employee	<i>i.n. 2006=100</i>	115
Number of employees at period-end		69,425
Average number of employees		71,031
Length of the railway network	<i>km</i>	16,752
Trains-km - medium/long-haul transport	<i>thousands</i>	79,255
Trains-km - regional transport	<i>thousands</i>	192,214
Passengers-km - rail transport	<i>millions</i>	41,718
Passengers-km - road transport	<i>millions</i>	398
Tons-km*	<i>millions</i>	22,854
Traffic unit/trains-km	<i>units</i>	205
Traffic unit/km of line	<i>millions</i>	3.9

\* data relating to railway transport - traction only

**Trains-km (trkm)** Railway unit of measurement defined as the overall distance covered by trains on a track. It is calculated as the sum of the length, expressed in km, of the journey made by each train considered.

**Travellers-km or passengers-km (pkm)** Unit of measurement used for passenger transport. It is the sum of the length, expressed in km, of the journey made by each passenger considered.

**Tons-km (tkm)** Unit of measurement used for cargo traffic. It is calculated as the sum of the product of the weight carried, expressed in tons, and the km covered by each load considered.

**Unit of traffic (TU)** Railway unit of measurement adding pkm and tkm by convention.

Source: Reprocessed from the Consolidated Financial Statements of the Ferrovie dello Stato Italiane Group

The successful results achieved in the Ferrovie dello Stato Group railway transport sector were built on in 2013. With its 2014-2017 Business Plan, the Group commits itself to attaining further goals in the future. The Plan forecasts a further improvement in economic performance, both in terms of revenues, the rise in which was particularly driven by transport services, and strong

growth on foreign markets (mainly by the foreign subsidiaries) and in terms of efficiency, thus further raising operating margins. As regards investments Ferrovie dello Stato Italiane is also expected to become one of the main investors in the country in comparison both with its direct competitors and with Italian companies in other sectors.

## 1.3 Reference Markets and Services Provided

GRI 2.2 | 2.3 | 2.5 | 2.7

The Ferrovie dello Stato Italiane Group mainly operates in Italy, even if it has recently expanded its presence on foreign markets, offering transport and railway engineering services and specialist assistance to infrastructure operators in addition to joining consortia in order to carry out projects.

### 1.3.1 Domestic Market

The Ferrovie dello Stato Italiane Group provides rail transport throughout the country. The domestic railway network is operated by RFI, which also provides the rail and sea connection between Calabria and Sicily (the service to and from Sardinia is operated at the Railway Companies' request).



#### » THE NETWORK IN FIGURES: 2013<sup>1</sup>

<b>Railway lines in operation</b>	<b>km</b>	<b>16,751.5</b>
<b>Types</b>		
Double-track lines	km	7,540.1
Single-track line	km	9,211.4
<b>Power</b>		
Electrified lines	km	11,969
Non-electrified lines (diesel)	km	4,783
<b>Overall length of track</b>	<b>km</b>	<b>24,291.6</b>
Traditional lines	km	22,941.2
High-Speed lines <sup>2</sup>	km	1,350.4
<b>Railway facilities</b>		
Stations with services for travellers		2,190
Ferry facilities		3
<b>Total Production Volumes for 2013</b>	<b>million trains-km</b>	<b>331</b>

1. Data updated at 31 December 2013

2. Data relating to sections equipped with ERTMS and connections to the stations served by the lines



## » RFI NETWORK IN OPERATION



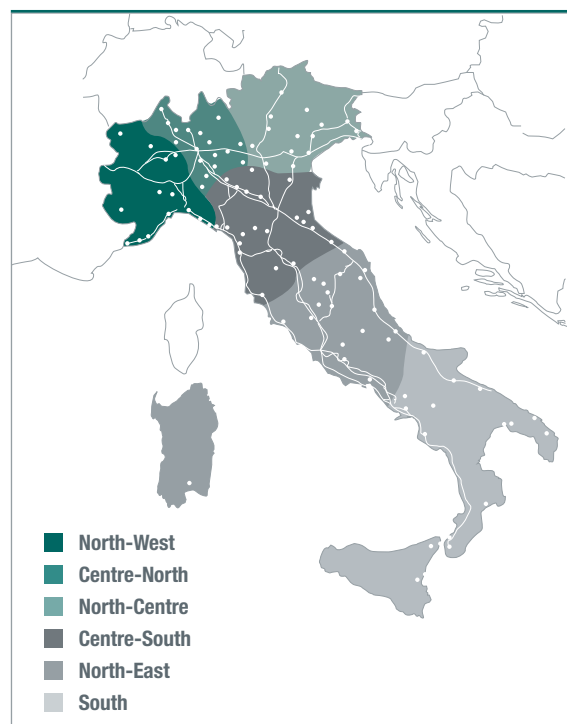
In addition to its main mission of operating the infrastructure in the strict sense of the word, RFI carries out other work such as managing commercial spaces in the stations which have them, except for 117 stations in which this activity is the responsibility of:

- Grandi Stazioni, for the network of the 14 largest stations in the Italian network;
- Centostazioni, for the network of 103 medium-sized stations.

## » GRANDI STAZIONI NETWORK



## » CENTOSTAZIONI NETWORK



Trenitalia, the biggest transport company in the Group, operates through its three divisions all over Italy:

- **National/International Passenger Transport Division**<sup>14</sup> for long-haul passenger railway transport, including portions of European corridors;
- **Regional Passenger Transport Division** for mobility by metropolitan, regional and inter-regional rail services that the company is under a duty to provide;
- **Cargo Transport Division** for the development, planning, production, operation and sale of rail cargo transport services in Italy and abroad.

Busitalia - Sita Nord is the Ferrovie dello Stato Italiane Group company that provides public road transport services in various business areas, such as local public transport, both urban and suburban, long-haul bus service (both national and international), tourism and hires, replacement bus services for railways.

In 2013, in addition to the services contracts already entered into with a number of Regional, Provincial and Municipal Governments, it was awarded the tender launched by Umbria TPL e Mobilità SpA for the acquisition of a 70% stake in Mobilità Esercizio Srl.

14. On 11 February 2014 the organisational unit National/International Passenger Transport Division changed its name to Long-Haul Passenger Division.



**FS Logistica** is in the Italian market with its Business Units, whose core activities are in the large-scale institutional client and consumer goods transport and multimodal logistics services sectors.

**FS Sistemi Urbani's** duty is to make good use of the Group assets that are not related to railway operations and to provide integrated urban services as a business activity, with a view to their rationalisation, functional improvement and in order to assist the community. Among the many property and services activities performed are projects for increasing tertiary activities of economic and social importance, feasibility studies, consulting assignments, the design and management of works, technical and economic viability assessments, environmental impact studies and procedures for awarding works to third parties. Through its subsidiary **Metropark**, it operates 72 parking areas near the main railway stations. Its experience in designing and constructing parking areas throughout Italy makes **Metropark** a key operator in this sector.

### 1.3.2 International Market

The continually improving results obtained in Italy and the prestigious international awards it has been granted enable the Group to strengthen its position not only at European level, but also in other international markets. Continental Europe, the Mediterranean, the Middle East, Latin America, the USA, India and Australia are the main areas in which the **Ferrovie dello Stato Italiane Group** operates, exporting the excellence of Italian expertise in order to achieve railway network growth. Apart from engineering, the main services offered on foreign markets are passenger transport and cargo logistics.

The **Ferrovie dello Stato Italiane Group** has made more room for itself on the European scene in passenger transport, taking advantage of the market opportunities given by the liberalisation process that is taking place. During 2013, **Ferrovie dello Stato Italiane** ran, through the German group **Netinera**, rail and road transport services in the German local public transport market, also operating some cross-border services from Germany to the Czech Republic and Poland.

Still on the subject of foreign business, there was a good performance from **Thello**, which runs night trains on the international service from Paris to Milan and Venice.

In the sector of cargo transport and logistics, **Trenitalia** has operated in a number of foreign markets, including – and above all – through **TX Logistik**, a major German company which is wholly owned and which provides integrated logistics services through its branches located in Austria, Switzerland, Denmark, Sweden, Norway and Italy.

During 2013 **Grandi Stazioni** operated abroad through **Grandi Stazioni Ceska Republika Sro** (in which it has a 51% stake), a Czech company which is based in Prague and which is responsible for the regeneration and commercial operation of two railway stations in the Czech Republic: Prague Central Station and **Mariánské Lázně**.

Abroad **RFI** is mainly engaged, in collaboration with other countries' Infrastructure Managers, in the activities promoted by the European Union on the development of the trans-European transport network, **TEN-T** (Trans European Network - Transport); for Italy this means progressively upgrading its infrastructure to meet international requirements<sup>15</sup> and improving its connections with the main "junctions" (core ports, airports and terminals). This is also the context of the "large-scale works" like the Brenner base tunnel and its southern access sections, the new **Turin-Lyon** line and the increase and improvement of the existing lines of access to the main Alpine passes by raising their capacity and bettering their performance, especially for cargo transport<sup>16</sup>.

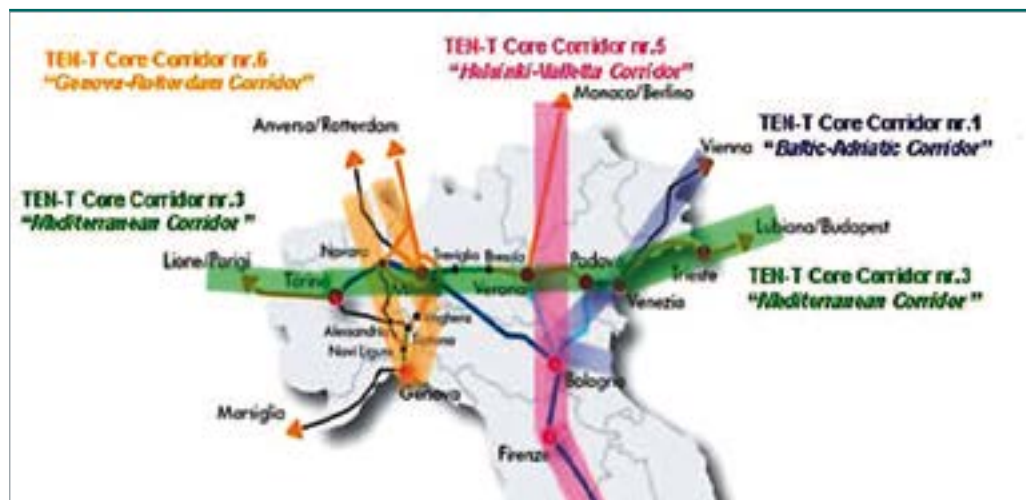
15. In accordance with the priorities set out in the Regulation (EC) 1315/2013.

16. In some cases these projects are the object of bilateral agreements between Italy and neighbouring States for the preparation of coordinated railway infrastructure development plans.

RFI plans and markets train schedules and the related cross-border services in consultation with the Managers in the other countries concerned.

During the past few years RFI has also been engaged in the development of four European rail corridors for cargo transport (Corridors 1, 3, 5 and 6)<sup>17</sup>.

Finally RFI takes an active part in the activities of international sector bodies such as CER (Community of the European Railways), UIC and RNE (RailNet Europe), and fosters the projects that are of interest to it within these organisations.



Italferr has designed, managed and supervised works, competed in tenders and done project management work for large-scale investments in infrastructures in more than 40 countries in the world.

The table below shows the international activities that Italferr performed in 2013 and the medium-term projects on which work is in progress.

17. In the implementation of the Regulation (EC) 913/2010 concerning competitive freight.

## » PROJECTS COMPLETED IN 2013

<b>Romania</b>	<p><b>Technical assistance for the modernisation of 430 km of railway network</b>            Technical assistance for upgrading the following sections of the Corridor IV railway line:            Amburgo-Lefkosia: Brasov-Sighisoara, Sighisoara-Coslariu, Coslariu-Simeria, Predeal-Brasov and Craiova-Calafat.            The European Community co-financed 85% of the contract, while the Romanian Railways cofinanced 15%.  <i>Operations started in July 2007 and were completed in June 2013.</i></p> <p><b>Supervision of the works on the road and rail infrastructure for access to the bridge over the Danube from Calafat to Vidin</b>            Technical assistance for the supervision of the works on the new road and rail infrastructures for access to the bridge over the Danube from Calafat to Vidin on the Romania side.            Italferr was responsible for coordinating the entire project and, specifically, the railway sector.  <i>Operations started in May 2009 and were completed in August 2013.</i></p>
<b>Serbia</b>	<p><b>Creation of an IT system for the management and maintenance of a national railway network</b>            Development of a new IT system (RMS - Railway Management System) for the management and maintenance of the Serbian railway network.            The services provided were an air survey of the railway assets along Pan-European Corridor X and along the Serbian section of the Belgrade to Bar line in order to create a database of the entire infrastructure observed; the proposal of a new organisation scheme and a new set of procedures suitable for the introduction of a smart infrastructure diagnosis and maintenance system.  <i>Operations started in October 2010 and were completed in October 2013.</i></p>

## » PROJECTS IN PROGRESS IN 2013

<b>Albania</b>	<p><b>Tirana coach, bus, tram, taxi and train station</b>            Development of feasibility studies concerning the multimodal station.</p>
<b>Algeria</b>	<p><b>Development of the Algerian railway network</b>            Technical assistance for the design of new lines, the management of tenders and the management of works for the completion of the programme of infrastructural investments in Algeria.</p>
<b>Saudi Arabia</b>	<p><b>Saudi Landbridge Railway Project</b>            Preliminary and detailed design of the new railway line between Riyadh and Jeddah, "The Saudi Landbridge Railway Project".</p>
<b>Croatia</b>	<p><b>Design of a section of the Fiume-Zagreb-Budapest Corridor</b>            Design of the Hrvatski Leskovac-Karlovac section along Corridor V b.</p>
<b>Egypt</b>	<p><b>Modernisation of the signalling system on the Cairo to Port Said section</b>            Modernisation of the signalling systems on Corridor 4 of the Egyptian infrastructure system, which concerns, in detail, the two sections Benha-Zagazig-El Ismailia-El Qantara and Zagazig-Abu-Kebir.</p>
<b>Qatar</b>	<p><b>Doha Metro</b>            Design of the Doha Red Line Underground.</p>
<b>Serbia</b>	<p><b>Serbia System Track Analysis</b>            Set-up of a database reporting the most important assets and infrastructures of the Serbian Railways.</p> <p><b>Revision of a National Strategy for up to 2021 and preparation of the Serbian Railways' Investment Plan</b>            Revision of the Strategic Plan for the modernisation of the Serbian railway network.</p>
<b>Serbia/Macedonia</b>	<p><b>Monitoring of Corridor X permanent way</b>            Monitoring of the modernisation works on the permanent way along Corridor X on some sections belonging to the Macedonian and Serbian networks.</p>
<b>Turkey</b>	<p><b>New contract for the design of the Ankara-Esenboga link</b>            Design of the railway link between Esenboga Airport and Ankara.</p>

Finally, Italcertifier, the Ferrovie dello Stato Italiane Group certification company, continues in Saudi Arabia its work of safety certification of the systems of the new railway line "Haramain High-Speed Rail (HHS)" connecting the two holy cities of Mecca and Medina for the "Al Shoula"

Consortium. Italcertifier also certified the command and control system for the Shan-Habshan line in the UAE; in Australia, it is certifying the signalling system of 1,300 km of line for Rio Tinto and the satellite driverless train control system being developed for Roy Hill.



## 2 Corporate Governance and Sustainability Management

### 2.1 Corporate Governance

GRI 2.6

Since it drew up its Code of Ethics, the Ferrovie dello Stato Italiane Group has based itself on the principles of transparency and fairness that are indispensable requirements in its path to Sustainability.

The structure of the Ferrovie dello Stato Italiane Group is derived from a very thorough reorganisation and privatisation process which took place over a number of years from 2000, leading to the present multi-company structure, with a Parent company, Ferrovie dello Stato Italiane SpA, at the head of the operating companies in the different sectors of the production chain and other companies that provide services and support to the Group. The organisation of the Group reflects the clear corporate separation between rail track and transport services in compliance with the European railway market liberalisation Directives.

The Parent Company, which is wholly owned by the State through the sole shareholder, the Ministry of Economy and Finance, guides and coordinates, under the supervision of the Supervisory Committee (pursuant to Legislative Decree No. 231/01), the industrial policies and strategies of the Group companies on the basis of economic, environmental and social considerations. The Group's attention is particularly directed at interaction among railway transport, the natural environment and the community.

Its companies have their own specific corporate identity and have operational independence in the pursuit of their business targets.

The efficacy of the governance processes is ensured by a "System of Head Departments" (the Parent Company is divided into 11 Head Departments [*Direzioni Centrali*]<sup>18</sup>) which is a help in taking and sharing decisions and makes the best use of the expertise and professional skills in the companies.

Ferrovie dello Stato Italiane SpA, marked by a structure that combines industrial and financial duties with those that are typical of a corporation, prepares the Ferrovie dello Stato Italiane Group's Business Plan coordinating its process of construction and integration with the op-

erating companies, regulates and controls the internal relations among the members of the Group and handles the institutional relations with the State in its widest sense (Central State, Ministries, Regional Governments and Public Administrations in general).

In addition to the Separate Financial Statements, the Parent Company prepares the Consolidated Financial Statements of the Group, both in accordance with the international accounting standards IAS/IFRS, which were adopted as from the 2010 financial year.

The statutory audit of accounts prescribed in the Italian Civil Code is the responsibility of the independent auditors that must be duly registered with the appropriate register. They are responsible for the audit of the Separate Financial Statements, the Consolidated Financial Statements and of the Sustainability Report.

With its first bond issue – in July 2013 (due July 2020) – listed on the Irish stock exchange within the EMTN (Euro Medium Term Notes) Programme, Ferrovie dello Stato Italiane SpA acquired the status of "Public Interest Entity" pursuant to article 16 of Legislative Decree no. 39/2010 (concerning "statutory audits of annual and consolidated accounts").



18. Source: "The organisational structure of Ferrovie dello Stato Italiane SpA" dated 1 May 2014.

## 2.1.1 Governance Bodies

GRI 4.1 | 4.2 | 4.3 | 4.4 | 4.5 |  
4.6 | 4.7 | 4.9 | 4.10

The system of administration and control of Ferrovie dello Stato Italiane SpA and of the other Group companies (excluding any companies incorporated under foreign laws) is of the so-called “traditional” type referred to in article 2380-bis and ff. of the Italian Civil Code: the Shareholders’ Meeting appoints a Board of Directors (responsible for management) and a Board of Statutory Auditors (responsible for controls). In accordance with the provisions laid down in the Articles of Association, the Board of Directors delegates its responsibilities to a Chief Executive Officer, reserving decisions on some matters for its exclusive attention. The Board of Directors, subject to a Shareholders’ Meeting resolution, may also grant the Chairman of the Board powers with regard to some matters that can be delegated pursuant to law.

### Shareholders’ Meeting

The Shareholders’ Meeting of Ferrovie dello Stato Italiane SpA is composed of the sole shareholder, the Ministry of Economy and Finance. In 2013 it met 3 times in ordinary session and 1 time in extraordinary session.

### Board of Directors<sup>19</sup>

According to the Articles of Association, Ferrovie dello Stato Italiane SpA is managed by a Board of Directors (BoD) called upon to carry out all the transactions necessary for the attainment of the corporate purpose, in line with article 2380-bis of the Italian Civil Code.

Pursuant to article 2365 of the Italian Civil Code, the Board of Directors (hereinafter also referred to as BoD) is also responsible for passing resolutions on some matters which are otherwise reserved for the extraordinary Shareholders’ Meeting<sup>20</sup>, in any case without prejudice to the right of the Shareholders’ Meeting to pass resolutions on the aforesaid matters.

In accordance with the Articles of Association: a) subject to a Shareholders’ Meeting resolution, the Board may grant the Chairman delegated operational powers with regard to matters that can be delegated pursuant to law,

specified by the Meeting, and set out their exact contents; b) the Board may delegate its powers to one of its members alone in compliance with article 2381 of the Italian Civil Code; c) the Board may also grant delegated powers for single transactions to other members of the body itself, provided no additional fees are envisaged; d) directors may not be paid attendance fees; e) the Manager of the internal control function reports to the BoD or to a specific Committee if one is formed within it.

Pursuant to section 10 of the Articles of Association, the Board of Directors of Ferrovie dello Stato Italiane SpA is composed of from at least three to at most five members<sup>21</sup>, who are appointed by the Shareholders’ Meeting. The BoD of Ferrovie dello Stato Italiane SpA is composed of five Directors: the Chairman, three non-executive Directors and a Chief Executive Officer<sup>22</sup> provided with broad operational powers.



19. In the course of the 2014 financial year, the composition of the Board of Directors and its power structure have been modified, partly changing the situation in 2013 as described in this Report. Specifically, the number of members of the Board rose from five to nine.

20. Mergers by incorporation and demergers of companies that are at least 90% owned by Ferrovie dello Stato Italiane SpA and in favour of the same; opening branch offices and amending the articles of association as required by law.

21. According to the provision laid down in the Company's articles of association in force in the 2013 financial year.

22. In the Board that was serving on 31 December 2013, the Chairman and the Chief Executive Officer were male and one non-executive director was female.



The Articles of Association expressly require the Directors of Ferrovie dello Stato Italiane SpA to meet specific requirements of professionalism and integrity. These requirements were made more stringent during 2013, bringing them into line with the provisions laid down under the Directive issued on 24 June 2013 by the Minister of Economy and Finance “as to the adoption of criteria and procedures for the appointment of the members of the governing bodies and of policies for the remuneration of the top management of the companies that are directly or indirectly controlled by the Ministry of Economy and Finance”. Furthermore, the Articles of Association, as amended in the light of said Directive, make provision for specific causes of ineligibility and removal from office.

Directors are called upon to issue a declaration to the effect that, in particular, they satisfy the requirements laid down by law and in the articles of association; that there are no reasons for their ineligibility or removal from office; and that during the previous five years they have not filled positions as directors of totally or partially public corporations, institutions, agencies or companies whose accounts have progressively deteriorated for three consecutive financial periods as a result of unnecessary management decisions.

Furthermore, under the Articles of Association of Ferrovie dello Stato SpA, Directors to whom operational responsibilities proper to the Board of Directors have been delegated on an ongoing basis, pursuant to article 2381, paragraph 2, of the Italian Civil Code, may serve as Directors on the Boards of no more than two other joint-stock companies (without considering positions held in subsidiary or associated companies); this limit on service on the Boards of public limited companies (not counting positions in subsidiaries or associates) rises to five positions for Directors who have not been given the responsibilities referred to above.

Finally, as a result of specific amendments made to the Articles of Association in 2013, in order to adopt the provisions laid down under Law no. 120/2011 (regulations on the so-called “female quotas”) and under the related

implementing Regulation (as adopted by Presidential Decree no. 51/2012) “concerning equality of access to governing and control bodies of companies owned by public administrations”, the composition of the Board of Directors must also comply with gender equality.

On 9 August 2013, the Shareholders’ Meeting appointed new members of the Governing body, with a term of office of three financial years and, in any case, until the date of the Shareholders’ Meeting called to approve the 2015 financial statements. Apart from vesting the Chairman with specific responsibilities (for institutional relations and communications, coordination of internal auditing and activities specified in the articles of association), in a resolution of 29 August 2013 the Board of Directors granted the Chief Executive Officer wide-ranging management powers and reserved for itself sole responsibility for matters of financial and strategic importance such as, among others: the approval of the business plan, the annual budget, extraordinary transactions, loan agreements exceeding certain amounts. Generally speaking, projects that have a significant impact on the corporate performance are submitted for the attention of the Board of Directors, which considers the opportunities and risks associated with them. The BoD also assumed sole responsibility for appointing the governing and control bodies of the main subsidiaries (RFI, Trenitalia, Italferr and Ferservizi), on a reasoned and documented proposal by the Chief Executive Officer, and for laying down the general criteria for the Chief Executive Officer to select the members of the Corporate bodies of the Ferrovie dello Stato Italiane Group companies (independence, professionalism requirements and managerial capacity). In accordance with Article 2410 of the Italian Civil Code, the BoD of Ferrovie dello Stato Italiane SpA is also authorized to resolve on bond issues.

At the proposal of the Chief Executive Officer and subject to the mandatory opinion of the Board of Statutory Auditors, the Board of Directors appoints the Manager in charge of the company’s accounting documents preparation, in full compliance with the rules laid down under article 154-bis of the Consolidation Act on Finance.

The Board of Directors also receives a six-monthly report from the Audit Head Department which describes the work done by all the Group’s internal audit offices in connection with the assessment of the Internal Control Systems.

Ferrovie dello Stato Italiane SpA’s governing body meets once a month on average and in any case whenever the Chairman or the Chief Executive Officer consider a meeting necessary or when a majority of the members or the Board of Auditors requests a meeting, stating the reasons in writing. In 2013 the Board met 16 times.

In accordance with the current corporate rules and the composition of the shareholding structure, there are no specific procedures at the disposal of the employees for making recommendations or suggestions directly to the highest Governance Body.



The theme of the Directors' interests is regulated, in general, by article 2391 of the Italian Civil Code and by the Ferrovie dello Stato Italiane Group's Code of Ethics, which requires all Group resources and the Directors of each company not to take decisions or carry out activities in the exercise of their functions that conflict with the corporate interests or that are incompatible with their official duties. Any action contrary to this rule must be reported to the Line managers of the person concerned or to the Ethics Committee.

In January 2010 the Manager in charge of the company's accounting documents preparation of Ferrovie dello Stato Italiane SpA issued a Group AAP (Administrative and Accounting Procedure) laying down the provisions governing Transactions with Related Parties, for which disclosures must be made in the financial statements. This procedure, as well as the other company AAPs afterwards issued following the lines of the Parent Company procedure, also explain that all transactions with "Related Parties" on the part of Ferrovie dello Stato Italiane SpA and its subsidiaries must be carried out observing materially correct criteria from the financial and procedural points of view. Furthermore, contracts must be duly drawn up for these transactions and must state the methods for calculating the price of the transaction and a clear assessment of its fairness with respect to the market values of similar transactions, or, should this not be the case, must provide a clear statement regarding the terms that are different from those of the market (providing the justification). Intra-group transactions must be carried out on the basis of an assessment of mutual financial benefit and the conditions to be applied must be laid down with the common objective of creating value for the entire Ferrovie dello Stato Italiane Group in mind. Key executives, Directors, regular Statutory Auditors and the external members of the internal control bodies of each Group company periodically declare, by means of a procedurally defined certification system, whether or not they have carried out transactions with the compa-

nies in which they serve and/or with their direct or indirect subsidiaries and whether such transactions have been concluded at arm's length.

The Shareholders' Meeting sets the fees due to the Directors on an annual basis for the term of their office.

At the proposal of the Remuneration Committee and having consulted the Board of Statutory Auditors, the Board of Directors sets the amount to be paid to the Chairman and to the Chief Executive Officer (including the fees due for their positions as directors) pursuant to article 2389, paragraph 3, of the Italian Civil Code. The pay conditions take into account the rules laid down for publicly owned companies as regards emoluments and fees in addition to studies of and comparisons with practice in other companies of comparable size and complexity. For the three-year period 2013-2015, the fees due to the Chairman and to the Chief Executive Officer were reduced by 25%, taking account of the provisions under Decree Law no. 69/2013, as converted by Law no. 98 of 9 August 2013.

The Chairman and the Chief Executive Officer's pay includes a fixed remuneration and a variable portion linked to the attainment of key objectives and specific annual targets, which are directly correlated to the Business Plan and to the budget and are defined by the BoD itself. The fees decided upon for the Chairman and for the Chief Executive Officer of Ferrovie dello Stato Italiane SpA for their positions in the BoDs of the Group companies are paid by the latter to Ferrovie dello Stato Italiane SpA. The fees decided upon for the Directors designated by the Ministry of Economy and Finance and by the Ministry for Infrastructures and Transport are passed on to the relevant administration.

Finally, pursuant to the Articles of Association, it is prohibited to pay Directors and Statutory Auditors attendance fees and a limit is set to the remuneration of members of Committees with advisory or evaluation functions that have been formed within the Board as necessary.

## Board of Directors Committees

The Board of Directors of Ferrovie dello Stato Italiane SpA, adopting a practice that is widespread among listed companies, formed the **Remuneration Committee** from within its members in May 2007, with the task of submitting proposals regarding the remuneration of Directors with delegated powers and supporting the Chief Executive Officer in laying down guidelines regarding the Ferrovie dello Stato Italiane Group's pay policy.

As a result of the renewal of the Governing body resolved upon by the Shareholders' Meeting held on 9 August 2013, the new BoD also resolved (in the meeting held on 29 August 2013) to set up the Remuneration Committee for the three-year period 2013/2015. This Committee is composed of two non-executive Directors and the Human Resources and Organisation Head Manager, whose structure provides the necessary preliminary investigation and technical support. The Manager responsible for the Executive Staff Management and Administration unit acts as the secretary to the Committee, whose members receive no additional pay.

## Other Committees

As regards its internal organisation, the Parent Company has equipped itself with committees with advisory/steering/support functions. The members of these committees are selected from the serving heads of certain corporate functions.

The **Ethics Committee**, an advisory and steering committee acting within the framework of the standards and rules of the Code of Ethics of the Ferrovie dello Stato Italiane Group, was formed by virtue of Group Order (*Disposizione di Gruppo*) no. 50/AD of 30 January 2006 with the duties of assisting in the integration into decision-making processes of the ethical policies adopted with respect to the various other parties with which the Group has relations, of seeing that Directors and employees' actions and behaviour comply with the rules of conduct that have been set down, of reviewing corporate procedures in the light of the above-mentioned Code and of constantly updating the Code itself.

The **Antitrust Committee**, a supporting body to the Chief Executive Officer of Ferrovie dello Stato Italiane, was formed by virtue of Group Order no. 55/AD of 10

March 2006 to foster the diffusion of knowledge of competition rules and monitor their correct application by drawing up Antitrust Compliance guidelines. This Committee also defines then Group's position in any proceedings that the Competition Authority brings against individual companies. By Group Order no. 157/AD of 21 December 2012, the Group also defined the "Corporate Governance Rules on antitrust compliance".

The **Investment Committee** was formed by virtue of Group Order no. 89/AD of 8 February 2007 to oversee investment/disinvestment strategies. This Committee advises the Chief Executive Officer providing investment/disinvestment guidance and steering the Ferrovie dello Stato Italiane Group's planning process, draws up (strategy and economic/financial) compliance opinions on projects, has the duty of "validating" substantial investments/disinvestments, follows the progress of the related Plan and suggests any necessary correction to the Plan's execution.

The **Group Information and IT Systems Security Committee**, which was set up by Group Order no. 168/AD of 25 November 2013 in accordance with Group Order no. 167/AD of 25 November 2013, is an inter-company advisory body which steers the Ferrovie dello Stato Italiane Group's information security strategies, makes proposals to Group companies for the detection of critical business processes affected by risks that emerge in connection with the use and management of IT resources, monitors the action taken in this sphere and evaluates and approves proposals related to the regulation of the assessment and certification of the security of information and IT systems.

The **Group Equal Opportunities Committee (EOC)** is a two-gender bilateral corporate committee formed in accordance with section 1, point 3, letter C) of the CCNL agreement (*Contratto Collettivo Nazionale di Lavoro*, National Collective Labour Agreement) for the Mobility/Railway Operations Contract Area and with section 3 of the Ferrovie dello Stato Italiane Group's supplementary Agreement dated 20 July 2012. The Committee's purpose is to foster projects and positive action for offering female workers more favourable organisational conditions and greater opportunities, also in order to conciliate working and family life. The Committee is divided into a national committee and 15 area committees<sup>23</sup>. The Committees are composed of one representative from each Trade Union that is a signatory to the CCNL agreements for the Mobility sector and a corresponding number of members designated by the Group companies.

23. The Area Committees are: Liguria EOC, Piedmont-Valle d'Aosta EOC, Lombardy EOC, Veneto EOC, Verona-Trentino Alto Adige EOC, Friuli Venezia Giulia EOC, Emilia Romagna EOC, Tuscany EOC, Marche-Umbria-Abruzzo EOC, Lazio EOC, Campania-Molise EOC, Puglia-Basilicata EOC, Calabria EOC, Sicily EOC, Sardinia EOC.

## 2.1.2 Control Tools

GRI 4.1 | 4.9 | SO2 | SO3 | SO4

The statutory audit of accounts for both the Parent Company and the subsidiaries for the 2013 financial year is the responsibility of PricewaterhouseCoopers SpA. The Member delegated by the Court of Auditors to control Ferrovie dello Stato Italiane's financial management attends BoD and Board of Statutory Auditors meetings, according to article 12 of Law no. 259/1958.

### Board of Statutory Auditors

The Board of Auditors systematically verifies the correct application of corporate governance principles in accordance with the Italian Civil Code and, in addition to ensuring compliance with the law and the Articles of Association, it supervises compliance with the principles of proper administration and, particularly, assesses the adequacy of the organisational, administrative and accounting structure adopted by the Parent Company and its actual operation.

After the acquisition by Ferrovie dello Stato Italiane of the status of Public Interest Entity in accordance with article 16 of Legislative Decree no. 39/2010 (governing the statutory audit of accounts), the Parent Company's Board of Auditors has also taken on, according to article 19 under the same Decree, the role of "Internal Control and Audit Committee", with the functions of supervision over financial reporting, the effectiveness of the internal control, internal auditing and risk management systems, as well as over the statutory audit of accounts and finally over the independence of the independent auditors, and particularly supervision over any kinds of service provided to the entity subject to the statutory audit of accounts, apart from auditing services themselves.

On 9 August 2013, the Shareholders' Meeting of Ferrovie dello Stato Italiane appointed, for three financial years and in any event until the Shareholders' Meeting convened to approve the 2015 financial statements, the new Board of Statutory Auditors composed of three standing members, one of which acting as Chairman<sup>24</sup>. Said appointments comply with gender equality legislation.

The Board of Statutory Auditors meets at least on a quarterly basis; in 2013 the Board of Statutory Auditors of Ferrovie dello Stato Italiane met 25 times and the Statutory Auditors attended 4 Shareholders' Meetings and 16 Board of Directors' meetings.

### Internal Auditing

There are internal audit functions<sup>25</sup>, in the main Group companies, which report hierarchically and functionally to their Chairman of the Board of Directors or, where there is one, to the Audit Committee.

The Parent Company's Audit Head Department provides the service to subsidiaries, acting together with those which have their own audit office, and acting exclusively otherwise.

Internal Audit functions/Head Departments assess the adequacy and functioning of the Internal Control System of the relevant companies, with respect to the pursuit of the Group's objectives, first of all:

- the safeguarding of its assets;
- the efficacy and efficiency of its operations;
- compliance with laws, regulations, contracts and internal rules.

The Manager responsible for the Audit Head Department has functional influence over the entire professional internal auditing family with a view to ensuring that Group policies and economies are observed.

In the role as head of the professional family, the Manager responsible for the Audit Head Department, for the matters that are directly involved:

- provides guidelines for the planning of work;
- consolidates the various audit plans and provides the consequent information to the Group's top management;
- fosters, accomplishes and maintains a standardised form of operational conduct;
- fosters, accomplishes and maintains the homogeneity of the assessments of the internal control system;
- fosters and diffuses expertise and best practice among the Group companies;
- fosters and develops projects that, by their nature, must be carried out at Group level;
- fosters training and professional updating courses in general.

A working group was formed in 2007 composed of representatives of all the internal auditing functions to carry out a "Quality Management System" project at Group level whose aim was to design and carry out internal auditing services for the Ferrovie dello Stato Italiane Group companies.

After the successful results of the certifying body's audit, the whole professional internal auditing family was certified to operate, having met the quality standards of UNI EN ISO 9001:2008<sup>26</sup>.

24. The statutory auditor who acts as Chairman and an alternate auditor are female; the remaining members are male.

25. The companies provided with an internal auditing function are: Trenitalia SpA, Rete Ferroviaria Italiana SpA, Ferservizi SpA, Fercredit SpA and Grandi Stazioni SpA.

26. The certification was issued by SGS Italia SpA - System & Services Certification on 21 December 2012, with validity until 21 December 2015.

In 2013 the Group companies' internal auditing functions completed 122 audits, 102 of which were assessments of the internal control system, including its ability to mitigate risks of fraud<sup>27</sup>. Most of the work done was also of interest to the Group's Supervisory Committees (53 audits were requested by these Committees themselves) and they received copies of the audits. During 2013 all the Group's internal auditors<sup>28</sup> attended the Internal Auditing professional family meeting. Among the subjects in which training was provided were, among

others, integrity risk, including corruption, and the processes most exposed to these risks (such as, for example, contracts).

### **Supervisory Committees and Organisational Models pursuant to Legislative Decree no. 231/2001**

The Ferrovie dello Stato Italiane Group companies have adopted programmes for the prevention of the criminal offences referred to in Legislative Decree no. 231/2001, have also defined Organisational Models and have appointed Supervisory Committees (as recommended by the law) to reduce the risk of criminal offences being committed and to achieve the effects of exemption from liability referred to in the abovementioned decree.

All the internal auditing functions carry out operational services for the Supervisory Committees of the related Group company, such as:

- defining and updating the company's Organisational Models;
- auditing the adequacy and the observance of Organisational Models;
- specific secretarial services including:
  - calling and drawing up minutes of periodic meetings;
  - monitoring and examining the flows of information from the management;
  - considering reports, whatever their source;
  - preparing reports for the corporate bodies;
  - managing and storing documents.

The Audit Head Department gives specialist and operational support to the Supervisory Committees of Ferrovie dello Stato Italiane SpA and of all companies without their own internal auditing function.

Moreover, various Group companies have updated their Organisational Models pursuant to Legislative Decree no. 231/2001 in order to adopt the changes in law that have taken place and update the relative organisational measures<sup>29</sup>.

Training courses in administrative liability for criminal offences and of Organisational Models adopted for the prevention of criminal offences pursuant to Legislative Decree no. 231/2001 were given in 2013, which were attended by 15 executives and 197 non-executive staff members who were given anti-corruption training<sup>30</sup>.



27. There was only one disciplinary measure after the 2013 audits, consisting in a formal reprimand.

28. 12 executives and 74 non-executive staff members.

29. The Companies are: Ferrovie dello Stato Italiane SpA, Trenitalia SpA, RFI SpA, Ferservizi SpA, Centostazioni SpA; the Audit Head Department prepared the Organisational Model pursuant to Legislative Decree no. 231/2001 of FS Sistemi Urbani Srl and Busitalia - Sita Nord Srl.

30. These members included the Group personnel who do not belong to the professional Internal Auditing family and have received instruction in criminal liability of Entities from their respective Supervisory Committees.

## Risk Management

Group Order no. 169/AD of 21 January 2014 issued the final version of the “Group Risk Management Model” (*Modello di Gruppo del Risk Management*), a document to be used in assessing and managing corporate risks in the Ferrovie dello Stato Italiane Group. The intention of the Model is to lay down the methods for detecting, assessing and managing corporate risk and to spread the use of these methods. Risk Management consists of the following phases: mapping processes and selecting objectives, detecting and assessing risks and the related controls and submitting proposals for any possible action to lower the risk threshold. The Risk Management method adopted is the Control Risk Self-Assessment (CRSA), a feature of which is the process owner’s active participation in the risk detection and assessment phase. The Model provides for the appointment of a corporate Risk Officer in the main companies of the Group, selected from the Head Departments staff reporting to the Chief Executive Officer, with the special duties of periodically managing and coordinating the process of the detection and measurement of corporate risks, proposing risk response strategies and risk policies in order to set “acceptability” thresholds and drawing up reports for the top management.

A Group Risk Officer is also appointed with the particular function of seeing that the methods for the analysis and assessment of risk are analysed and assessed at Group level on the basis of a process of continuous improvement, as well as of monitoring the internal and external, existing and future risks to which the Ferrovie dello Stato Italiane Group is exposed.

The risks of corruption are monitored in all the Group companies, even if not to a uniform level, by means of:

- risk assessment (which also includes the fraud risk assessment);
- risk assessment for defining and updating the Organisational Models pursuant to Legislative Decree no. 231/2001;
- assurance work carried out by persons with the sensitivity necessary to detect fraud signals (experts in professional standards, persons with CIA, CCRSA, CFE, CRMA certificates);
- obligation to report circumstances that conflict with the principles of the Code of Ethics and with the regulations referred to in the Organisational Models pursuant to Legislative Decree no. 231/2001.

In 2013 risk assessment supported the updating of the Organisational Models of the main Group companies in order to adopt the changes in law that have taken place. Specifically, the provisions of Law no. 190 of 6 November 2012 (bearing “Provisions for the prevention and repression of corruption and illegality in the Public Administrations”) were adopted and the relative organisational safeguards were revised accordingly.

Finally, as regards the reporting obligations that have been mentioned, dedicated hotlines were set up so that

reports can be made to the Ethics Committee or to the Supervisory Committee pursuant to Legislative Decree no. 231/2001 of the single companies concerned.

## The Manager in Charge of the Company’s Accounting Documents Preparation

The position of the Manager in charge of the company’s accounting documents preparation (hereinafter referred to as the Manager in charge of the company’s accounting documents preparation) referred to in Law no. 262 of 28 December 2005, bearing “Provisions for the protection of savings and the regulations of financial markets” for companies listed on financial markets was introduced by the Parent Company in 2007 at the specific request of the shareholder Ministry of Economy and Finance, for the Group to start following the corporate governance systems of listed companies.

Accordingly, on 27 April 2007 the Shareholders’ Meeting of Ferrovie dello Stato Italiane amended the Articles of Association by introducing, for this purpose, section 16 “Manager in charge of the company’s accounting documents preparation”.

The Manager in charge of the company’s accounting documents preparation prepared and implemented the Compliance Plan in accordance with Law no. 262 for the Ferrovie dello Stato Italiane Group following an approach based on international reference standards (the so-called Co.S.O. Framework).

The system designed envisages the formalisation and continuous review of specific administrative and accounting procedures (AAPs), which state the roles and the responsibilities involved in connection with controls carried out in order to reduce the risks of error and/or fraud in financial disclosures. As of the date of this document, more than 300 administrative and accounting procedures have been issued in the Group. The effectiveness of the system of controls of risks with a significant impact on economic and financial disclosures is audited annually by means of testing based on standard auditing procedures by a specialised team working in support of the Manager



in charge of the company's accounting documents preparation.

In view of the Group's complexity and capillarity, in terms of players and processes involved, and in order to heighten the application and efficacy of the application of the rule, the Board of Directors of Ferrovie dello Stato Italiane SpA also decided to arrange for Managers in charge of the company's accounting documents preparation to be appointed in its main subsidiaries. Therefore, Managers in charge of the company's accounting documents preparation have been appointed at the following companies: RFI SpA, Trenitalia SpA, Grandi Stazioni SpA, Centostazioni SpA, FS Logistica SpA and Busitalia - Sita Nord Srl.

The position of Manager in charge of the company's accounting documents preparation of Ferrovie dello Stato Italiane SpA is now compulsory by law, after the bond issue on the Irish Stock Exchange (which took place in July 2013), thus fully falling within the scope of application of article 154-*bis* of the Consolidation Act on Finance.

These Managers in charge of the company's accounting documents preparation, as joint signatories with the Chief Executive Officers of their companies, certify annually as follows on the basis of a model document drawn up in compliance with Consob (the Italian Securities and Exchange Commission) regulations and implementing Law no. 262/2005:

- that the administrative and accounting procedures are adequate for the preparation of the Financial State-

ments and that they were actually applied during the reporting period (drawing attention to any significant issues that emerged);

- that the data in the financial statements correspond to the entries in the accounting books and records;
- that the financial statements conform to the reference accounting standards and give a true and fair view of the company's financial position, operating results and cash flow;
- that the report on operations contains a reliable analysis of the company's performance and financial position, together with a description of the main risks and uncertainties to which it is exposed.

The Parent Company's Manager in charge of the company's accounting documents preparation and Chief Executive Officer issue a Certificate for the Separate Financial Statements of FS SpA, in addition to one for the Consolidated Financial Statements of the Ferrovie dello Stato Italiane Group.

The Parent Company requires the annual financial statements of subsidiaries without their own Manager in charge of the company's accounting documents preparation to be accompanied by an internal certificate signed by their Administrative Manager, who sends it to the relevant Chief Executive Officer, to the Parent Company's Manager in charge of the company's accounting documents preparation and to the Manager in charge of the company's accounting documents preparation of its own controlling company, if there is one.

As regards the activities specifically involved in supporting the issue of these Certificates for the year 2013, the implementation of the so-called 262 Model continues in the German subsidiary group Netinera in addition to issuing new administrative and accounting procedures, revising already existing procedures and auditing the effectiveness of the controls laid down in the procedures. Finally, supplementing the work on the 262 compliance Model, the Group projects regarding the implementation of the following Models continued: "SoD - Segregation of Duties" and "ITGC - Information Technology General Controls". The purpose of the SoD Model is to carry out operational controls over processes, paying particular attention to those contributing to the contents of financial disclosures in order to ensure that responsibilities are defined and properly distributed avoiding functional overlapping or putting operations that concentrate critical activities in the hands of a single person, thus minimising the risks of error and/or fraud in financial disclosures. Furthermore, the SoD Model is aimed at providing a homogeneous and consistent view of the entire system of authorisations for the management of roles and users in the IT systems. The purpose of the ITGC Model is to set out the internal controls over IT processes in order to ensure that the corporate applications systems which process the data to be used in financial disclosures function correctly and without interruptions.



## 2.2 Stakeholders

GRI 4.12 | 4.13 | 4.14 | 4.15 | 4.16 | 4.17 | SO1 | SO5 | SO6 | PR6 | PR7



The Ferrovie dello Stato Italiane Group operates in the conviction that an enterprise's success depends on its ability to satisfy the needs of its stakeholders. The Group is therefore committed to ensuring that the values and principles of economic, social and environmental responsibility are applied in its day-to-day activities by means of listening to its stakeholders and setting improvement targets in consultation with them.

The main stakeholders are determined on the basis of their capacity to influence the Group's activities, products and services and the level of influence that the Group can exert over them.

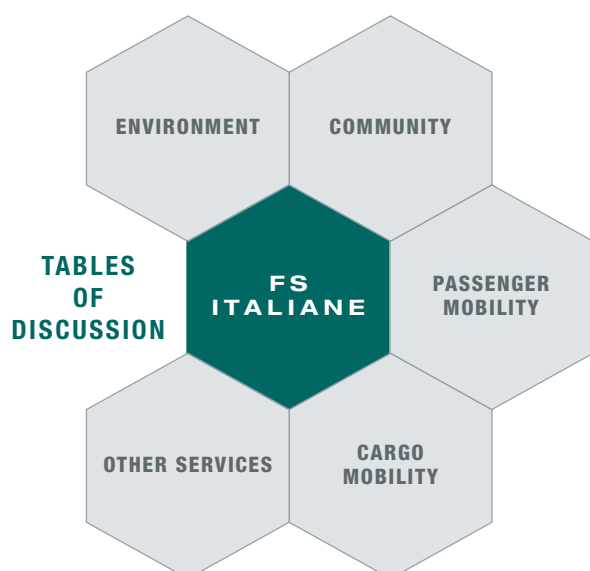
The categories under which the stakeholders have been classified are mapped below:

### » MAP OF THE FERROVIE DELLO STATO ITALIANE GROUP'S STAKEHOLDERS



## 2.2.1 Stakeholder Engagement Panel

On 11 December 2013 the Ferrovie dello Stato Italiane Group organised its first Stakeholder Engagement Panel. This project involved the most important stakeholders in the presentation of proposals for improvement in corporate sustainability programmes, starting from the 2012 Sustainability Report. This was an experiment in an innovative practice whereby the Group discussed various themes with a multi-stakeholder group, enabling proposals regarding sustainability to be submitted with a focus on five key areas (the “tables of discussion”):



Two specific connected themes were chosen for each “table”, and the discussion was limited to these themes, the details of which are shown in the table below:

TABLE OF DISCUSSION	THEMES
<b>Cargo services/Mobility</b>	<ul style="list-style-type: none"> <li>• Cargo transport</li> <li>• Intermodality</li> </ul>
<b>Passenger services/Mobility</b>	<ul style="list-style-type: none"> <li>• Local public transport</li> <li>• Long-haul transport</li> </ul>
<b>Passenger services/Mobility - Other services</b>	<ul style="list-style-type: none"> <li>• Facilities and places</li> <li>• Customer Assistance</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Energy consumption</li> <li>• Waste management</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Prevention of social exclusion</li> <li>• Enhancement of material resources</li> </ul>





The event, lasting a whole working day, was attended by about 50 stakeholders representing entrepreneurs, public administrations, research institutions, experts, universities, business consortia, consumer associations, trade associations, civil society organisations, the specialist press, users/citizens and customers.

During the proceedings there were periods of discussion in full session alternating with work in groups ("tables of discussion") focused on the specific themes proposed to them. A Group representative also took part in the talks - personnel from Trenitalia and RFI to be precise, to provide support with regard to the theme for discussion and stimulate the participants to take an active role. The Group's undertaking to consider all the proposals submitted during the day and provide specific responses to all of them was fulfilled as promised at the end of March 2014, when all the feedbacks that had been processed were published on website Ferrovie dello Stato Italiane (<http://www.fsitaliane.it/fsi/Impegno/Stakeholder-engagement>).

### 2.2.2 Other Forms of Dialogue

There are various other forms of dialogue between the Group and its stakeholders, including the institutionalised active listening (e.g. customer satisfaction), relations with the Consumer Associations and environmentalists and Labour Relations.

Every year the Group carries out a number of information, consulting, dialogue and partnership projects addressed at the different stakeholders, by specific subject. The following table reports the actions taken in 2013.

AREA OF INTEREST	STAKEHOLDERS	SUBJECTS	MAIN INFORMATION, CONSULTING, DIALOGUE AND PARTNERSHIP PROJECTS
Labour	Employees  Workers' representatives	Training  Valuing human resources  Incentives  Pay  Reconciling home life and work  Equal opportunities  Health and safety  Internal communication	<p><b>Growth of human resources concentrated on three types of activity (par. 5.1.3)</b></p> <ul style="list-style-type: none"> <li>Appraisal of target resources of interest to the Group: a total of 808 persons were appraised in connection with organisational changes and/or access to specific positions.</li> <li>Appraisal campaigns using the Integrated Appraisal System (IAS system) on 808 persons; Trenitalia also conducted a potential appraisal campaign on 301 persons.</li> <li>IAS system upgrade: the module for the management of growth plans and substitution tables was systematically implemented.</li> </ul> <p><b>Institutional training (par. 5.1.3)</b></p> <ul style="list-style-type: none"> <li>About 60 young newly recruited graduates were given three complete editions of an orientation course held over a total period of 15 days.</li> <li>Diversity management training continued for about 50 women returning from maternity leave and their line managers.</li> <li>Three 2-day effective communication training courses were given, attended by 150 executives.</li> </ul> <p><b>Management training (par. 5.1.3)</b></p> <ul style="list-style-type: none"> <li>Three new management training courses were given for Group middle managers in charge of operational units.</li> <li>40 young graduates who had attended the orientation course a year and a half before were given 2 transversal and behavioural training courses, lasting nine and a half days altogether.</li> <li>Two important training courses were created for executives and middle managers in executive positions: <ul style="list-style-type: none"> <li>Management Workshop: for the creation of value in organisational processes, divided into two modules of 2 days each.</li> <li>Economics, a two-day course aiming at refining economic sensitivity in managing resources and objectives.</li> </ul> </li> <li>The first edition of the management skills development project was put in hand, devoted to 18 Group middle managers.</li> </ul> <p><b>Technical and vocational training (par. 5.1.3)</b></p> <ul style="list-style-type: none"> <li>About 300,000 man-days of training was given for the transfer and refreshing of specialist skills.</li> <li>Training in Environment and Sustainability themes continued in the form of <i>ad hoc</i> activities.</li> <li>A substantial investment was made in training for the Group's Energy Managers, involving about 60 persons.</li> <li>Training in Mobility Management and Green Procurement themes continued.</li> <li>Training days were given to 50 employees who work in contact with socially deprived persons in stations.</li> <li>Training and refresher courses continued for about 80 persons in the Tax professional family and 90 persons in the family of Auditors.</li> <li>At the end of the training course for the Human Resources professional family, 12 Assessors and 10 in-house Coaches were certified.</li> <li>The activation of the Group's new Recruitment system also required a substantial investment in training about 50 human resources.</li> <li>The Lean Six Sigma methodology Pilot Project was launched, involving 14 human resources.</li> <li>The companies continued to carry out training programmes specifically to support their technical and specialist and business skills.</li> </ul> <p><b>Common transversal training (par. 5.1.3)</b></p> <ul style="list-style-type: none"> <li>Individual and group language courses continued.</li> <li>E-learning courses regarding Health and Safety at Work and privacy were designed and given on the Group platform.</li> </ul>

» continued

AREA OF INTEREST	STAKEHOLDERS	SUBJECTS	MAIN INFORMATION, CONSULTING, DIALOGUE AND PARTNERSHIP PROJECTS
			<p><b>Employer Branding and Recruitment (par. 5.1.3)</b></p> <ul style="list-style-type: none"> <li>An internal job posting system was proceeded with, to help in developing and retaining human resources in the Group, with occupational diversification courses and job rotation among the various companies.</li> <li>The new e-recruitment information system was implemented. This system maps out and speeds up the selection procedure in recruiting on the external job market.</li> <li>Various measures were taken to give young people career guidance and bring them into contact with the working world, train them in excellence and build on the Group's attractive image in young people's eyes.</li> </ul> <p><b>Internal communication (par. 5.1.3)</b></p> <ul style="list-style-type: none"> <li>A new internal communication model was created which aims at involving all the Group's employees; the model was tested with more than 800 workers by means of pilot meetings throughout the country.</li> <li>Various anti-smoking and smoking prevention and treatment campaigns were carried out among the Group's employees.</li> </ul> <p><b>Diversity and equal opportunities (par. 5.1.4)</b></p> <ul style="list-style-type: none"> <li>Training was given and attention was paid to the organisation of work for on-board staff (on the themes of violence against women and women's shift hours).</li> <li>The <i>Frecciarosa</i> campaign was conducted for all personnel on the theme of cancer prevention and women's work.</li> <li>Three <i>Talento al Femminile</i> seminars for 200 women between 35 and 45 years of age were held.</li> </ul> <p><b>The Ferrovie dello Stato Italiane Group signed some important agreements with the Trade Unions concerning the pursuit of active income and employment support policies (par. 5.1.6).</b></p>
<b>Governance</b>	Lenders Shareholders	Relations with shareholders and lenders  Corporate governance	<ul style="list-style-type: none"> <li>The Group Information and IT Systems Security Committee was formed to observe the business processes of importance in the use and management of its information resources (par. 2.1.2).</li> <li>The main Group companies' risk assessment Organisational Models were updated (par. 2.1.2).</li> <li>Managers in charge of the company's Accounting documents preparation were also appointed in the main subsidiaries (par. 2.1.2).</li> <li>Communications regarding the approval of financial statements, business plans and significant transactions were published in the Group's website (par. 3.1).</li> <li>In July and December the Ferrovie dello Stato Italiane Group launched bond issues in the market (par. 2.1).</li> <li>The Group's 2014-2017 Business Plan was approved (par. 3.1).</li> </ul>



» continued

AREA OF INTEREST	STAKEHOLDERS	SUBJECTS	MAIN INFORMATION, CONSULTING, DIALOGUE AND PARTNERSHIP PROJECTS
<b>Market</b>	Customers Suppliers Competitors Partners	Service quality Transparency Communication Information Tariffs	<ul style="list-style-type: none"> <li>Periodic customer satisfaction and complaints analysis surveys were conducted (par. 4.3).</li> <li>Italferr was awarded major contracts in the Persian Gulf countries (par. 1.2).</li> <li>Busitalia - Sita Nord was awarded the tender launched by Umbria TPL and Mobilità SpA for the acquisition of a 70% quota of Umbria Mobilità Esercizio Srl (par. 1.2).</li> <li>Purchases after tenders were all made in compliance with the Code of Public Contracts (Legislative Decree no. 163/2006), the EU legislation and the Regulations on Contractual Work for the Group companies.</li> <li>Where possible, clauses were included in contracts regarding the selection of suppliers on the basis of environmental sustainability considerations (par. 3.4).</li> </ul>
<b>Community</b>	Public Administration Institutions Civil society organisations Associations Scientific community Media	Compliance with laws Supporting projects Transparent communication Fair management	<ul style="list-style-type: none"> <li>The Group companies' Internal Auditing functions completed 122 audits, 102 of which regarded the internal control system for the mitigation of the risk of fraud (par. 2.1.2).</li> <li>The Agreement between the Ferrovie dello Stato Italiane Group and the National Civil Protection Department was renewed introducing innovative elements with respect to the previous edition (par. 4.4.1).</li> <li>20 new integrated security systems were completed for the control of more than 200 corporate assets. Specifically, an integrated security system was implemented at the Fiumicino Airport station (par. 4.4.1).</li> <li>A Ferrovie dello Stato Italiane Group office was opened for the governance and centralised management of all types of computer threat, both internal and external, to the Group's information assets (par. 4.4.1).</li> <li>In the framework of operational collaboration under memoranda of understanding between the Ferrovie dello Stato Italiane Group and the National Civil Protection Department, important events were held such as the World Cycling Championship in Florence and training and educational activities were arranged; 23 drills were also conducted in order to perfect plans of action in the event of difficulty or emergency (par. 4.4.1).</li> <li>The Group participated in the activities carried out by the European (Parliament, Commission and Council) and national institutions (par. 2.2.2).</li> <li>The Group attended periodic meetings and tables of discussion (par. 2.2.2): <ul style="list-style-type: none"> <li>at UIC and CER;</li> <li>with the Conference of Regional Governments and Autonomous Provinces, the Conference of State-Regional Governments and the Unified Conference and the Conference with the Ministries;</li> <li>at Confindustria, Agens/Fertrasporto, Federturismo, Oice, Assoimmobiliare and Assonime.</li> </ul> </li> <li>The <i>Bike 95</i> project was started. This is a scheme whereby 7 homeless people were inserted into the world of work by starting a bicycle repair and hire business at Rome Termini Station (par. 5.2.1).</li> <li>The Group and the Roman branch of Caritas organised the "Casa Dolce Caritas" solidarity campaign to support the refurbishment of the Caritas "Don Luigi di Liegro" hostel at Rome Termini Station (par. 5.2.1).</li> <li>A "Cold weather emergency plan" was drawn up (par. 5.2.1).</li> <li>The various social welfare centres continued their work of helping their guests with a view to their social inclusion and employment (par. 5.2.1).</li> <li>Memoranda of understanding were formalised with the Tuscany Regional Government, Legambiente, AITR and CSVnet to carry out socially useful volunteering, environmental and cultural work (par. 5.2.1).</li> <li>63,683 square metres of space was granted under gratuitous loan for use agreements in the 345 stations that have been improved from a social point of view (par. 5.2.1).</li> <li>Support was given to national events such as concerts, exhibitions, performances, meetings and projects carried out in support of the artistic, cultural and scientific heritage (par. 5.2.1).</li> </ul>

AREA OF INTEREST	STAKEHOLDERS	SUBJECTS	MAIN INFORMATION, CONSULTING, DIALOGUE AND PARTNERSHIP PROJECTS
Environment	Environmental associations Civil society organisations Scientific community	Care for the territory Management of environmental impact Effective communication	<ul style="list-style-type: none"> <li>The implementation phase of the Environmental Management Systems (EMSs) was completed for the Parent Company and the main operating companies.</li> <li>Documentary audits of 5 operating companies were scheduled in 2013, to be conducted at the beginning of 2014. The purpose of these audits is to monitor the compliance of the Group companies' System documentation with the Guidelines in the EMS Governance Model (par. 2.4).</li> <li>The SuPM (Sustainability Performance Management) IT solution for planning, monitoring and reporting Group Sustainability was consolidated (par. 2.4).</li> <li>Energy diagnosis activities continued, with a project for the measurement of energy consumption on board trains (par. 6.1).</li> <li>The "Progetto Impianto Verde" project continued for the development of an energy standard plan for industrial plant regeneration and 15 other energy diagnoses were conducted in maintenance workshops (par. 6.1).</li> <li>A project was put in hand for monitoring electricity consumption in about 50 industrial plants in real time (par. 6.1).</li> <li>Work started on carrying out a lighting audit on a sample of stations in order to prepare an energy efficiency plan to substitute lighting equipment in stations with LED technology illumination (par. 6.1).</li> <li>The 24<sup>th</sup> edition of <i>Treno Verde</i> train was held (par. 6.2).</li> <li>Home-to-work Travel Plans were drawn up or updated in the metropolitan cities, in which Group Mobility Managers were appointed (par. 6.2).</li> <li>A new Car Sharing "Enjoy" scheme was launched in Milan, which is managed by ENI in partnership with Trenitalia and Fiat (par. 6.2).</li> <li>A pilot car-pooling project was started at the offices of Ferservizi (par. 6.2).</li> <li>In contracts which award site works, the Ferrovie dello Stato Italiane Group requires special clauses to be included whereby the contractors must furnish themselves with an Environmental Management System (par. 6.3).</li> <li>A new "Planning" section was added to the Geographic IT System for Monitoring of Environment and Projects used by Italferr which gathers data and information that may be helpful for the development of new projects (par. 6.3).</li> <li>Italferr directly planned and carried out archaeological surveys and excavations and specialised tests (par. 6.3).</li> <li>In the field of waste recycling, FS Logistica concluded an Experimental Memorandum of Understanding with AMA SpA, regarding an Ecological Footprint Rating for Big Users (par. 6.4).</li> <li>Feasibility or environmental impact studies were conducted into noise barriers and preliminary or final designs were prepared (par. 6.5).</li> <li>RFI completed the acoustic mapping and other work related to the plan of action for the main railway routes (par. 6.5).</li> <li>RFI went on with the development of "INAC 3D" software in order to integrate the present acoustic simulation system with the noise barrier design system (par. 6.5).</li> <li>Trenitalia signed a contract with a specialised firm to monitor the noise pollution arising from its activities (par. 6.5).</li> <li>In March 2013 all the measurements of electromagnetic fields on <i>Frecciarossa</i> trains carried out by the Piedmont ARPA agency were well below the limits (par. 6.6).</li> <li>Monitoring, environmental characterisation and reclamation in connection with infrastructure improvement works continued (par. 6.6).</li> <li>Trenitalia went on reclaiming its contaminated sites and making them safe (par. 6.6).</li> <li>RFI continued with its reclamation work on about 126 sites (par. 6.6).</li> </ul>

In 2013 the Ferrovie dello Stato Italiane Group participated in the activities carried out by the following Associations: Confindustria and its 102 Local Associations, Agens/Federtrasporto, Federturismo, Anie and Assonime. The Group has also had relations on themes of its interest with the Conference of Regional Governments and Autonomous Provinces (*Conferenza delle Regioni e Province Autonome*), with the Conference of State/Regional Governments (*Conferenza Stato-Regioni*) and the Unified Conference (*Conferenza Unificata*), with the Ministries concerned and, in particular, with the Ministry for Infrastructures and Transport with regard to parliamentary inspections.

At European level, the Ferrovie dello Stato Italiane Group:

- took part in the activities related to its sector conducted by the institutions concerned: the European Parliament, Commission and Council;
- collaborated with CER, based in Brussels, which lobbies the European institutions;
- took part in UIC and ERA (The European Railway Agency) working groups. It also sustained the Group's

official position in dealings with Confindustria (the Italian Manufacturers' Association) in Brussels. Again in an UIC context, the Ferrovie dello Stato Italiane Group took part in the international negotiations of the Conference of the Parties (COP) regarding climate change held in Copenhagen, Cancun, Durban, Brazil, Qatar and is starting to take part in the preparations for COP 2015 in Paris.

The Ferrovie dello Stato Italiane Group is a member of UPA (*Utenti Pubblicità Associati*), an association for the major industrial, commercial and services companies that invest in advertising. UPA observes the *Istituto dell'Autodisciplina Pubblicitaria*, the Italian self-regulating advertising code, and the Group, as a member of UPA, also automatically observes the code. There were no instances of non-compliance with the code in the Group's publicity messages during 2013.

No form of finance or benefit is given to the above Associations apart from the prescribed membership fees. The Group does not pay any direct or indirect contributions in any form to political or labour Parties, Movements, Committees or Organisations.



## 2.3 Mission and Strategies of the Ferrovie dello Stato Italiane Group

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

### >> OUR BUSINESS MODEL



#### **Our focus**

Create and manage railway works and services for customers, contributing to the realisation of a valuable project of sustainable mobility and logistics for our country.



#### **Our distinguishing features**

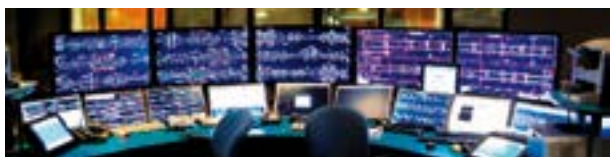
Innovation, technology and safety.



#### **Our capacity**

Transport and management of passenger and goods traffic by rail; railway engineering services and specialist assistance to investors in infrastructure.

### >> OUR MANAGEMENT MODEL



#### **Our structure**

Innovation as the linchpin of what we do and as a constant mark of our excellence and professionalism.



#### **Our decision-making process**

Responsibility, transparency, integrity.



#### **Our people**

Ethics as the means for guiding the behaviour of our Corporate Bodies, our management, our employees and our external collaborators.

## Our Vision

We are in the front line in the efforts to modernise our country and in the quest for continuous improvement of the quality of life in a scenario of sustainable development.

## Our Mission

We create transport works and services for our customers, mainly in the railway sector, and help to develop a valuable project of sustainable mobility and logistics for our country; our proposals have the object of achieving increasingly high quality at a lower cost for the public.

## Code of Ethics

The Code of Ethics is the “charter of fundamental rights and duties” in which the Ferrovie dello Stato Italiane Group sets out and describes its responsibilities and ethical/social commitments to internal and external stakeholders.

The Code of Ethics must be approved by the Boards of Directors of the Group companies and binds their Corporate Bodies, management, employees, external collaborators, commercial partners, suppliers and all those who have relations with the Group.

Responsibility and transparency, which are among the principles of our Code of Ethics, are particularly important in what the Ferrovie dello Stato Italiane Group does. We must always act respecting the environment and society in order to create lasting value for ourselves and our stakeholders.

## Our Policies

The Policies are an expression of the values of our Code of Ethics in the different spheres of action; they are based on the principles of responsibility and transparency that are the indispensable requisites in our journey to Sustainability.

### Management Policy and Performance of Corporate Activities

- Create economic value.
- Adopt the best corporate governance practices.
- Conduct an open and transparent dialogue with all our stakeholders.
- Control investments encouraging sustainable mobility.

### Environmental and Land Policy

- Exploit the environmental advantages of rail transport to the maximum, increasing energy efficiency and fostering the use of renewable sources of energy.
- Reduce unfavourable impacts on the environment as much as possible using natural resources rationally and safeguarding the land and biodiversity.
- Contribute to raising awareness of the environment among our main stakeholders, customers, staff, suppliers, competitors.

### Human Resources Policy

- Create quality jobs by innovating organisational processes and by respecting equal opportunities policies.
- Sustain and foster the growth of technical, cultural and management expertise.
- Improve the corporate climate.

### Social Policy for the Community

- Build up positive relationships with Institutions, Associations and Local Communities.
- Contribute to community wellbeing providing citizens with safe and efficient services.
- Constantly put ourselves at our customers' disposal in a spirit of service.

### Health and Safety Policy

- Provide the highest level of safety in work that entails risks for our employees, our customers and the community.
- Establish a risk prevention culture and involve all the players, our workers first of all, in matters involving health and safety.
- Continuously improve results in terms of the reduction in accidents.

### Quality and Innovation Policy

- Make the customer the focal point of what we do.
- Take advantage of innovation, including new technology, to provide better product and service quality.

## Key Areas of Activity

On 19 February 2014 the Board of Directors of Ferrovie dello Stato Italiane SpA approved the 2014-2017 Business Plan of the Ferrovie dello Stato Italiane Group.

The 2014-2017 Business Plan sets itself the task of building on the performance of the last eight years, the result of a challenging process of corporate restructuring consisting of rationalisation, re-positioning and the growth of all the Ferrovie dello Stato Italiane Group's business sectors.

After the restructuring phase, in a scenario in which there is a shortage of public funds and new regulatory entities are coming into being, the present Business Plan focuses on the utilisation of net invested capital and thus on which investments to select and what projects to carry out. While continuing to pay attention to costs, efficiency and economic sustainability, the feature of the Plan is a strategic and operational approach based on the capacity to create value in all business sectors, strongly focusing on customer needs. From the point of view of performance, the 2014-2017 Business Plan expects consolidated revenues to reach Euro 9.5 billion in 2017, with an average growth rate of 3.4% a year, an increase mainly due to rising revenues from transport services (both rail and road) that will exceed Euro 7 billion in 2017.



The Ebitda target is also an average annual increase of 5.3%, and will reach Euro 2.5 billion in absolute terms in 2017. Accordingly, the Ebitda Margin at the end of the period will be as much as 2% higher than the present figure (26.3% in 2017), and even today the Ferrovie dello Stato Italiane Group's Ebitda Margin is the benchmark for the other major European railway companies.

The Operating Margin (Ebit) is expected to rise at 6.6% a year, and will go over Euro 1 billion by 2017, while profits will reach Euro 528 million at the end of the period.

The investments estimated in the Plan come to a little under Euro 24 billion, of which more than Euro 8.5 billion will be self-financed, almost exclusively intended for the network: infrastructure development along the railway corridors established by the European Union that involve Italy and metropolitan area infrastructures; and transport: the purchase of new trains and the development of technologies in support of transport business.

### Market Long-Haul and International Passengers Service

The High Speed/High Capacity (AV/AC) system, which mostly corresponds to Trenitalia's *Frecce* trains, covers a larger and larger area of Italy. Its frequency, speed and quality are increasingly appreciated, as shown by customer satisfaction levels.

The market is expected to grow further in the next four-year period, even if it will do so at a lower rate than in the past, with competition remaining stable even if there will be a further increase in Trenitalia's market share as a result of:

- further fine tuning of products to meet customer requirements;
- increase in frequency and capacity;
- use of new CRM tools;
- development of ancillary services.

The Plan also budgets for the new *Frecciarossa* 1000 trains to come into service. 50 of these trains are to be used for domestic business on the most competitive routes, exploiting their speed to the most on the High-Speed route. Concentration on a single route will result in greater industrial efficiency and the maximisation of the fleet's productivity.

As regards international services, there will be new connections to Switzerland from Milan to Geneva, Basle and Zurich after the available rolling stock has been upgraded, allowing more efficient exploitation of multi-voltage rolling stock as already agreed in arrangements with SBB, the Swiss Federal Railways.

It is also planned to increase services to Germany, partly as an extension of the connections to Zurich and partly opening new commercial services via Munich.

Finally, Thello, which at present connects Italy and France every day, is also expected to expand its operations to Belgium with a Paris to Brussels service.

## Universal Long-Haul Passengers Service

As regards Universal long-haul Services, according to the Business Plan there will be a revision of the range, in consultation with the competent Ministries, based on economic and financial sustainability criteria, while efforts will nevertheless be made to preserve the services that are considered indispensable to assure movement from and to some areas of Italy.

It is planned to act as follows internally in order to improve the management of these services:

- rigorous compliance with the contract;
- set up a specific accounting sector;
- designate a dedicated sales department;
- promote the services;
- reduce the costs of the services;
- raise productivity.

## Regional and Local Short-Haul Passengers Service

The 2014-2017 Business Plan lays great stress on regional and local passenger transport services.

The redrawing of Local Public Transport services and rail/road integration are cornerstones of the Ferrovie dello Stato Italiane Group's future strategy: combining services in a single strategic design with a clear division between rail and road services is the best way to optimise collective transport, with obvious benefits for the entire system from the economic, energy and environmental points of view.

In fact, collaboration between collective transport systems can lead to raising the quality of services to passengers at the same cost to the State and/or the public authority clients.

In accordance with this strategic design, the Ferrovie dello Stato Italiane Group plays an active part, through its subsidiaries Busitalia - Sita Nord and Trenitalia, also entering into partnership arrangements with local firms and/or acquiring operators in the sector, whose activities are in line with the Group's strategy and profitability objectives.

Still as regards regional transport, the Plan forecasts an expansion of the Netinera group in Germany in terms of revenues and market shares.

## Cargo Transport Service

The 2014-2017 Business Plan devotes much space to reviewing the cargo sector governance.

By redrawing the perimeter of the activities performed by the various Ferrovie dello Stato Italiane Group companies in this sector, the Plan contemplates a specialisation by corridors, establishing three macro areas: domestic long-haul, domestic short-haul and international transport.



This division of the market, accompanied by targeted internal measures having the purpose of recovering productivity and encouraging better and clearer customer relations (e.g. by creating a single sales interface), will result in the Ferrovie dello Stato Italiane Group's future growth in the cargo sector too.

In order to put the strategy for the next four-year period into practice, in addition to aiming at increasing the traffic handled by its various companies, in particular TX Logistik, the Group does not rule out the possibility of recourse to partnerships with or acquisitions of existing operators, especially if they are active on European corridors.

## International Development - Other Services

As confirmation of the role that the Ferrovie dello Stato Italiane Group intends to play on the international scene, in addition to the spheres of passenger and cargo transport services which we have mentioned, there is a continuous expansion in all the other activities related to services offered on foreign markets: logistics, railway engineering and consulting, certification and the management of stations.

## 2.4 Management Systems within the Ferrovie dello Stato Italiane Group Companies

GRI 4.8 | 4.12 | SO9 | SO10

In the second half of 2013 and in early 2014, the Group continued the path it had embarked on in 2010, thus completing the phase of implementation and certification of the Environmental Management Systems (EMSs; SGAs, *Sistemi di Gestione Ambientale*)/Integrated Management Systems (IMSs; SGIs, *Sistemi di Gestione Integrati*) for the Parent Company and the main operating companies. The main achievements were:

- ISO 14001 certification of the EMSs of five operating companies of the Ferrovie dello Stato Italiane Group (Ferservizi, Busitalia - Sita Nord, FS Italiane, FS Sistemi Urbani and FS Logistica<sup>31</sup>);
- Maintenance of ISO 14001 certification of the EMSs/IMSs of the Group's operating companies already certified (Trenitalia, RFI, Italferr and Centostazioni<sup>32</sup>);
- Issue of the System Manual and operating Procedures for Grandi Stazioni, the first step in a process aimed at achieving the ISO 14001 certification of the main stations.

In order to monitor alignment between the Governance Model Guidelines of the Group companies' EMSs and the companies' System documentation, documentary audits of five operating companies were scheduled at the end of 2013, due to start at the beginning of 2014. The SuPM (Sustainability Performance Management) IT solution now plays an established role in monitoring and reporting the environmental aspects related to the main Group companies: one reason for this having become possible is the greater integration among the various corporate databases.

The scope of application of the Group operating companies' Management Systems varies according to the type of business and the level of maturity of the Systems. The table below shows the certification standards for each company and their scope; the information regarding the integration of the Management Systems is given in the column headed "Integrated systems".



31. FS Sistemi Urbani and FS Logistica obtained certification in January 2014.

32. Centostazioni has also implemented a Station Operations Control System (*Presidio Operativo di Stazione*), forming part of the EMS which monitors the correct management, rationalisation and improvement of the environmental issues that have been determined in the stations in the network.

## » STATE OF IMPLEMENTATION OF THE MANAGEMENT SYSTEMS AT THE MAIN FERROVIE DELLO STATO ITALIANE GROUP COMPANIES

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (A) ISO 14001	SAFETY AT WORK (S) OHSAS 18001	INTEGRATED SYSTEMS
<b>Ferrovie dello Stato Italiane</b>	<p>Audit Head Department and Auditing Departments/Functions of the FS Italiane Group</p> <p>Scope:</p> <ul style="list-style-type: none"> <li>design and provision of internal audit services for the Group Companies.</li> </ul>	<p>Ferrovie dello Stato Italiane</p> <p>Scope:</p> <ul style="list-style-type: none"> <li>strategic coordination of the activities performed by the FS Italiane Group companies;</li> <li>Group companies' investments and disposals;</li> <li>coordination of the company's and of the FS Italiane Group companies' external communication;</li> <li>human resources training for the Company and the Group companies;</li> <li>management of the Company's real estate assets by duly appointed third parties.</li> </ul>		



» STATE OF IMPLEMENTATION OF THE MANAGEMENT SYSTEMS  
AT THE MAIN FERROVIE DELLO STATO ITALIANE GROUP COMPANIES

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (A) ISO 14001	SAFETY AT WORK (S) OHSAS 18001	INTEGRATED SYSTEMS
RFI	<p><b>Sales and Network Operations Head Department and Route Management Head Departments</b> Scope:</p> <ul style="list-style-type: none"> <li>management of train traffic with a view to safe railway operations.</li> </ul> <p><b>Production Head Department and Local Production Head Departments</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance of railway infrastructure with a view to safe train traffic and railway operations; performance of train traffic and shunting services;</li> <li>design services for railway engineering (permanent way, signalling and telecommunications equipment, electric traction systems) and civil and road engineering works and for environmental protection in connection with railway works.</li> </ul> <p><b>National Electrical Fittings Workshop - Bologna, of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations by means of overhaul, repair, reclassification of and assistance to railway vehicles on track and railway equipment for electric traction and safety and signalling systems.</li> </ul> <p><b>National Equipment Workshop - Pontassieve, of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations; construction of permanent way equipment by means of mechanical manufacturing, welding, assembly and bonding rail tracks and switches.</li> </ul> <p><b>National Railway Vehicles Workshop of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations by means of general overhaul, extraordinary maintenance, five-year inspections, repair of and assistance to railway vehicles on track.</li> </ul>	<p><b>Route Management Head Departments</b> Scope:</p> <ul style="list-style-type: none"> <li>management of train traffic with a view to safe railway operations.</li> </ul> <p><b>Local Production Head Departments</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance of railway infrastructure with a view to safe train traffic and railway operations;</li> <li>provision of train traffic and shunting services.</li> </ul> <p><b>National Electrical Fittings Workshop - Bologna, of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations by means of overhaul, repair, reclassification of and assistance to railway vehicles on track and railway equipment for electric traction and safety and signalling systems.</li> </ul> <p><b>National Equipment Workshop - Pontassieve, of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations; construction of permanent way equipment by means of mechanical manufacturing, welding, assembly and bonding rail tracks and switches.</li> </ul> <p><b>National Railway Vehicles Workshop of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations by means of general overhaul, extraordinary maintenance, five-year inspections, repair of and assistance to railway vehicles on track.</li> </ul>	<p><b>Route Management Head Departments</b> Scope:</p> <ul style="list-style-type: none"> <li>management of train traffic with a view to safe railway operations.</li> </ul> <p><b>Local Production Head Departments</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance of railway infrastructure with a view to safe train traffic and railway operations;</li> <li>provision of train traffic and shunting services.</li> </ul> <p><b>National Electrical Fittings Workshop - Bologna, of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations by means of overhaul, repair, reclassification of and assistance to railway vehicles on track and railway equipment for electric traction and safety and signalling systems.</li> </ul> <p><b>National Equipment Workshop - Pontassieve, of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations; construction of permanent way equipment by means of mechanical manufacturing, welding, assembly and bonding rail tracks and switches.</li> </ul> <p><b>National Railway Vehicles Workshop of the National RPD Workshops</b> Scope:</p> <ul style="list-style-type: none"> <li>maintenance with a view to safe train traffic and railway operations by means of general overhaul, extraordinary maintenance, five-year inspections, repair of and assistance to railway vehicles on track.</li> </ul>	Q+A+S

## » STATE OF IMPLEMENTATION OF THE MANAGEMENT SYSTEMS AT THE MAIN FERROVIE DELLO STATO ITALIANE GROUP COMPANIES

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (A) ISO 14001	SAFETY AT WORK (S) OHSAS 18001	INTEGRATED SYSTEMS
<b>Trenitalia</b>	Trenitalia (Head Office and Operational Sites) Scope: <ul style="list-style-type: none"> <li>design and provision of passenger and cargo railway transport services.</li> </ul>	Trenitalia (Head Office and Operational Sites) Scope: <ul style="list-style-type: none"> <li>design and provision of passenger and cargo railway transport services.</li> </ul>	Trenitalia (Head Office and Operational Sites) Scope: <ul style="list-style-type: none"> <li>design and provision of passenger and cargo railway transport services.</li> </ul>	Q+A+S
<b>Italferr</b>	Italferr (Head Office and Operational Sites) Scope: <ul style="list-style-type: none"> <li>design and management of the award of work contracts, works management and supervision of infrastructural works for guided transport systems and related interferences.</li> </ul>	Italferr (Head Office and Operational Sites) Scope: <ul style="list-style-type: none"> <li>design and management of the award of work contracts, works management and supervision of infrastructural works for guided transport systems and related interferences.</li> </ul>	Italferr (Head Office and Operational Sites) Scope: <ul style="list-style-type: none"> <li>design and management of the award of work contracts, works management and supervision of infrastructural works for guided transport systems and related interferences.</li> </ul>	Q+A+S
<b>Netinera</b>	<p><b>SBN (Head Office and Operational Sites)</b> Scope:  <ul style="list-style-type: none"> <li>bus services: regional and urban public transport, casual services, maintenance, customer assistance.</li> </ul> </p> <p><b>NW</b> Scope:  <ul style="list-style-type: none"> <li>maintenance and inspection of rolling stock according to the rules of operation for railway construction and operations in Germany.</li> </ul> </p> <p><b>Vogtlandbahn</b> Scope:  <ul style="list-style-type: none"> <li>regional and long-haul passenger railway transport services.</li> </ul> </p> <p><b>OHE (Head Office and Operational Sites)</b> Scope:  <ul style="list-style-type: none"> <li>maintenance and modernisation of own and third-party rolling stock.</li> </ul> </p> <p><b>Regental Fahrzeugwerkstätten</b> Scope:  <ul style="list-style-type: none"> <li>maintenance and modernisation of own and third-party rolling stock;</li> <li>technical services for railway operations.</li> </ul> </p> <p><b>Neißeverkehr</b> Scope:  <ul style="list-style-type: none"> <li>bus services.</li> </ul> </p>	<p><b>Neißeverkehr</b> <i>(the company also holds an EMAS Certificate)</i> Scope:  <ul style="list-style-type: none"> <li>bus services.</li> </ul> </p>		

Corporate identity

Corporate governance

Economic responsibility

Product responsibility

Social responsibility

Environmental responsibility

» STATE OF IMPLEMENTATION OF THE MANAGEMENT SYSTEMS  
AT THE MAIN FERROVIE DELLO STATO ITALIANE GROUP COMPANIES

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (A) ISO 14001	SAFETY AT WORK (S) OHSAS 18001	INTEGRATED SYSTEMS
<b>Busitalia - Sita Nord</b>	<p>Busitalia - Sita Nord (Head Office and Operational Sites in Florence and Sansepolcro (Province of Arezzo)) Scope:</p> <ul style="list-style-type: none"> <li>design and provision of bus services: local public transport, long-haul lines, hire and atypical services.</li> </ul> <p>Busitalia - Sita Nord (Operational Sites in Padua and Rovigo) Scope:</p> <ul style="list-style-type: none"> <li>design and provision of bus services: local public transport and atypical services.</li> </ul>	<p>Busitalia - Sita Nord (Head Office and Operational Sites) Scope:</p> <ul style="list-style-type: none"> <li>design and provision of bus services: local public transport, long-haul lines, hire and atypical services;</li> <li>maintenance and garaging of own bus fleet.</li> </ul>		Q+A
<b>Centostazioni</b>	<p>Centostazioni (Head Office and Grouping Offices) Scope:</p> <ul style="list-style-type: none"> <li>exploitation and regeneration of real estate complexes;</li> <li>works design and management services;</li> <li>commercial exploitation and advertising services;</li> <li>real estate portfolio management; property and facility management services.</li> </ul>	<p>Centostazioni (Head Office and Grouping Offices) Scope:</p> <ul style="list-style-type: none"> <li>exploitation and regeneration of real estate complexes;</li> <li>works design and management services;</li> <li>commercial exploitation and advertising services;</li> <li>real estate portfolio management; property and facility management services.</li> </ul>	<p>Centostazioni (Head Office and Grouping Offices) Scope:</p> <ul style="list-style-type: none"> <li>exploitation and regeneration of real estate complexes;</li> <li>works design and management services;</li> <li>commercial exploitation and advertising services;</li> <li>real estate portfolio management; property and facility management services.</li> </ul>	Q+A+S
<b>Ferservizi</b>	<p>Ferservizi (Head Office and Operating Units) Scope:</p> <ul style="list-style-type: none"> <li>management of: property administration, purchase and sale, leases and agreements, property technical services, maintenance, facility management services for office and hotel buildings, issuing concessionary travel and restaurant passes.</li> </ul>	<p>Ferservizi (Head Office and Operating Units) Scope:</p> <ul style="list-style-type: none"> <li>performance of all the activities carried out by the company in order to manage: administrative services, property, facility management, group procurement, IT and maintenance services, excluding sales, lease and agreements services and the custody and protection of FS and RFI owned assets.</li> </ul>	<p>Ferservizi (Head Office and Operating Units) Scope:</p> <ul style="list-style-type: none"> <li>performance of all the activities carried out by the company in order to manage: administrative services, property, facility management, group procurement, IT and maintenance services;</li> <li>provision of nursery school assistance services.</li> </ul>	Q+A+S
<b>FS Logistica</b>	<p>FS Logistica Scope:</p> <ul style="list-style-type: none"> <li>organisation and provision of logistics services for various types of goods;</li> <li>real estate asset management.</li> </ul>	<p>FS Logistica Scope:</p> <ul style="list-style-type: none"> <li>management and exploitation of corporate real estate assets;</li> <li>organisation of logistics services for various types of goods and delivering the services through third parties.</li> </ul>		Q+A

» STATE OF IMPLEMENTATION OF THE MANAGEMENT SYSTEMS  
AT THE MAIN FERROVIE DELLO STATO ITALIANE GROUP COMPANIES

COMPANY	QUALITY (Q) ISO 9001	ENVIRONMENT (A) ISO 14001	SAFETY AT WORK (S) OHSAS 18001	INTEGRATED SYSTEMS
<b>FS Sistemi Urbani</b>		<b>FS Sistemi Urbani</b> Scope: <ul style="list-style-type: none"> <li>management of the Company's real estate assets, also through selected third parties;</li> <li>exploitation of the Company's real estate assets and of the real estate assets of other Ferrovie dello Stato Italiane Group companies that are unrelated to their railway operations, also through selected third parties.</li> </ul>		
<b>Serfer</b>	<b>Serfer</b> Scope: <ul style="list-style-type: none"> <li>design, construction, maintenance and reconstruction of railway sidings;</li> <li>cargo and passenger transport services delivered as a Railway Company in the framework of the national railway infrastructure;</li> <li>collective reception, assistance and catering facilities for passenger train carriages equipped with services;</li> <li>management of shunting in railway junctions;</li> <li>maintenance and reconstruction of diesel traction vehicles, rolling stock for cargo transport and ancillary services.</li> </ul>	<b>Serfer</b> Scope: <ul style="list-style-type: none"> <li>design, construction, maintenance and reconstruction of railway sidings;</li> <li>cargo and passenger transport services delivered as a Railway Company in the framework of the national railway infrastructure;</li> <li>collective reception, assistance and catering facilities for passenger train carriages equipped with services;</li> <li>management of shunting in railway junctions;</li> <li>maintenance and reconstruction of diesel traction vehicles, rolling stock for cargo transport and ancillary services.</li> </ul>	<b>Serfer</b> Scope: <ul style="list-style-type: none"> <li>design, construction, maintenance and reconstruction of railway sidings;</li> <li>cargo and passenger transport services delivered as a Railway Company in the framework of the national railway infrastructure;</li> <li>collective reception, assistance and catering facilities for passenger train carriages equipped with services;</li> <li>management of shunting in railway junctions;</li> <li>maintenance and reconstruction of diesel traction vehicles, rolling stock for cargo transport and ancillary services.</li> </ul>	Q+A+S
<b>Terminali Italia</b>	<b>Terminali Italia (Head Office and Operational Sites)</b> Scope: <ul style="list-style-type: none"> <li>management and operation of intermodal transport terminals; provision of services at terminals.</li> </ul>			

Corporate identity

Corporate governance

Economic responsibility

Product responsibility

Social responsibility

Environmental responsibility

## 2.5 Protection of Human Rights

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

The Code of Ethics is the main instrument whereby the Ferrovie dello Stato Italiane Group undertakes to respect internationally recognised Human Rights and foster their observance in the framework of the work entrusted to anyone who establishes contractual relationships with the Group.

In 2011 Ferrovie dello Stato Italiane also signed the "UIC Declaration on Sustainable Mobility & Transport", which supports the ten principles laid down in the United Nations Global Compact Programme regarding human rights, labour, the environment and anti-corruption<sup>33</sup>. Our commitment to preventing all forms of violation of human rights expresses itself in:

- contract clauses regarding human rights in connection with the international activities conducted by Group companies. Italferr, the company which operates most outside Italy, pays particular attention to ensuring the respect of human rights in the contracts that it enters into with sub-contractors both in Italy and abroad, in master agreements and agency agreements<sup>34</sup>. Italferr has also started on a project to obtain the SA 8000 (Social Accountability) certification, a globally recognised standard that complies with international human rights and labour law;
- taking care to ensure gender equality. The Group Equal Opportunities Committee has been formed for this purpose. This joint bilateral body promotes initiatives and takes measures to provide more favourable working conditions and greater opportunities for female employees (see paragraph on "Diversity and equal opportunities");
- fighting material and moral corruption. An Ethics Committee has been formed in each Group company, to which anyone can report possible breaches of the

Code of Ethics (see paragraph on "The Governance Bodies"). Additionally, 212 human resources were given training in anti-corruption during 2013 (see paragraph on "Control Tools");

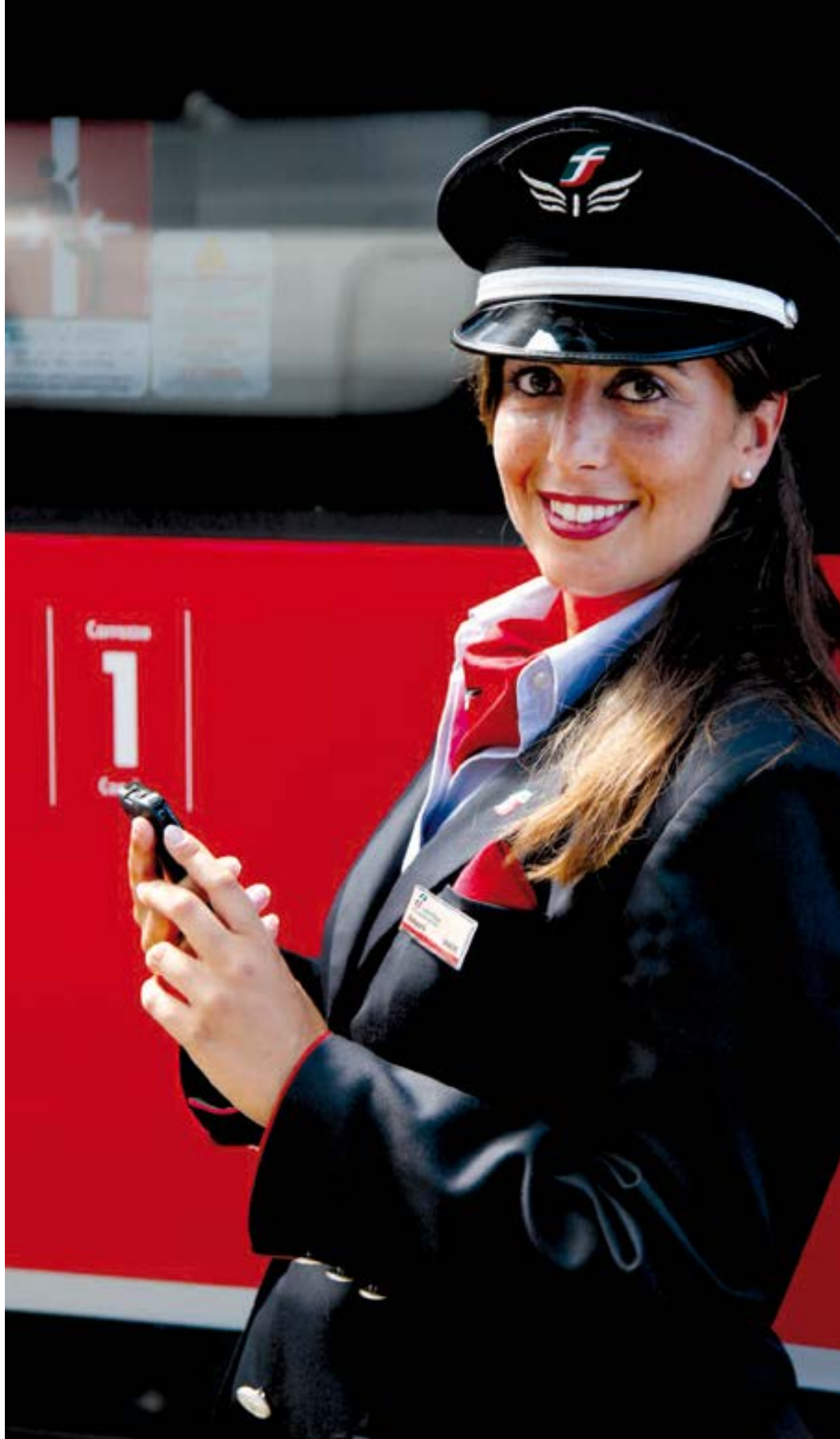
- fostering welfare in the Group. For example there has been a supplementary health scheme for non-executive employees since 2012<sup>35</sup>;
- taking measures to foster a greater sense of responsibility towards the environment and raise the awareness of the fact that the protection of the environment is also a right of future generations. In accordance with this approach, the Group achieved its objective of duly completing the UNI ISO14001 certification of all the main operating companies and of the Head Office before the end of January 2014 (see paragraph on "The management systems within the Ferrovie dello Stato Italiane Group companies");
- safeguarding the rights of customers with disabilities or reduced mobility. The "Rete Blu" (Blue Network) circuit is the point of contact for these travellers (see paragraph on "The quality of services");
- the safeguarding of the rights of socially deprived persons who take shelter in railway stations. A solidarity scheme conducted in collaboration with local authorities and the tertiary sector has been running for some years (see paragraph on "The Community");
- discussion and dialogue with stakeholders. The first session of the Ferrovie dello Stato Italiane Group's Stakeholder Engagement Panel ended in March 2013. This activity was conducted in order to reach a better understanding of the expectations of the Group's main stakeholders (see paragraph on "The Stakeholders"). It is planned to hold the second session in autumn 2014.

33. The principles make reference to four sources: the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organisation, the Rio Declaration on Environment and Development, the United Nations Convention against Corruption.

34. 52 site inspections of contractors were conducted in Italy in 2013, during which the following aspects were checked, among other things:

1. site safety;
2. the presence of essential toilet facilities;
3. proper registration of all the personnel on site (inclusion in the employee register);
4. presence and observance of safety documents (Operational Safety Plan [POS, *Piano Operativo di Sicurezza*], Safety and Coordination Plan [PSC, *Piano di Sicurezza e Coordinamento*], Combined risk assessment report [DUVRI, *Documento Unico di Valutazione dei Rischi Interferenti*], etc.);
5. suitable places for eating meals;
6. satisfactory training/information for the workers regarding the risks on site.

35. Executive employees are covered by the Eurofer supplementary pension scheme.





# 3 Economic Responsibility

## » HIGHLIGHTS

### WHAT WE HAVE DONE

- Opened the Turin Porta Susa High-Speed station (which won the best European station of the year award) and the first part of the new Bologna Centrale High-Speed train terminal and the Reggio Emilia Mediopadana High-Speed station.
- Signed a letter of intent between Trenitalia and Expo 2015 SpA for “fare and admission” packages, increased services to and from the fair and a vast campaign to promote the special offer.
- Formed the FS Italiane Foundation with the aim of making use of and preserving the Ferrovie dello Stato Italiane Group’s priceless historical, technical, engineering and industrial heritage.
- Modernised and renewed the technology of Trenitalia’s regional rail transport fleet.
- Presented the new *Frecciarossa* 1000 ultra-high-speed train in its full version. *Frecciarossa* 1000 was built by Bombardier in partnership with AnsaldoBreda, designed by Bertone.
- Busitalia - Sita Nord was awarded the tender for the acquisition of a 70% quota of Umbria Mobilità, a local public road and rail transport operator.
- Confirmed the positive trend of the Group which began in 2007; specifically, the Group achieved Ebitda of Euro 2,030 million and Net Profits of Euro 460 million.

### WHAT WE WANT TO DO

- Bring the new *Frecciarossa* 1000 trains for Rome-Milan connections on the High-Speed route line.
- Develop long-haul international passenger services starting and/or increasing services to France, Switzerland and Germany and starting a commercial Paris-Brussels service.
- Modify Local Public Transport services and increase rail/road modal integration, mainly in the principal urban/metropolitan junctions.
- Make the Group companies that operate cargo services specialise by Corridors and stimulate international transport along the European North-South corridor and towards Eastern Europe.
- Reorganise the Group’s real estate assets in order to be able to take measures to maximise returns.
- Spur on internationalisation in all the business sectors in which the Group operates.
- Carry out transactions that enhance the value of the Group.



## 3.1 Operating Results

GRI EC1

As in recent years, the Ferrovie dello Stato Italiane Group's performance in 2013 was also highly successful. In fact all the strategic and operating targets set in the 2011-2015 Business Plan were fully achieved, confirming the soundness of the process of structural management reorganisation which the Group has been carrying out since 2007.

The net profit for the year showed an increase of more than 20% compared to the previous year; likewise, there was an increase in percentage terms in any other intermediate financial ratios (Ebitda +5.8%; Ebit + 13.8%; Profit before tax +36.1%) .

The 2013 result of operations showed net profits of Euro 460 million against Euro 381 million in 2012, with a positive change of Euro 79 million.



### » DATA FROM THE FINANCIAL STATEMENTS OF THE FERROVIE DELLO STATO ITALIANE GROUP

	2011 IAS	2012 IAS	2013 IAS
Operating revenues	8,264	8,228	8,329
Operating costs	6,482	6,310	6,299
Ebitda	1,782	1,918	2,030
Ebit	664	719	818
Net result	285	381	460

*Values in millions of Euros*

This performance, which takes on even greater significance considering that the private competitor in the High-Speed segment became fully operational in 2013, is based on the increase in operating revenues, which came to Euro 8,329 million (Euro 8,228 million in 2012); most of the increase derives from revenues from market passenger traffic (Euro +98 million), while revenues from cargo traffic fell, even if only slightly (Euro -1 million), and the revenues from public services supplied to the Regional Governments and the State remained almost unvaried.

Operating costs showed a decrease of Euro 11 million (-0.2%) compared to the previous year; this decrease, in addition to an increase in operating revenues, entailed an improved Ebitda performance, which exceeded Euro 2 billion for the first time.

Ebit, equal to Euro 818 million, also reported a significant growth, with an increase of Euro 99 million compared to 2012 (+13.8%).

## » GENERATION AND DISTRIBUTION OF ECONOMIC VALUE

	2011 IAS	2012 IAS	2013 IAS
<b>Economic value generated directly</b>	<b>8,264</b>	<b>8,228</b>	<b>8,329</b>
Revenues from sales	7,459	7,496	7,573
Changes in inventories of products, changes in contract work in progress, capitalisation of internal construction costs	29	15	24
Other income	776	717	732
<b>Economic value distributed</b>	<b>6,861</b>	<b>6,648</b>	<b>6,657</b>
Operating costs from payments made for the purchase of raw and secondary materials, consumables and goods for resale, services, leases and rentals	2,372	2,433	2,389
Salaries paid to subordinate employees, including social security contributions, severance pays and other costs	4,110	3,877	3,910
Remuneration of lenders, including dividends distributed and arrears of dividends, interest on loans and other forms of debt	247	290	234
Tax (including all forms of taxation, such as income and property tax, etc.) and related default interest	132	48	124
<b>Economic value retained</b>	<b>1,403</b>	<b>1,580</b>	<b>1,672</b>

Values in millions of Euros

These results confirm that the Group's strategic and industrial decisions were sound; the consolidated solidity acquired during the past few years is the indispensable prerequisite for the attainment of the new targets set in the 2014-2017 Business Plan.



## 3.2 Investments

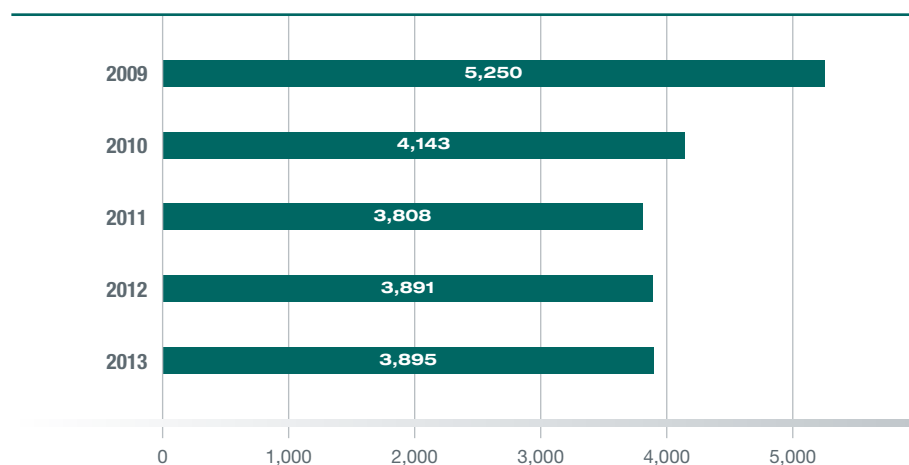
GRI EC8

Even if the Ferrovie dello Stato Italiane Group operates in a macroeconomic scenario that is not yet favourable, in which the level of investments is over a quarter less than in 2007, it has successfully continued to put into effect the measures budgeted for in its Investment Plan, remaining one of the biggest investors in the country, both compared with its direct competitors and with Italian companies operating in other sectors.

The aim of the Group's Investment Plan is to increase its infrastructural facilities and keep them efficient and to provide higher and higher quality transport services with the objective of creating value for the benefit of its customers, of itself and of the Italian production system.



### » INVESTMENTS



Values in millions of Euros

Specifically, in 2013 the Ferrovie dello Stato Italiane Group made technical investments<sup>36</sup> of Euro 3,598 million, in line with the volume accounted for in 2012. In detail, Euro 2,850 million was accounted for actions linked to the infrastructure (of which Euro 2,223 million for

the traditional/High Capacity network and Euro 627 million for the High Speed/High Capacity Network on the Turin-Milan-Naples section), Euro 552 million for investments made by the main transport company and Euro 196 million for investments made by other Group companies in 2013.

36. "The overall works, activities, supplies and services completed or purchased to support the Group's business processes which increase the value of the company's fixed assets even if they are carried out through leases or special purpose companies. These investments do not include acquisitions of businesses or branches of business and equity investments (in companies or joint-ventures) and any other financial investments".



RFI made investments in the Traditional/High-Capacity Network, which are broken down as follows:

- 59% in maintaining the infrastructure and technologies in an efficient condition, particularly in carrying out projects for further raising safety levels and improving the efficiency of rail traffic operations;
- 41% in the construction of works relating to large infrastructural development projects (modernisation and upgrade of corridors, metropolitan areas and regional districts).

In detail, it should be noted that Euro 370 million (equal to about 17% of the investments made in the Traditional/High-Capacity Network) were dedicated to cutting-edge technology interventions.

The High-Speed/High-Capacity Turin-Milan-Naples Network recorded a volume of investments of Euro 627 million and, at the end of 2013, the entire project had achieved, from an accounting viewpoint, an overall work progress of 92%.

**Trenitalia** made investments of Euro 552 million<sup>37</sup>, 56% on the procurement of means of transport, about 20% on improvements to existing stock and the remaining 24% on the technological upgrading of its rolling stock, IT systems and the maintenance and development of its servicing plants.

The investments made by the **other Group companies**, in Italy and abroad, amounted to about Euro 196 million, about 46% by the Netinera group companies for means of transport for passengers by road and rail and industrial equipment and about 20% by Grandi Stazioni and Centostazioni, used for the improvement, revitalisation and enhancement of the main stations, which were re-designed as big services centres for cities; about 13% was invested by TX Logistik, Cemat and Serfer that operate in the segment of cargo railway services. The residual expenditure for investments was mainly used for the enhancement of the value of and the improvement of the real estate assets, for local road transport (in Italy) and for the procurement of IT tools to support corporate processes.

In 2013 the Group's expenditure volume for **research and development** investments was equal to Euro 23.2 million, which were almost fully charged to RFI. The 2013 expenditure was allocated as follows: about 40% to traffic safety technology, about 17% to innovative diagnostics, while the residual 43% was intended for studies and tests on new components and systems.

37. This figure includes advances on the purchase of rolling stock paid on the basis of contractually agreed work progress reports.



### 3.3 External Costs and Benefits

GRI EC9

In the transport sector external costs and benefits, which are often substantial, must be carefully evaluated when making strategy decisions in favour of one mobility solution rather than another. Railway infrastructure in particular often entails external costs that are lower, and benefits that are greater, than road infrastructure costs and benefits.

These are the main findings of a study of a High-Speed railway line published in June 2012, "The benefits of having constructed the High-Speed train line from Turin to Milan and Naples". This document, prepared by Agici Finanza d'Impresa, analyses the new trends in the demand for transport generated by the construction of the Italian High-Speed train system: where possible, this work establishes and puts a monetary value on the effects on the environment, on safety, on health, on economic growth and on wellbeing. For the sake of brevity, we will only consider the findings for the High-Speed Milan to Rome service, the one which, more than any other, has transformed the public's travelling habits, reducing the journey time. The main advantages of using the High-Speed rail service include:

- Better performance in terms of speed and safety;
- Correction of the balance between different modes of travelling to the benefit of the environment and of the society;
- Less busy traditional railway lines, which are now at the limits of their potential.

The benefit to the community provided by the High-Speed Milan to Rome line, over its expected life, will be worth not less than Euro 2.1 billion: it will have a substantial impact on the whole logistics system, above all owing to the decrease in incidents, the reduction in the production of greenhouse gases, the savings in travelling times and costs with a financial and social spin-off which can be estimated at not less than Euro 8.7 billion owing to greater passenger flows for tourism, study and business in addition to the rise in property prices in the areas neighbouring the High-Speed train stations.

Generally speaking, therefore, this study puts us in a position to claim that the construction of the High-Speed lines have been an opportunity for the revival of rail transport as a whole.

The railway is also the option that entails lower external costs for cargo transport, as shown by External Cost Calculator, an on-online tool<sup>38</sup> which works out the external costs of accidents and emissions of greenhouse gas by road, by rail, by sea and in combinations of these methods in relation to routes that can be selected within the transport networks of 20 European countries. The data regarding emissions and sections of journeys are taken from EcoTransIT (see the chapter on "Environmental Responsibility" in the paragraph on "Emissions").

38. The calculator has been developed by a team composed of CE Delft (NL), INFRAS (CH) and IVE mbH (D) with the support of UIC and CER and can be accessed from the link [www.externalcost.eu](http://www.externalcost.eu).

## 3.4 Procurement Policies

GRI EC6 | SO9 | SO10

The Ferrovie dello Stato Italiane Group undertakes to make its purchases in compliance with the EU Directives transposed into the Code of Public Contracts (Legislative Decree no. 163/2006) and its own "Regulations on Contractual Work for the Group companies" issued on 27 March 2012. Suppliers are chosen on the basis of the evaluation of quality, price and on the satisfaction of other requirements that are of interest to the company (where the supplier is located and what nationality it is are not among the selection criteria).

Suppliers are required to comply with the following rules in some of the standard clauses included in the contracts:

- labour and social security laws under collective labour agreements;
- health and safety at work obligations;
- rules laid down in the "Group Code of Ethics".

Since 2013 Group companies have been asked to insert a clause regarding the observance of the Group's Environmental Policy in new contracts, in compliance with the Group's Guidelines for the Implementation of Environmental Management Systems.

Ferservizi is responsible for non-core purchases, i.e. those not strictly related to the Group companies' core business. Core purchases, on the other hand, are managed directly by the companies themselves, except for rare specific cases in which Ferservizi does so.

### Ferservizi

In addition to the standard contractual clauses, which are valid for all the Group companies, Ferservizi includes clauses regarding Corporate policies for Safety at Work and the Environment in its contracts. Environmental sustainability clauses have also already been included in a number of contracts.

The criteria adopted, by type of purchase, for contracts signed in 2013 are the following:

- stationery: FSC® (Forest Stewardship Council) certification; recycled paper; products with ecological fibre; no products in PVC for glues and correcting fluids; articles must not have undergone cellulose whitening processes with chlorine dioxide;
- furnishings: FSC® or PEFC (Programme for Endorsement of Forest Certification) certification; low formaldehyde discharge; low content of Volatile Organic Compounds; use of recyclable plastics in accordance with the standard UNI EN ISO 11469;
- air conditioners: criteria based on energy efficiency and noise;
- clothing: natural cellulose cotton and fibres, limitations on hazardous substances; no dyes described as sensitising/allergenic, cancerogenous, mutagenic or toxic for reproduction; limitations on the content of arylamine, pentachlorophenol and tetrachlorophenols, phthalates, formaldehyde, heavy metals;
- IT equipment: Energy Star; compliance with the RoHS (Restriction of Hazardous Substances) Directive; EPEAT (Electronic Product Environmental Assessment Tool) assessment; for printers: statement of energy consumption in Kw/week, energy consumption in standby and volume of noise in standby;
- Global service: cleaning products with higher than 90% biodegradability; certification or compliance with ISO 14001 standards.

An analysis of the tenders called by Ferservizi in Italy in 2013 (the company did not sign any contracts with foreign suppliers) shows that the registered offices of 51% of its suppliers are in the North, 46% in the Centre and 3% in the South and in the Islands.



## RFI

Acting in accordance with its contract negotiating activity programme, RFI awards contracts on the basis of specific tenders, choosing its suppliers by verifying their satisfaction of the tender requirements, i.e. by means of "Qualification Systems" established pursuant to article 232 of Legislative Decree no. 163/2006, whereby the economic operators selected to take part in the bidding meet specific moral, technical and financial requirements, which may also be certified by ISO 9001.

In order to encourage environmental sustainability, in 2011 RFI began to apply another qualification prerequisite: that undertakings qualified in accordance with the "SQ007 System of services controlling vegetation infesting areas near railways" should operate with an Environmental Management System (EMS) certified by UNI EN ISO 14001.

From June 2014 the Environmental Management System certification will also become compulsory for undertakings/suppliers qualified in accordance with the following Systems:

- SQ001 "Work on electric traction and energy equipment";
- SQ002 "Suppliers of products for infrastructure" (limited to certain categories);
- SQ004 "Work on permanent way".

Generally speaking clauses are included in the standard forms of works contracts which commit the contractor, during the project approval phase or while work is in progress, to the total observance of current environment regulations and full compliance with the instructions given by environment protection Bodies.

Another obligation laid down on the contractor under contractual provisions is that it must be provided with an Environmental Management System subject to RFI's scrutiny, subsequently incurring penalties in the event of non-compliance.

In addition to the established use of the Vendor Rating system for the supply of goods and services, a procedure has been issued for the institution and operation of a Contractor quality rating, a system of continuous monitoring of the performance of contractors who have been awarded tenders to work for RFI. Under this procedure, adopted for firms carrying out works, contractors that hold ISO 14001 certification are entitled to better positions in the Rating.

Parameters ensuring the environmental compatibility of products are also inserted in supply specifications, if applicable.

As regards the procurement of gravel, RFI's attention is mainly focused on increasing the number of quarries throughout the country which the responsible Technical Office has declared compliant with the criteria laid down in the Technical Specifications issued in June 2012, in order to reduce environmental impact, also observing,



in any case, the legal provisions which already inform contracting authorities whether the tender concerned is to be national or European.

Furthermore, during 2013 calls for tenders required economic operators wishing to take part in European tenders for printing and distributing official publications to:

- have a certificate to the effect that their EMS conforms to UNI EN ISO 14001 standards;
- have an FSC® and/or PEFC chain of custody certification;
- use 70% recycled paper.

As regards the locations of infrastructure materials suppliers, recorded on the basis of where the registered offices of the Italian contractors are situated, about 60.3% are in the North, 31.6% in the Centre and about 8.1% in the South and Islands.

The geographic distribution for contractors of works and services in 2013 is 38.0% in the North, 36.1% in the Centre and 25.9% in the South and the Islands.

11.1% of contracts were awarded to non-Italian firms.

## Trenitalia

For some time, Trenitalia has been taking specific steps to circulate the principles of Green Procurement among its employees and suppliers. An Organisational Communication on "Operating instructions for contract negotiating activities" lays down the criteria for the management of environmental issues in procurement procedures and there is a section on "green" purchases in the Procurement Portal.

Trenitalia has included environmental sustainability criteria in its supplier selection procedure where possible. These criteria distinguish between obligatory requirements and offer evaluation requirements, the latter allocated percentage weightings of between 2% and 26%. Follow some examples of environmental requirements in calls for tenders:

TYPE OF TENDERS	CRITERIA TO BE SATISFIED
<b>Supply of regional diesel trains</b>	<ul style="list-style-type: none"> <li>• Description of the environmental protection strategy, specifying recyclable materials and prohibited substances</li> <li>• Calculation of the train's energy performance</li> <li>• Report on estimated calculation of noise and noise abatement plan</li> <li>• Report on thermal comfort and technical report on the calculation of mean thermal transmission coefficients</li> </ul>
<b>Catering services on trains</b>	<ul style="list-style-type: none"> <li>• ISO 14001 / EMAS certification</li> <li>• Use of china and glass crockery</li> <li>• Data concerning paper products (table napkins, lunch boxes, menus and price lists, takeaway bags) from FSC® sources</li> <li>• Use of secondary packaging with low environmental impact</li> <li>• Use of detergents that conform to Regulation (EC) 648/2004 and Presidential Decree no. 21 of 6 February 2009 and disinfectant and disinfestation products that conform to Legislative Decree no. 174 of 25 February 2000 and Presidential Decree no. 392 of 6 October 1998 or that are Ecolabel-branded</li> <li>• Differentiated process for waste disposal</li> </ul>
<b>Supply of comfort kit to assist Trenitalia passengers forced to stay in the train as a result of emergencies caused by meteorological events</b>	<ul style="list-style-type: none"> <li>• Environmental sustainability characteristics of the individual products in the kit (e.g. packaging materials as regards food)</li> </ul>
<b>Rolling stock cleaning</b>	<ul style="list-style-type: none"> <li>• ISO 14001 certification</li> <li>• Improvement on requirements: use of eco-friendly products and consumables; use of high energy efficiency machinery</li> </ul>
<b>Demolition of railway trucks and sale of waste ferrous materials</b>	<ul style="list-style-type: none"> <li>• ISO 14001 certification</li> </ul>

In 2013, contracts signed with Italian contractors accounted for 94.9%; under these contracts, the registered offices of 39.9% of its suppliers are in the North, 46.6% in the Centre and 3.5% in the South and in the Islands.

## Italferr

Italferr asks external contractors to comply with standard contract clauses, as well as to implement Quality, Environmental and Safety Management Systems in its contracts with Group companies as customers. In particular, Italferr imposes the obligation on firms constructing works to draw up and implement a site work Environmental Management System throughout the duration of the works to show the company and environment protection bodies the environmental control exercised by the contractor's qualified personnel while construction is in progress. According to these Systems, before work begins, the contractor draws up an Initial Environmental Study as a detailed supplement to the Environmental Site Set-up Plan, which pinpoints the important environmental issues to manage during construction and lays down the operational methods for proper environmental supervision of the site in conformity to applicable law.

Quality requirements have been in force for Italferr since 1994, while those relating to the Environmental Management System have been in force since 2001 and those for the Health and Safety Management System have been in force since 2010.

## Netinera

The Netinera Group's detailed procurement conditions are valid for orders from September 2013 onwards. In particular, suppliers are required to observe the ten principles of the Global Compact programme, the principles in ILO Conventions, the principles of human rights and children's rights laid down by the United Nations and OECD principles. Suppliers are also held responsible for the proper disposal of the packaging material used to transport the materials purchased.



 **Treni** Trains



## 4 Product Responsibility

### » HIGHLIGHTS

WHAT WE HAVE DONE	
<b>Services to passengers/ customers</b>	<p><b>RFI</b></p> <ul style="list-style-type: none"> <li>• <i>Sale Blu</i> (Blue Rooms) rooms in Venice, Florence and Turin redecorated, Verona <i>Sala Blu</i> transferred to other premises and improvement work in progress.</li> <li>• “<i>RFI risponde</i>” (RFI Here) web channel for the reporting of complaints started operating.</li> </ul> <p><b>Trenitalia</b></p> <p><b>National and International Passenger Division</b></p> <ul style="list-style-type: none"> <li>• Introduced new Bistrò cars with redecorated interiors and installed nappy changing units in <i>Frecciarossa</i> trains.</li> <li>• Wi-fi internet services, UMTS and multimedia entertainment in <i>Frecciarossa</i> trains improved.</li> <li>• Refurbished carriages for day <i>Intercity</i> trains.</li> </ul> <p><b>Regional Passenger Division</b></p> <ul style="list-style-type: none"> <li>• Restyled Medium-Haul carriages and new Vivalto Double-Decker trains.</li> <li>• Award of the tender for the supply of 40 new diesel trains.</li> <li>• Cleaning on board the train service began on some of the busier trains.</li> <li>• Introduced the possibility of buying tickets on line without having to print them.</li> <li>• Carried out the renewal and expansion of ticket sales machines (430 self-service machines and 4,800 validating machines installed).</li> <li>• Another awareness campaign started to discourage acts of vandalism on board trains.</li> </ul> <p><b>Cargo Division</b></p> <ul style="list-style-type: none"> <li>• Fresh commercial partnerships with other European railway companies were signed, particularly for cargo traffic between Eastern and Western Europe.</li> <li>• Implementation of new intermodal services to increase integration with other means of transport.</li> <li>• Increased availability of wagons.</li> <li>• Introduced the computerised management by Tablet of documents used by locomotive staff.</li> </ul> <p><b>Busitalia - Sita Nord</b></p> <ul style="list-style-type: none"> <li>• Completed the installation of satellite control appliances on 20% of the bus fleet at the Tuscany Operations Headquarters.</li> <li>• Completed tender procedures for the purchase of 13 Euro Category 5/6 low emission vehicles.</li> </ul>
<b>Traffic safety</b>	<p><b>Trenitalia</b></p> <ul style="list-style-type: none"> <li>• Upgraded on-board technological safety systems.</li> <li>• Updated the system of management of the skills of personnel carrying out maintenance work on the vehicle's safety units.</li> <li>• Enhanced the “traceability” of maintenance operations carried out on vehicles' safety units.</li> <li>• Obtained certification as Entity in charge of Maintenance for Freight Wagons in accordance with Regulation (EC) 445/2011.</li> </ul>
<b>Security services</b>	<ul style="list-style-type: none"> <li>• Installed new security equipment (CCTV, anti-intruder and infrastructural works) along the Milan Underground Railway (Passante) (6 stations), at the Fiumicino Airport station and at 10 stations in the Veneto Region.</li> <li>• Installed CCTV equipment at the RMWs (Routine Maintenance Workshops; IMC, Impianti di Manutenzione Corrente) in Gianturco, Naples, and Marcanise; ensured security in the Freccia Club rooms and part of the Grandi Stazioni ticket offices.</li> <li>• Carried out security works in some night-train carriages.</li> <li>• Introduced mechano-electronically operated keys on High-Speed trains.</li> <li>• Renewed the Agreement between the Ferrovie dello Stato Italiane Group and the Civil Protection Department.</li> <li>• Provided Comfort Kits to distribute on trains in case of emergency.</li> <li>• Appreciably reduced credit card frauds on sales systems.</li> </ul>

WHAT WE WANT TO DO	
<b>Services to passengers/customers</b>	<p><b>RFI</b></p> <ul style="list-style-type: none"> <li>Start the “Green Stations” project with Legambiente to create services centres for the development of environmental protection, civil protection and the promotion of educational and nature tourism enterprises.</li> <li>Install the “Information and Communication” system on the Bari to Lecce and Bari to Taranto lines and in the Milan underground stations to improve the promptness and quality of information.</li> <li>Purchase electric vehicles to take persons with reduced mobility to their trains in the main terminal stations of the railway network.</li> </ul> <p><b>Trenitalia</b></p> <p><b>National and International Passenger Division</b></p> <ul style="list-style-type: none"> <li>Continue with the restyling of the new <i>Frecciarossa</i> Bistrò carriages.</li> <li>Install monitors on the <i>Frecciargento</i> ETR 485 trains to provide up-to-date information and travel news in real time.</li> <li>Introduce a new system of LED lighting and window film on <i>FrecciaBianca</i> trains.</li> <li>Continue with the project for the new <i>FrecciaBianca</i> livery.</li> <li>Continue with the project for the renewal of the rolling stock of the day <i>Intercity</i> trains.</li> </ul> <p><b>Regional Passenger Division</b></p> <ul style="list-style-type: none"> <li>Introduce the new <i>Jazz</i> trains.</li> <li>Dematerialise regional passes purchased on line.</li> <li>Modify services in the metropolitan areas to increase transport capacity at peak times.</li> </ul> <p><b>Cargo Division</b></p> <ul style="list-style-type: none"> <li>Continue with the process of internationalisation focused on the main European freight corridors (e.g. opening of foreign representative offices).</li> <li>Extend the new commercial IT platform to all freight traffic and integration with the other IT systems.</li> </ul> <p><b>Busitalia - Sita Nord</b></p> <ul style="list-style-type: none"> <li>Select regional tenders in which to bid for the award of local public transport services.</li> <li>2014 saw the purchase of 16 buses for the Veneto Operations Headquarters and 25 buses for the Tuscany Operations Headquarters (Euro 6).</li> </ul>
<b>Traffic safety</b>	<p><b>Trenitalia</b></p> <ul style="list-style-type: none"> <li>Equip cargo wagons with appliances that stop the train after a derailment.</li> <li>Improve the IT systems that manage and monitor operational maintenance and safety activities.</li> </ul>
<b>Security services</b>	<ul style="list-style-type: none"> <li>Preparation of guidelines for the management of civil protection drills within the Ferrovie dello Stato Italiane Group.</li> <li>Involve Voluntary Associations in the project for the enhancement of the value of the Group's assets.</li> <li>Start work on the renewal of the Agreements with local Civil Protection offices.</li> <li>Complete the creation of security systems at about 30 railway stations.</li> <li>Complete the “CCTV Platform” project for remote projection from about 140 video-surveillance systems to the Security Situation Room.</li> <li>Make safe the main workshops of the Long-Haul Passenger Division (LHPD), of the Technical Department and the Regional Passenger Division (RPD).</li> <li>Make the LHPD and RPD ticket offices and the Self-Service machines safe.</li> <li>Start the process of certifying Fraud Control up to obligatory PCI/DSS interbank security standards.</li> </ul>

## 4.1 Transport Sector: Mobility Services

GRI 2.7 | PR3

### 4.1.1 Passenger and Cargo Transport

In spite of the general crisis scenario in 2013, the performance of the Ferrovie dello Stato Italiane Group's railway sector improved significantly in terms of passenger and cargo volumes.

Passengers-km transported in rail transport achieved 41.7 billion in absolute terms, with a total increase of 2.9% compared to the previous financial year, of which 19.3 billion relating to medium/long-haul transport services (+2.9% compared to 2012) and 22.4 relating to regional transport (+2.9% compared to 2012). In the medium/long-haul transport segment, 2013 also saw an increase in the passengers-km for market services (+4.8% compared to 2012), while universal services recorded a 3.3% fall in the served demand compared to the previous year. Among the market services the *Frecce* (*Frecciarossa*, *Frecciargento* and *Frecciabianca*) trains continued on their successful way, with about 43 million passengers transported, equal to a 6% increase in terms of passengers-km compared to 2012, in spite of the fact that 2013 was the first full year of competition with the private operator in the High Speed segment.

In 2013, the overall production of railway services, as measured in trains-km, equal to 271.5 million, showed an increase of 4.0% compared to 2012, with a more pronounced growth rate for medium/long-haul services,

+10.1% compared to 2012 (79.3 million trains-km in 2013), compared to that recorded by regional transport, which came to 1.7% compared to the previous financial year (192.2 million trains-km in 2013).

In 2013, the overall production in the cargo segment, as measured in trains-km, achieved 46 million, showing an increase of 0.7% compared to the previous year. The overall volumes transported in 2013 amounted to 22.8 billion tons-km, with an increase of 2.4% compared to 2012. Again in 2013, a significant increase was reported in the production achieved abroad (+10% in terms of trains-km) compared to the previous year. The combination of the slight decrease in the total cargo transport offer and of the increase in the served demand entailed increased efficiency measured by the average load which achieved 500 tons per train.

There was an increase of 3.0% in satisfied demand for services provided by Group companies, as measured in passengers-km, compared to 2012. Owing to lower demand from public sector customers, production in buses-km fell by 2.7%.

Regarding urban Local Public Transport services, the Ferrovie dello Stato Italiane Group supplied overall services of more than 15.5 million buses-km in 2013, as well as more than 1.6 million buses-km in market road transport services.



## Main Types of Services Offered

### MARKET SERVICES

These are services provided in full commercial autonomy without any contribution from public funds, including most of the Long-Haul Passenger Division's medium- and long-haul connections such as those provided by the *Frecciarossa*, *Frecciargento*, *Freccia Bianca*, *Eurocity*, *Euronight* trains, some *Intercity* services and almost all the Group's cargo services.

### UNIVERSAL SERVICES

These are the transport services of public interest provided at the request of the State or the Regional Governments, which pay the transport company a consideration under Services Contracts. Specifically, passenger transport services include a small part of the day *Intercity* services and all night services (both operated by the Long-Haul Passenger Division of Trenitalia), and regional services, which are operated by the Regional Passenger Division of Trenitalia in Italy and by the Netinera group in Germany. The characteristics of the regional connections, in terms of frequency, fares, levels of service and stops, are decided upon by the Regional Governments in their capacity as customers.

## Passenger Transport

### MEDIUM/LONG-HAUL RAIL TRANSPORT

#### *Frecciarossa* trains

*Frecciarossa* are trains that run on the High-Speed network which extends along the Italian railway axis on which the volume of traffic and the population density are the greatest. They constitute what has been defined as the "fast underground of Italy", reducing journey times between the cities of Turin, Milan, Reggio Emilia, Bologna, Florence, Rome, Naples and Salerno. The advantages of the *Frecciarossa* service also extend beyond the High-Speed system in the strict sense of the term, thanks to connections from Milan, Reggio Emilia and Bologna that continue to Rimini, Pesaro and Ancona.

#### *Frecciargento* trains

The *Frecciargento* are tilting trains and can therefore travel at higher speeds than traditional rolling stock; accordingly, they are used on lines that combine traditional and High-Speed track.

In 2013 *Frecciargento* trains connected Salerno, Naples and Rome to Venice and Udine; Rome to Verona, Brescia, Bolzano, Bari, Lecce, Lamezia and Reggio Calabria.

#### *Freccia Bianca* trains

The *Freccia Bianca* trains run on traditional tracks, their main function being to connect medium-sized and large urban centres that are not served by High-Speed trains. The services that ran in 2013 were the line across Northern Italy from Turin and Milan to Venice, Udine and Trieste; the line that connects Turin, Milan and Venice to Bari, Lecce and Taranto; the Northern Tyrrhenian line that connects Turin, Milan and Genoa to Pisa and Rome and, furthermore, the route between Rome and Reggio Calabria, as well as that between Rome and Ravenna.



### **Intercity (IC) trains**

Daytime Intercity (IC) trains travel on traditional tracks linking large and medium-sized towns, contributing to the creation of an efficient system of connections with local and High-Speed trains. Among these, most of the IC trains operated on market conditions are those running along the central route serving the stations between Milan and Naples and Salerno and between Trieste to Rome.

On the other hand, IC trains are included in the Universal Service connecting Milan with Genoa, Ventimiglia, La Spezia, Livorno and Grosseto, Rome with Florence, Ancona, Perugia, Bari, Taranto, Reggio Calabria, Palermo and Siracusa, Naples with Sestri, Turin with Salerno, Terni with Milan, Bologna with Pescara, Bari, Lecce and Taranto, Reggio Calabria with Taranto.

### **Night Trains**

Night trains are used for long-haul services between the North, the Centre and the South of Italy, and are mainly intended for those who prefer to spend the night travelling in order to arrive at their destination on the next morning, usually in the early hours.

### **International Services**

International Eurocity and Euronight trains run on traditional track, connecting the main Italian localities to medium-sized and large towns in Austria, Germany and Switzerland, connecting Milan to Zurich, Basel, Berna, Lucerne and Geneva, or Venice to Lucerne and Geneva; Euronight trains link Rome, Venice and Milan to Munich, as well as Rome and Milan to Wien. Furthermore, through the French subsidiary Thello, night trains link Rome, Florence, Venice and Milan to Paris.



## **REGIONAL RAIL TRANSPORT**

The trains operated by the Regional Passenger Division serve a dense network winding throughout Italy and meeting travellers' day-to-day mobility needs at metropolitan, regional and inter-regional level.

Trenitalia's regional rail transport services (which can all be classified as universal services) are laid down in Services Contracts signed with the State, the Regional Governments and the Autonomous Provinces, which plan and schedule quantity, frequency and service quality levels.

Starting from 2011, the local railway transport in Lombardy is operated by Trenord, a company established through a joint partnership between Trenitalia and Ferrovie Nord Milano.

Furthermore, the Ferrovie dello Stato Italiane Group provides, through the Netinera group, regional transport services in Germany, which are commercially managed through similar Services Contracts with the local customer public authorities. The companies in the Netinera group mainly operate in Northern and Southern Germany<sup>39</sup>; starting from December 2014 the new company Vlexx will start its operations in the Frankfurt area.

39. The major brands/companies of the Netinera group are: Metronom and Erixx that operate in Northern Germany, Länderbahn, together with Alex and Vogtlandbahn, that operate in Southern Germany.

## PASSENGER ROAD TRANSPORT

In Italy the Ferrovie dello Stato Italiane Group mainly provides, through its subsidiary Busitalia - Sita Nord, local public transport services, both urban and suburban. Specifically, in Tuscany Busitalia - Sita Nord provides local public transport services, as well as market services (hire services<sup>40</sup>, authorized scheduled services and long-haul line services<sup>41</sup>); the company operates through 6 different limited-liability consortia (*Scarl, società consortili a responsabilità limitata*) that mainly manage Local Public Transport services<sup>42</sup> in the same Region.

Starting from 1 December 2012, Busitalia - Sita Nord also holds a 70% stake of Ataf Gestioni, an urban public road transport company in the metropolitan area of Florence.

In Veneto, Busitalia - Sita Nord provides extra-urban services in the whole of the Province of Padua, with extensions in neighbouring provinces di Venice, Treviso, Vicenza and Rovigo. The Rovigo extra-urban service covers a large part of its Province with ramifications in neighbouring provinces of Padua, Ferrara, Verona and Mantova, while the town service covers the town itself and other places in the municipal district.

Hiring is another important business line, entirely concentrated in Tuscany, where it is possible to profit from the combination of local potential consisting of important art cities and beautiful scenery and centres of tourist attraction that are near each other.

The authorised scheduled services between Florence Airport and the main Tuscan factory outlets have been increased.

Busitalia - Sita Nord also helps Trenitalia in arranging for bus services to substitute trains wherever these are required in Italy.

In foreign countries, the Ferrovie dello Stato Italiane Group provides, through the Netinera group, local public road transport services in Germany, mainly in the metropolitan region of Rhine-Main and, in the Northern Rhine-Westphalia region, as well as in Eastern and Northern Germany<sup>43</sup>.

## Cargo Transport

Through its various companies the Group operates as a Railway Transport Company in the market for goods mobility and logistics in Italy and abroad.

Its range of services is divided into two main spheres:

- domestic and international intermodal traffic, providing rail connections from and to the main ports and freight terminals;
- traditional domestic and international traffic, providing connections between a network of Italian hubs and factories and the European system.

Trenitalia Cargo is present in the commodity sectors into which the market is divided through the following specialist offices:

- **Chemical:** the chemical, petrochemical, fuel, recycling products and waste industrial sectors;
- **Iron and Steel and Automotive:** transport of iron and steel products and raw materials, metals in general and automotive products with their components;
- **Raw materials and consumer goods:** transport for the manufacturing and shipbuilding industry and large-scale retail trade products;
- **Intermodal:** a complete range of rail and logistics solutions for the transport of containers, swap body containers, semi-trailers and articulated trucks.

Furthermore, Trenitalia wholly owns the German company TX Logistik, one of the leading companies in the railway cargo transport sector in Europe, which mainly operates on the Northern-Southern European route, providing integrated logistics services in Austria, Denmark, Germany, Norway, Holland, Sweden and Switzerland.

40. Coach with driver hire for domestic and international tourism.

41. Long-haul tourist services; the Alpinbus service stopped in 2013.

42. This service is mainly provided in the provincial districts of Florence, Arezzo and Siena: Autolinee Mugello Valdisieve, Autolinee Chianti Valdarno, Più Bus, Etruria Mobilità, Siena Mobilità, Ishtar. For the first two limited-liability consortia, Busitalia - Sita Nord acts in the capacity as lead manager.

43. Specifically, Autobus Sippel GmbH mainly operates in the metropolitan region of Rhine-Main; Verkehrsbetriebe Bils GmbH provides its services in the Northern Rhine-Westphalia region. Neißeverkehr GmbH and Südbrandenburger Nahverkehrs GmbH operate in Eastern Germany, while KVG Stade in Northern Germany.

## 4.2 Infrastructure Sector: Mobility Services

GRI 2.7 | PR3

RFI, as the National Railway Infrastructure Manager, is the entity responsible for allocating rail track capacity. RFI's market consists of Railway Companies (RCs) and Applicants; under the latter category, in addition to Railway Companies, Regional Governments and Autonomous Provinces, fall "natural or physical persons not acting as intermediaries interested in acquiring railway infrastructure for railway transport services, either in order to provide a public service or for commercial reasons (Legislative Decree no. 188/2003, article 3 b)".

The contractual relationship may take the form of:

- a. a contract (infrastructure utilisation contract) lasting one year or a fraction of a year (corresponding to the period of the railway timetable) whose object is the capacity available, with the details of the train paths;
- b. a long-term Master Agreement whose object is the capacity available, without specifying train paths, which are requested and formalised by means of an infrastructure utilisation contract for each year of duration of the Master Agreement, signed by the Applicant if it is a RC, or by the RC designated by the Applicant if the latter is not a RC.

Specifically, on the basis of the timetable for the period from 9 December 2012 to 14 December 2013, the market included:

- 37 RCs with railway licences issued by the Ministry for Infrastructures and Transport<sup>44</sup>;
- 1 RC provided with a European railway licence issued by the Federal Republic of Germany (TX Logistik);
- 33 RCs (among those listed under the two above items) that carry out transport services as a result of the execution of the infrastructure utilisation contract with RFI;
- 41 infrastructure utilisation contracts<sup>45</sup>, divided as follows:
  - 18 for passenger traffic;
  - 21 for cargo traffic;
  - 2 for technical train traffic for rolling stock trials.

Furthermore, as at 31 December 2013, 9 Master Agreements/Memoranda of Understanding had been signed, which were divided as follows:

- 2 agreements signed with Regional Governments:
  - 1 Master Agreement with the Lazio Regional Government;



- 1 Memorandum of Understanding with the Liguria Regional Government;
- 2 agreements signed with Autonomous Provinces:
  - 1 Master Agreement with the Autonomous Province of Trento;
  - 1 Master Agreement with the Autonomous Province of Bolzano;
- 1 Master Agreement for passenger services signed with an Applicant with a business interest (Sea Train Srl);
- 4 Master Agreements signed with RCs:
  - 1 agreement with Nuovo Trasporto Viaggiatori SpA (for passenger services on High Speed/High Capacity lines);
  - 2 agreements with Trenitalia SpA (one for passenger services on High Speed/High Capacity lines and one for cargo transport services);
  - 1 agreement with Cemat SpA (for cargo transport service).

The overall production achieved in the year on the network managed by RFI was about 332 million trains-km (+4.8% compared to the previous year). The traffic volumes achieved by third-party operators increased by about 15% compared to the previous year.

44. Source: Ministry for Infrastructures and Transport - Railway Transport Directorate General ([www.mit.gov.it/mit/site.php](http://www.mit.gov.it/mit/site.php)).

45. The difference between the number of contracts (41) and the number of contracting RC parties (33) is due to the fact that some RCs hold more than one contract.

## 4.3 Quality of Services

GRI 2.10 | 4.12 | PR4 | PR5 | PR8 | PR9



### 4.3.1 Trenitalia

#### Passenger Transport

The Group pays great attention to offering passengers a quality journey, keeping three aspects under control:

- the quality promised and the quality delivered (as per the Charter of National/international Services and 20 Charters of Regional Services<sup>46</sup>);
- the quality perceived;
- complaints from customers.

#### QUALITY PROMISED AND QUALITY DELIVERED: CUSTOMER CARE

Generally speaking, the targets set for medium- and long-haul trains in the 2013 Charter of National and International Services were attained. The four targets regarding the regularity of the service, cleanliness, telephone information services and ticket office services were achieved, while the punctuality target was not achieved, above all as a result of the performances recorded during the last months of the year.

A more detailed analysis may be conducted of the results of two specific important types of medium- and long-haul trains, the *Frecce* trains and the Trains operated under Services Contracts with the State<sup>47</sup>. *Frecciarossa*, *Frecciariento* and *Frecciabianca* trains completely achieved the punctuality and regular service targets and substantially exceeded the cleanliness target.

Trains operated under Services Contracts with the State, on the other hand, achieved the punctuality and regular service targets but did not hit the cleanliness target, falling 3.4% short.

46. The Charter of Services, published by Trenitalia, is the instrument whereby the company communicates the principles and commitments for the improvement of its services. The Charters of Regional Services are available on website [trenitalia.com](http://trenitalia.com).

47. In 2013 the universal service provided for in the services contract with the State included 84 day Intercity trains, 22 Night Trains and 10 buses. Periodic services are not counted.

## 2013 CHARTER OF SERVICES: MEDIUM- AND LONG-HAUL SERVICE QUALITY OBJECTIVES

### » QUALITY INDICATORS FOR ALL MEDIUM- AND LONG-HAUL TRAINS

QUALITY FACTORS	INDICATORS	2012 TARGET	2013 TARGET	2013 FINAL DATA	2013 DIFFERENCE (%)	NOTES
<b>Punctuality</b>	Trains arrived within 15 minutes of expected time	93.00%	93.00%	91.70%	-1.3	The delay is measured at the train's final destination*
<b>Regularity of service</b>	Trains running regularly, net of limited trains, trains cancelled or trains arriving more than 120 minutes late	99.00%	99.00%	99.50%	0.5	All trains are counted, excluding those affected by external factors, blocked lines or strikes
<b>Cleanliness</b>	Effectiveness of cleaning operations on board trains	89.00%	77.00%**	83.00%	6.0	Customers satisfied by the cleanliness of their trains***
<b>Telephone information services</b>	Web contacts and inquiries to call centre	1.5	1.6	1.8	0.2	Number of requests for information compared with the number of travellers transported
<b>Ticketing services</b>	Automatic ticket machines working	95.00%	95.00%	97.89%	2.9	Percentage of total automatic ticket machines
	Accessibility to the sales service: purchases through innovative channels (excluding station ticketing offices and travel agencies)	34.00%	35.00%	48.50%	13.5	Weight of purchases through innovative channels on Trenitalia Medium/Long-Haul Service total turnover

\* Percentage recorded by the RFI's IT system, excluding any delays caused by extraordinary events, strikes and by other railway companies (standard B - D.M. 146T/2000)

\*\* Since 2013, the indicator is the percentage of customers satisfied by the level of cleanliness they find during their journey, unlike 2012 when it was calculated as a percentage of comparable controls on a sample chosen on the basis of the specifications set out in the standard UNI EN 13549

\*\*\* Trenitalia customer satisfaction is measured by an independent research institution: customers are considered satisfied if they express a positive assessment of  $\geq 6$  on a scale of 1 to 9

## » QUALITY INDICATORS FOR *FRECCIE* TRAINS

QUALITY FACTORS	INDICATORS	2012 TARGET	2013 TARGET	2013 FINAL DATA	2013 DIFFERENCE (%)	NOTES
<b>Punctuality</b>	Trains arrived within 15 minutes of expected time	93.50%	93.50%	94.50%	1.0	The delay is measured at the train's final destination*
<b>Regularity of service</b>	Trains running regularly, net of limited trains, trains cancelled or trains arriving more than 120 minutes late	99.20%	99.20%	99.80%	0.6	All trains are counted, excluding those affected by external factors, blocked lines or strikes
<b>Cleanliness</b>	Effectiveness of cleaning operations on board trains	92.00%	85.00%**	90.60%	5.6	Customers satisfied by the cleanliness of their trains***

\* Percentage recorded by the RFI's IT system, excluding any delays caused by extraordinary events, strikes and by other railway companies (standard B - D.M. 146T/2000)

\*\* Since 2013, the indicator is the percentage of customers satisfied by the level of cleanliness they find during their journey, unlike 2012 when it was calculated as a percentage of comparable controls on a sample chosen on the basis of the specifications set out in the standard UNI EN 13549

\*\*\* Trenitalia customer satisfaction is measured by an independent research institution: customers are considered satisfied if they express a positive assessment of  $\geq 6$  on a scale of 1 to 9

## » QUALITY TARGETS FOR TRAINS OPERATED UNDER SERVICES CONTRACTS WITH THE STATE

QUALITY FACTORS	INDICATORS	2012 TARGET	2013 TARGET	2013 FINAL DATA	2013 DIFFERENCE (%)	NOTES
<b>Punctuality</b>	Punctual within 30 minutes	91.00%	91.00%	92.00%	1.0	Number of trains arriving less than 30 minutes late divided by number of departures x 100
	Punctual within 60 minutes	96.00%	96.00%	97.30%	1.3	Number of trains arriving less than 60 minutes late divided by number of departures x 100
<b>Regularity of service</b>	Regularity	98.20%	98.20%	98.80%	0.6	100 - (number of trains cancelled + number of limited trains + number of trains arriving more than 120 minutes late) divided by number of trains scheduled x 100
<b>Cleanliness</b>	Cleanliness	88.00%	88.00%	84.60%	-3.4	Cleanliness (AQQ)* = 100% - Non-compliance %

\* Average Quality Delivered



The trend towards the purchase of tickets through innovative sales channels is particularly significant for medium- and long-haul services; the related ratio compared to total sales recorded an increase of 13.5 percentage points compared to the preset target.

In fact now travellers can buy tickets on their smartphone if it can access internet [trenitalia.com](http://trenitalia.com), downloading the *Prontotreno* application or calling the Trenitalia call centre. With the *Posto Click* service, journeys can be booked up to 24 hours before departure from the website [trenitalia.com](http://trenitalia.com) or through the call centre, afterwards completing the purchase at a Unicredit Group bank, at a self-service ticket machine at the stations, at a Sisal shop or through a Postemobile cellular phone enabled to make payments. Finally, with the Ticketless service an electronic ticket can be bought through one of the channels mentioned above and it is then enough to show the booking code directly to the personnel on board the train.

The number of new self-service machines, apart from those in stations, has further increased: there are 18 at the moment at universities (Bologna and Pisa), at the Air Force Staff headquarters and in shopping centres in Milan, Brescia, Verona, Vicenza, Padua, Bologna, Forlì, Rimini, Genoa, Rome, Naples, Aversa and Pescara.

Particular attention is paid to the quality of services for persons with reduced mobility (PRMs). The most effective ways to provide access to stations and trains have been found thanks to ongoing and constructive

relations with the associations for this sector. The Trenitalia *PostoBlu* (Blu Seat) service for disabled persons and PRMs allocates seats and books tickets when a request for assistance is made to the *Sale Blu* rooms or through a call centre, allowing the possibility of paying and collecting the ticket afterwards through the various available sales channels. Rete Ferroviaria Italiana's PRM assistance network covers more than 260 stations all over the country: the service varies according to the accessibility characteristics of the facilities at the station, the existence of trains equipped to receive PRMs and the actual demand for this form of assistance in the station's catchment area. The point of reference for all disabled travellers and PRMs' needs are the 14 *Sale Blu* rooms in the "master"<sup>48</sup> stations of the network.

The duty of the *Sale Blu* rooms is to give the following assistance, free of charge, to the travellers to whom they are dedicated:

- provide information and guidance material regarding assistance at stations;
- book the service;
- provide a wheelchair if necessary;
- provide a guide at the station and accompany the traveller to the train;
- provide a guide as far as the exit or another train;
- arrange for a forklift to lift or lower a traveller in a wheelchair;
- on request, arrange for one piece of hand baggage to be carried within the station.

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

## PERCEIVED QUALITY: CUSTOMER SATISFACTION

The level of quality perceived by customers during the various phases of their journey is measured by periodic Customer Satisfaction surveys. For medium- and long-haul transport, the reference universe for these periodic surveys are the domestic journeys made by passengers over 14 years of age. In each two-monthly survey 5,000 interviews are conducted on a sample of travellers selected on the basis of a probabilistic procedure.

The reference universe is the same for regional transport (passengers over 14) but the length of the journey is short range (local/regional) and the sample is selected on the basis of a probabilistic procedure in this case too. 4 sample surveys are conducted every year (in March,

May, July and November), interviewing a total of about 16,800 travellers.

The procedure for the collection of the data concerning perceived Customer Satisfaction during the journey, for both types of train, is divided into two phases:

- face-to-face interview conducted in the station before the departure of the train;
- telephone interview with the use of the CATI (Computer-Assisted Telephone Interview) technique, conducted by talking to the interviewee again two or three days after the first contact.

The opinion for each variable in the survey is expressed on a scale of 1 to 9, in which 9 expresses the maximum satisfaction and 1 the maximum dissatisfaction.



### Medium- and long-haul transport

An analysis of Customer Satisfaction results shows that the favourable opinions expressed in 2012 were substantially confirmed in 2013. The most obvious improvements regard comfort and cleanliness, both recording an increase of 2.6 percentage points. The main deterioration is in punctuality (-3.2 percentage points), affected for the most part by the opinions expressed by Intercity service passengers.



## » NATIONAL AND INTERNATIONAL TRANSPORT: CUSTOMER SATISFACTION

The various phases of the journey	2011	2012	2013	2013 vs 2012
				% points
Preparation	96.0%	96.1%	95.5%	▼ -0.60
Entering the station	81.0%	83.8%	84.9%	▲ 1.10
Time spent in the station	89.0%	89.3%	88.5%	▼ -0.80
Time on the train	87.0%	88.8%	89.3%	▶ 0.50
Leaving the station	86.0%	88.3%	85.5%	▼ -2.80
<b>Overall opinion</b>	<b>88.0%</b>	<b>90.0%</b>	<b>89.9%</b>	<b>▶ -0.10</b>

Operations	2011	2012	2013	2013 vs 2012
				% points
Comfort	83.3%	86.2%	88.8%	▲ 2.60
Cleanliness	76.0%	80.4%	83.0%	▲ 2.60
Punctuality	83.3%	84.3%	81.1%	▼ -3.20
On-board information	87.1%	88.6%	88.6%	▶ 0.00
Information	97.0%	96.0%	95.2%	▼ -0.80
Staff	95.0%	95.5%	94.2%	▼ -1.30
<b>Overall opinion</b>	<b>88.3%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>▶ 0.00</b>

In general 9 customers out of 10 had a favourable opinion on medium- and long-haul train journeys; this percentage is over 96% for *Frecciarossa* train passengers.

### Regional transport

An analysis of the overall level of satisfaction of regional transport customers showed a nearly 2% improvement between 2012 and 2013. The most obvious progress is seen in the opinions expressed regarding the preparatory phase of the journey, the result of which was certainly significantly affected by the installation of new self-service machines in stations that allow passengers to get tickets and regional train passes without queuing at the counter.

There were also positive trends with regard to operations, particularly cleanliness, comfort and information on board the train. The first two factors were influenced by the restyling of the carriages and the introduction of new rolling stock to replace the oldest carriages, while the third improvement was obtained as a result of intensive monitoring of the functioning of the apparatus on board.



## » REGIONAL TRANSPORT: CUSTOMER SATISFACTION

The various phases of the journey	2011	2012	2013	2013 vs 2012	
				% points	
Preparation	84.3%	84.2%	91.0%	▲	6.80
Entering the station	70.6%	69.3%	75.1%	▲	5.80
Time spent in the station	76.5%	75.6%	79.7%	▲	4.10
Time on the train	70.7%	71.5%	72.6%	▲	1.10
Leaving the station	68.7%	69.8%	74.7%	▲	4.90
<b>Overall opinion</b>	<b>71.6%</b>	<b>71.9%</b>	<b>73.8%</b>	<b>▲</b>	<b>1.90</b>

Operations	2011	2012	2013	2013 vs 2012	
				% points	
Comfort	66.2%	66.6%	71.1%	▲	4.50
Cleanliness	46.2%	50.2%	54.8%	▲	4.60
Punctuality	64.1%	62.7%	62.6%	▶	-0.10
On-board information	63.9%	62.5%	67.1%	▲	4.60
Information	91.9%	91.8%	90.8%	▼	-1.00
Staff	81.2%	82.2%	84.6%	▲	2.40
<b>Overall opinion</b>	<b>70.7%</b>	<b>71.5%</b>	<b>72.6%</b>	<b>▲</b>	<b>1.10</b>



As regards individual Regions, customer satisfaction increased substantially in large Regions such as Lazio (compared to on-board information, cleanliness and comfort), Piedmont (compared to comfort and cleanliness) and Sicily (for comfort).

The improvements were obtained as a result of various measures: the introduction of new rolling stock, the restyling of the existing fleet, the introduction of cleaning services during the journey, as well as when the train is awaiting departure and awareness campaigns to encourage responsible behaviour on board (such as the 2013 *Treni Puliti* [Clean Trains]) campaign.

## COMPLAINTS MANAGEMENT

Complaints management is a useful instrument for interacting with customers, since it enables performance to be improved by monitoring and analysing the problems reported by customers. Trenitalia uses an organisation with staff throughout the country in order to handle complaints systematically and effectively, which has:

- local offices to deal with complaints and respond to customers;
- a Focal Point<sup>49</sup> network which establishes the problems reported by customers and takes the appropriate measures if they are well founded.

Complaints are managed by means of an IT platform integrated in the Customer Relationship Management system which can handle them acting together with the other channels of contact with customers (such as ticket offices and customer assistance centres in stations, the web, call centres, the normal post and e-mail). The channel most used at present is the website, which conveys about 70% of the complaints.

In 2013 89.1% of the complaints were closed within the 30 days specified in the charter of services. In 2013 there was no record of any complaints regarding the infringement of privacy or the loss of customers' data.

### Medium- and long-haul transport

As regards medium- and long-haul trains, complaints showed a reduction of 11% in 2013 compared to the previous year.

## » COMPLAINTS AND FAILINGS - NATIONAL AND INTERNATIONAL TRANSPORT

	2011	2012	2013	2013 vs 2012
Total complaints received*	41,057	39,200	34,698	▼ -11%
Total failings**	56,427	48,116	42,429	▼ -12%

\* A complaint is a communication in writing (e.g. letter, fax message, e-mail) with which a customer reports an issue and may give specific details of poor service. More than one case of poor service may be referred to in the same complaint

\*\* See previous footnote

49. The Focal Points are company offices that are located throughout the country and are responsible for handling complaints.

As regards medium- and long-haul trains, 98.1% of the complaints received in 2013 were closed within 30 days. In 2013 the complaints received mainly concerned problems of Punctuality, the Website, Commercial Regulations and Timetables and fares.

The increase in complaints regarding the Website, which was the greatest in volume (+7 percentage points), is to be seen in relation to the rise in the number of purchases of tickets through innovative channels.

## » ANALYSIS OF COMPLAINTS - % OF FAILINGS - NATIONAL AND INTERNATIONAL TRANSPORT

	2011	2012	2013	2013 vs 2012
				% points
Punctuality	19.3%	21.6%	25.2%	▲ 3.60
Commercial regulations	14.8%	12.4%	10.6%	▼ -1.80
Comfort and cleanliness	10.3%	8.3%	8.2%	▶ -0.10
After-sales regulations	13.4%	13.8%	6.3%	▼ -7.50
Trenitalia website	14.2%	20.1%	27.1%	▲ 7.00
Sales through traditional channels	5.1%	3.0%	3.1%	▶ 0.10
Timetable and fares	6.8%	8.7%	8.4%	▶ -0.30
Information	2.0%	1.5%	1.4%	▶ -0.10
Call center	2.5%	3.4%	2.5%	▼ -0.90
Security of persons and property	0.9%	0.8%	0.9%	▶ 0.10
Other (assistance on-board train/at stations, additional services, services to disabled people, etc.)	8.8%	10.5%	6.4%	▼ -4.10



In 2013 too, the Joint Settlement (*Conciliazione Paritetica*) Procedure<sup>50</sup> was the most suitable instrument for settling disputes with customers rapidly and effectively.

395 cases were handled by means of this procedure in 2013 and 93% of the customers accepted the settlement proposal, thus expressing their approval of the process.

Finally, CER, the Community of European Railways, stated that Trenitalia's Joint Settlement Procedure was an example of European best practice.

50. In a Joint Settlement procedure, a representative of a Consumer Association that is a signatory to the protocol and a Trenitalia representative meet to discuss the customer's complaints and consider whether there is a possibility of offering the customer a satisfactory proposal for the amicable settlement of the matter.



### Regional transport

As regards Regional services/trains, the number of complaints recorded a decline of 19% compared to 2012.

## » COMPLAINTS AND FAILINGS – REGIONAL TRANSPORT

	2011	2012	2013	2013 vs 2012
Total complaints received	37,460	35,846	29,036	▼ -19%
Total failings	31,979	35,125	25,331	▼ -28%

In 2013 the complaints received concerned failings that were mainly attributable to punctuality, comfort and cleanliness, commercial regulations and information.

## » ANALYSIS OF COMPLAINTS - % OF FAILINGS - REGIONAL TRANSPORT

	2011	2012	2013	2013 vs 2012
				% points
Punctuality	21.4%	23.1%	22.5%	▼ -0.60
Commercial regulations	10.9%	8.7%	8.7%	▶ 0.00
Comfort and cleanliness	12.1%	9.3%	10.3%	▲ 1.00
After-sales regulations	1.6%	1.9%	2.8%	▲ 0.90
Trenitalia website	1.7%	2.1%	2.6%	▶ 0.50
Sales through traditional channels	1.2%	1.1%	1.2%	▶ 0.10
Timetable and fares	3.3%	2.4%	1.9%	▶ -0.50
Information	6.6%	7.2%	5.9%	▼ -1.30
Call center	3.5%	0.2%	0.1%	▶ -0.10
Security of persons and property	1.3%	0.4%	0.3%	▶ -0.10
Other (assistance on-board train/at stations, additional services, services to disabled people, etc.)	5.9%	4.5%	10.4%	▲ 5.90

## Cargo transport

In this sphere, Trenitalia offers its customers business-to-business services based on different premises from those for normal passenger transport.

The satisfaction drivers are not only related to the particular type of customer (a Business) but also to changing market situations and to the economic cycle. In the field of cargo transport, in particular, Trenitalia operates in a scenario in which competition is intense both with respect to alternative means of transport (road, sea) but also with respect to many other Railway Companies that have now been operating in Italy for years<sup>51</sup>.

### PERCEIVED QUALITY: CUSTOMER SATISFACTION

The Customer Satisfaction survey is based on a sample of more than 160 business customers which account for most of Trenitalia's turnover.

The method used is the telephone interview using a CATI (Computer-Assisted Telephone Interview) system during which a structured questionnaire is submitted.

The purpose of the survey is to obtain an opinion on a scale of 1 to 10 regarding the main features of the service such as operational aspects, the helpfulness of the sales offices, the information provided and the management of the administrative formalities.

Suggestions for potential areas of improvement in the service are also accepted.



The mark corresponding to the overall opinion expressed by the customers interviewed in 2013 was 6.4 (on a scale of 1 to 10), unchanged from the previous year. The percentage of those who stated that they were satisfied with the service was slightly higher.

## >> CUSTOMER SATISFACTION – CARGO TRANSPORT

	Average mark (scale 1-10)			% satisfied		
	2011	2012	2013	2011	2012	2013
Opinion on sales offices	6.4	6.8	7.0	71.8%	79.5%	90.0%
Opinion on the completeness and promptness of the information provided	6.1	6.5	6.4	68.2%	76.3%	75.1%
Opinion on the operational aspects of the service	5.4	6.1	5.9	48.8%	66.5%	67.1%
Opinion on the management of invoices and administrative formalities	6.2	6.6	6.8	73.5%	79.9%	88.6%
<b>Overall opinion</b>	<b>6.0</b>	<b>6.4</b>	<b>6.4</b>	<b>57.6%</b>	<b>79.9%</b>	<b>81.8%</b>

The macro-areas in which the highest levels of satisfaction were recorded and the greatest increases occurred compared with 2012 were the helpfulness of the sales offices and the management of administrative formalities.

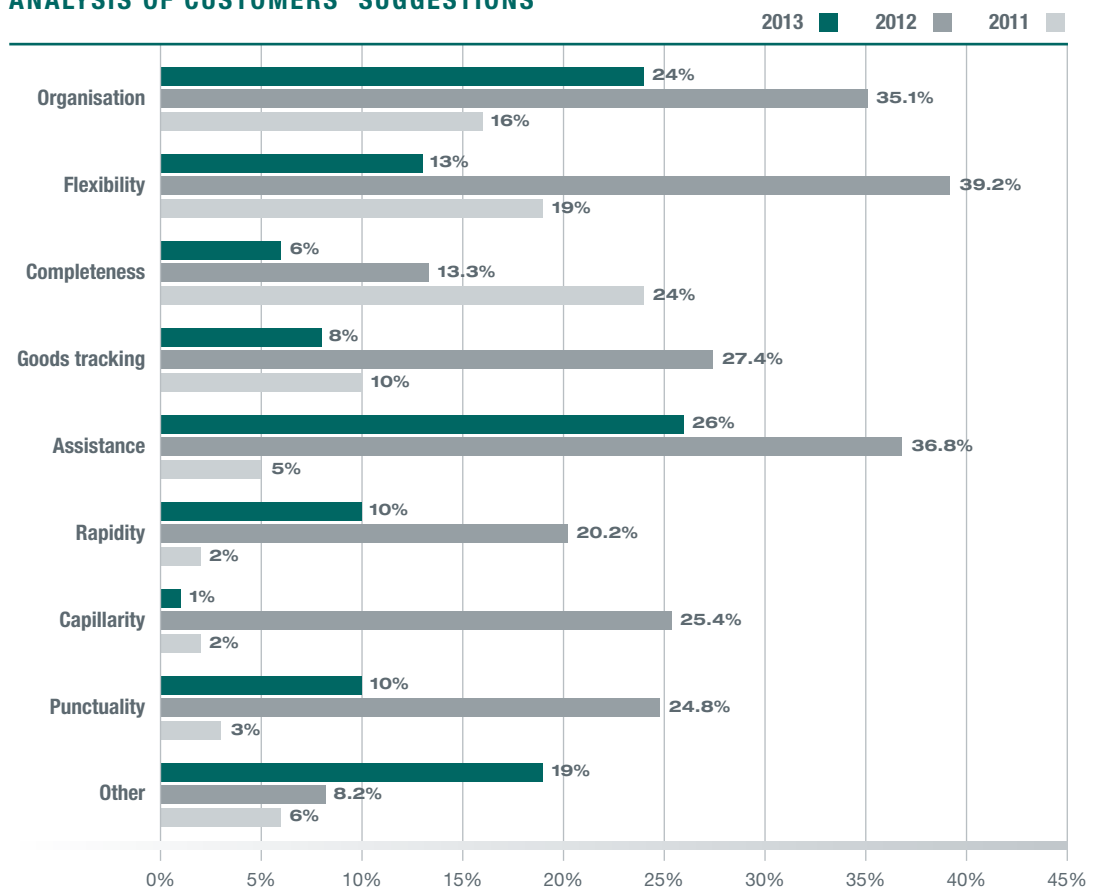
51. In Italy there are more than 20 railway companies competing with Trenitalia in the cargo sector. The main companies belong to large-scale international incumbents (source: ANSF).



### Analysis of customers' suggestions

An analysis of the suggestions showed valuable results in the areas considered particularly critical in the previous year, an effect of the improvements made to the processes of the production and sale of the service. Progress is noted, in fact, both in terms of operations (flexibility) and information and customer care (goods tracking and assistance).

## >> ANALYSIS OF CUSTOMERS' SUGGESTIONS



The manner in which contractual relationships with customers are managed complies with international Conventions and Regulations under which a shipment does not conform to requirements in the three following cases: loss or damage to the goods and delay in delivering them. These events are managed by the Insurance Company or as a specific failure to perform the contract involved<sup>52</sup>. Finally, the results of the survey into propensity to use Trenitalia's services again show a constantly rising trend during the last three years.

52. The procedures for applying for compensation for damage to freight are set out in articles 48 (carrier and customer's liability); 49 (*force majeure*), 50 (report on assessment of damage and complaints regarding compensation) and 51 (request for an adjustment to the customer's account) of Title V of the current "Contract Conditions for Rail Freight Transport", as well as in the related specific Instructions. The documents can be downloaded from the website: [cargo.trenitalia.it](http://cargo.trenitalia.it).

## COMPLAINTS MANAGEMENT

Correct management of complaints and of the subsequent corrective actions that they give rise to is an instrument for interacting with customers which can contribute to recovering their satisfaction.

Trenitalia uses an IT platform inside the new Customer Relationship Management system which tracks the progress of the processing of complaints so that they can be dealt with by integrating them with the various channels of contact with customers.

84 complaints were received in 2013, 96% of which were responded to in fewer than 15 days.

The most common issues, arising more than in the previous year, were the flexibility of the service and the availability of goods wagons. The positive trend towards punctuality continues, as shown by the number of complaints received on this subject, which decreased from 24% in 2011 to 19% in 2013.

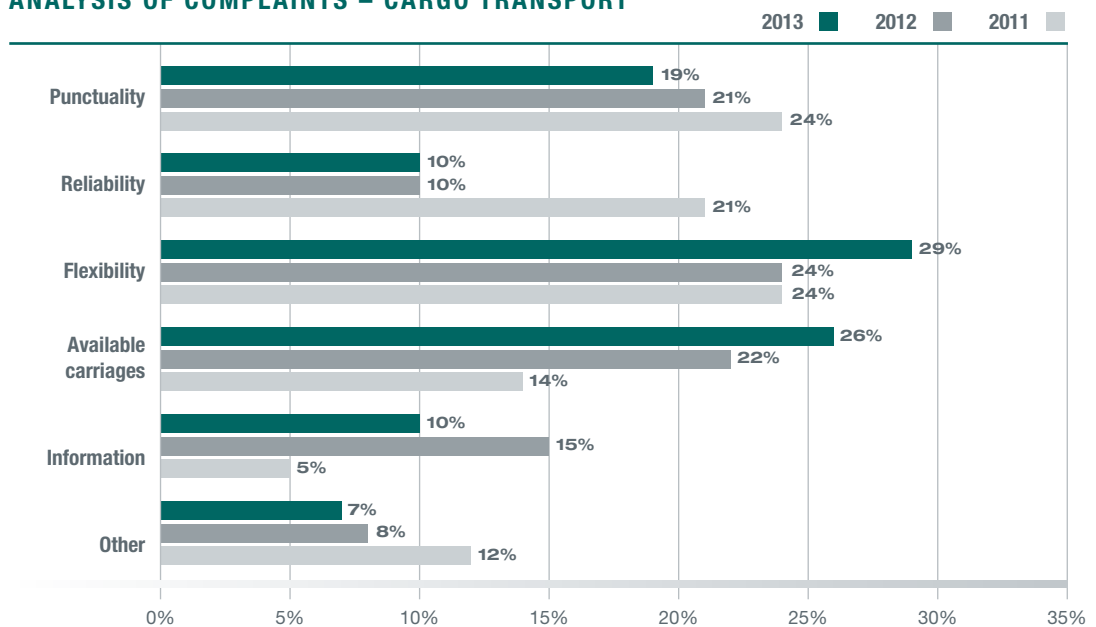
## » COMPLAINTS – CARGO TRANSPORT

	2011	2012	2013	2013 vs 2012
Total complaints received	202	87	84	▼ -3%
Percentage of complaints with response times of less than 15 days	97.0%	95.0%	96.0%	▲ 1%





## » ANALYSIS OF COMPLAINTS – CARGO TRANSPORT



### 4.3.2 Rete Ferroviaria Italiana

#### **QUALITY PROMISED: THE 2013 CHARTER OF SERVICES AND THE QUALITY OBJECTIVES OF THE SERVICES**

RFI's Charter of Services is the instrument in which the national Infrastructure Manager makes known the commitments it assumes during the year and the quality objectives that it sets itself to achieve in providing its services.

In addition to being a tool for communicating with the outside world and measuring its services against customers' expectations, the Charter of Services is a fundamental element in the process of the control of the factors that determine service quality and in establishing what steps need to be taken to improve the services and raise the level of satisfaction of their users.

#### **RECORDING TECHNIQUES**

In order to direct its commitment towards quality objectives that meet the real needs of customers in the stations, through its "Market Observatory", RFI conducts an ongoing Customer Satisfaction survey which, every month, records the quality of the services in stations offered and perceived. The surveys, conducted by external certified companies with long experience in market research, are based on face-to-face interviews for monitoring "perceived quality", while, as regards the "offered quality", surveys are conducted on the basis of the "Mystery Customer" technique by researchers who live a personal experience in a station in complete anonymity.

Most Customer Satisfaction surveys are conducted in the stations in which it is more important to ascertain the public's needs and perceptions owing to their vastness, the complexity of the layout of spaces and services and the high number of passengers and of persons passing through the area (about 95% of the total).



QUALITY FACTORS	CRITERIA	RECORDING TECHNIQUE	
		Quality perceived	Quality offered
<b>Safety</b> <b>Travel safety</b>	Number of accidents by million trains x entire network (ERA)		Internal monitoring
<b>Safety</b> <b>Security of persons and property at station</b>	Data referring to stations	Customer Satisfaction interviews	Internal monitoring
<b>Cleanliness of the interior spaces</b>	Data referring to stations	Customer Satisfaction interviews	Mystery customer
<b>Level of comfort inside the station</b>	Data referring to stations	Customer Satisfaction interviews	Mystery customer
<b>Additional services in the station (commercial services and public utilities)</b>	Data referring to stations	Customer Satisfaction interviews	Mystery customer
<b>Services for travellers with reduced mobility</b>	Data referring to stations	Customer Satisfaction interviews	Internal monitoring/ Mystery customer
<b>Information to the public concerning train departures and arrivals</b>	Data referring to stations	Customer Satisfaction interviews	Mystery customer
<b>Care for the environment</b>	Data contained in the declaration of intent		Internal monitoring
<b>Intermodal integration</b>	Data contained in the declaration of intent	Customer Satisfaction interviews	Mystery customer



The over 2,260 railway stations managed directly by RFI – or by other Group companies – are categorised in four classes: *Platinum*, *Gold*, *Silver* and *Bronze*<sup>53</sup>. Each class has specific parameters such as size, tourist, cultural and commercial potential, number of travellers and the importance of their locality as a tourist destination.

Category	Number of stations
<i>Platinum</i> *	15
<i>Gold</i>	101
<i>Silver</i> **	862 **
<i>Bronze</i>	1,285

\* Turin Porta Nuova, Milan Centrale, Milan Porta Garibaldi and Underground Railway (Passante), Genoa Porta Principe and Genoa underground railway, Florence Santa Maria Novella, Pisa Centrale, Rome Termini, Rome Tiburtina, Naples Centrale and Porta Garibaldi, Palermo Centrale, Bari Centrale, Bologna Centrale, Padua Centrale, Verona Porta Nuova and Venice Santa Lucia

\*\* The Pisa Airport station was closed in December 2013

53. The features of each type and the details of the stations, as well as the Customer Satisfaction results, can be found on the company's website: [rfi.it](http://rfi.it).

## » 2013 CHARTER OF SERVICES

QUALITY FACTORS THE RFI SYSTEM	INDICATOR	PARAMETER	2013 TARGET
<b>Safety</b> <b>Travel safety</b>	Level of safety of railway operations	Number of accidents by million trains-km <sup>1</sup>	Keep in line with the average for 2006-2012 in the four reference Countries
<b>Security</b> <b>Security at stations</b>	Level of security of persons and property in the station	Number of thefts from travellers during the year* <sup>2</sup>	Not to exceed the average for the three-year reference period
	Overall security in the station	Percentage of persons satisfied	80%
<b>Intermodal integration</b>	Quality of the connections between the station and urban/extra-urban public transport	Percentage of persons satisfied	85%*
	Ease and convenience of arrival at the station	Percentage of persons satisfied	90%*
	Authorised parking places near the station	Percentage of presence of service	85%*
<b>Care for the environment</b>	Action taken in the implementation of the "RFI Environmental Policy"***	Commitment <sup>1</sup>	Implementation

1. Internal monitoring

2. Polfer (Railway Police) monitoring

\* Services entirely or partially provided by third parties

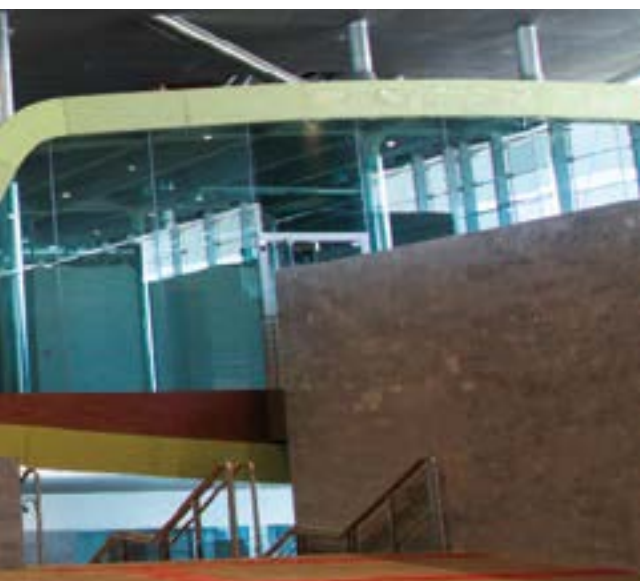
\*\* Insertion of environmental liability clauses in new tender contracts related to investment projects and monitoring of the performance of the contractors on the basis of a quality ratio; inclusion of the need for an ISO 14001 environment certification among the requirements in the RFI Qualification System for companies carrying out permanent way and electric traction work



QUALITY FACTORS THE STATIONS	INDICATOR	PARAMETER	2013 PLATINUM TARGET	2013 GOLD TARGET	2013 SILVER TARGET
<b>Cleanliness</b>	Cleanliness of the interior spaces at stations	Percentage of persons satisfied	90%	90%	85%
<b>Travel comfort at stations</b>	Comfort in the station	Percentage of persons satisfied	90%	85%	80%
	Comfort in waiting areas	Percentage of persons satisfied	90%	85%	80%
	Lighting of subways, footbridges and footways	Percentage of persons satisfied	90%	85%	80%
<b>Train traffic information to the public at stations</b>	In normal rail traffic conditions	Percentage of persons satisfied	90%	90%	85%
	In critical rail traffic conditions	Percentage of persons satisfied	80%	80%	75%
<b>Additional services provided in the station</b>	Commercial services as a whole	Percentage of persons satisfied	90%*	90%*	90%*
<b>Services to travellers with disabilities</b>	Assistance provided in the <i>Sale Blu</i> room network	Percentage of persons satisfied	90%	90%	90%
	Increase in the number of stations included in the <i>Sale Blu</i> room network	Number of stations <sup>1</sup>	At least 10		

1. Internal monitoring

\* Services entirely or partially provided by third parties



The surveys that were conducted in order to analyse the perceived and offered quality of station services confirm that a considerable number of travellers/customers were satisfied in 2013 too. In particular, levels of satisfaction (expressed as a percentage of those satisfied out of the total number of those who answered the questionnaire) of over 90% were expressed for the macro-factors of “time spent in the station”, “cleanliness”, “maintenance and decorum” and “information to the public in normal rail traffic conditions”, with peaks of 99%<sup>54</sup> in some cases. The ratios were slightly lower for “information to the public in critical rail traffic conditions” and “security”, but they were in any case above 85%.

54. The data make reference to the stations as a whole, which are operated both by RFI and by other Group companies, Grandi Stazioni and Centostazioni.

## COMPLAINTS MANAGEMENT

Customers' comments are a valuable instrument which helps RFI to find out how the services provided on the network as a whole and in stations are perceived, and play an equally valuable part in directing the company's efforts towards improvement in quality and the mitigation or solution of any issues that have been drawn to its attention. An IT system, named Itinere-RFI, has been adopted to support the complaints management process which avoids the difficulties that are typical of the manual treatment of complaints and handles the relations with the transport companies. Web channel *RFI-risponde* has been active since 2012 and can be accessed from the website [www.rfi.it](http://www.rfi.it).

### » COMPLAINTS AND FAILINGS – THE STATIONS

	2011	2012	2013	2013 vs 2012
Total complaints received*	3,656	3,176	3,264	▲ +2.8%
Total failings	4,021	3,389	3,595	▲ +6.1%

\* More than one case of poor service may be reported in the same complaint

An analysis of the failings reported in 2013 shows that customers' attention was mostly directed at a poor level of comfort in stations and insufficient information for the public.

### » ANALYSIS OF FAILINGS – THE STATIONS

	2011	2012	2013	2013 vs 2012
				% points
Information to the public	64%	50%	40%	▼ -10
Comfort in the station	18%	20%	22%	▲ +2
Cleanliness of the station	8%	11%	7%	▼ -4
Security in the station	4%	10%	13%	▲ +3
Architectural barriers and services to disabled people	3%	5%	5%	▶ -
Other	3%	4%	13%	▲ +9

### 4.3.3 Busitalia - Sita Nord

#### QUALITY DELIVERED: CUSTOMER CARE

In publishing its annual Charter of Services, the company confirms the fundamental principles on which its services are based (equal rights for all, continuity of service, participation, efficiency and effectiveness) together with the acknowledged rights of those who use its transport services.

Each year the Charters of Services of Busitalia - Sita Nord are published in Veneto and Tuscany<sup>55</sup>.

#### » 2013 CHARTER OF SERVICES

REGION	SERVICES
<b>Veneto</b>	Extra-urban transport – Padua Extra-urban transport – Rovigo Urban transport – Rovigo
<b>Tuscany</b>	Autolinee Chianti Valdarno Scarl* Autolinee Mugello Valdisieve Scarl

\* In Tuscany the Charters of Services are published by specifying the name and overall data of the companies belonging to the Tuscan Limited-liability Consortia, including Autolinee Chianti Valdarno Scarl and Autolinee Mugello Valdisieve Scarl, of which Busitalia - Sita Nord is the lead manager



55. The charters of services are published on the company's website: [www.fsbusitalia.it](http://www.fsbusitalia.it).

The tables below report the main indicators published in the Charters of Services in Veneto<sup>56</sup> and the corresponding results achieved.

The punctuality target, related to services arriving on time, was not attained in 2013. There were more delays than in the previous year owing to an increase in traffic and roads blocked by demonstrations during the last part of the year.

## >> PUNCTUALITY

	2012 target	2013 target	2013 final data	2013 Difference % points
<b>Extra-urban transport - Padua</b>				
Services on time	95.67%	95.70%	95.12%	-0.58
Services > 15' and <= 30' late	3.72%	3.70%	4.14%	0.44
of which as a result of internal causes	0.03%	0.01%	0.04%	0.03
Services > 30' late	0.61%	0.60%	0.74%	0.14
of which as a result of internal causes	0.04%	0.01%	0.05%	0.04
<b>Extra-urban transport - Rovigo</b>				
Services on time	96.25%	96.90%	96.11%	-0.79
Services > 5' and <=15' late	2.74%	2.40%	2.95%	0.55
of which as a result of internal causes	0.02%	0.01%	0.02%	0.01
Services > 15' late	1.01%	0.70%	0.95%	0.25
of which as a result of internal causes	0.04%	0.00%	0.04%	0.04
<b>Urban transport - Rovigo</b>				
Services on time	99.71%	99.76%	99.64%	-0.12
Services > 5' and <= 10' late	0.17%	0.14%	0.26%	0.12
of which as a result of internal causes	0.01%	0.00%	0.02%	0.02
Services > 10' late	0.12%	0.10%	0.09%	-0.01
of which as a result of internal causes	0.01%	0.00%	0.01%	0.01

56. In Veneto the service is fully operated by Busitalia - Sita Nord; the indicators in the charter of services and the final results represent the service delivered as a whole.

As regards regularity, 100% of the services scheduled (excluding the effects of strikes and *force majeure* events) ran in the Padua (extra-urban area) and Rovigo (urban and extra-urban areas) this year too, and there were sufficient buses in reserve to ensure replacement buses in the case of breakdowns.

As regards the sales network, the fall in the number of ticket outlets both for Padua (-14) and for the extra-urban transport in Rovigo (-12) was due to the streamlining of the distribution system.

## » SALES NETWORK

	2012 final data	2013 target	2013 final data	2013 Difference
<b>Extra-urban transport - Padua</b>				
No. outlets	535	535	521	-14.00
No. outlets/km network	0.54	0.54	0.52	-0.02
No. outlets/municipalities served	3.6	3.6	3.6	–
Services with sale of tickets on board at extra charge	100%	100%	100%	–
<b>Extra-urban transport - Rovigo</b>				
No. outlets	140	140	128	-12.00
No. outlets/millions of residents	188	188	175	-13.00
No. outlets/municipalities served	2.4	2.4	2.2	-0.20
No. outlets/km network	0.18	0.18	0.17	-0.01
Services with sale of tickets on board at extra charge	100%	100%	100%	–
<b>Urban transport - Rovigo</b>				
No. outlets	82	82	82	–
No. outlets/1,000 residents	1.54	1.54	1.64	0.10
No. outlets/km network	0.98	0.98	0.98	–
Services with sale of tickets on board at extra charge	100%	100%	100%	–



The number of accidents that involved Busitalia - Sita Nord buses operating scheduled services for which the company itself was liable was higher for the Padua extra-urban services (mainly due to traffic and congestion in the city) and, to a lesser extent, for the Rovigo urban services, while there was a sharp reduction in accidents incurred by Rovigo extra-urban buses.

## » ACCIDENT RATE

	2012 final data	2013 target	2013 final data
<b>Extra-urban transport - Padua</b>			
Claims against the company*	1 every 8,904 services a year	1 every 8,904 services a year	1 every 5,586 services a year
<b>Extra-urban transport - Rovigo</b>			
Claims against the company	1 every 9,847 services a year	1 every 15,000 services a year	1 every 82,408 services a year
<b>Urban transport - Rovigo</b>			
Claims against the company	1 every 25,520 services a year	1 every 25,520 services a year	1 every 20,035 services a year

\* These claims arise from accidents for which the company is responsible occurring while a scheduled service is running

It was not possible to attain all the improvement targets that had been set for Euro 2 and higher controlled emission engine buses because of the postponement of the introduction of the new vehicles.

## » CARE FOR THE ENVIRONMENT

	2012 Final data	2013 Target	2013 Final data	2013 Difference
				% points
<b>Extra-urban transport - Padua</b>				
buses with Euro 2 and above engines	91.0%	95.9%	91.0%	-4.9
<b>Extra-urban transport - Rovigo</b>				
buses with Euro 2 and above engines	89.2%	89.2%	90.1%	0.9
<b>Urban transport - Rovigo</b>				
buses with Euro 2 and above engines	59.5%	78.4%	59.5%	-18.9

## THE QUALITY PERCEIVED: CUSTOMER SATISFACTION

Customer satisfaction surveys were conducted regarding the services in Tuscany during 2013. A structured, anonymous questionnaire, mainly distributed on board the buses, was used as the instrument for gathering information. In addition to social and behavioural aspects, the survey recorded the users' perception of the efficiency of the service through a series of indicators for which a rating on a scale of 1 to 10 was requested. The aspects of the bus journey that were considered to be most important were also monitored, and consequently the aspects which should be improved in the services provided by Busitalia - Sita Nord.

### Customer Satisfaction results in Tuscany<sup>57</sup>

In November/December 2013 971 questionnaires were gathered from the customers using the services provided by Busitalia - Sita Nord in Tuscany. The social and demographic profile consists of users not over 25 years of age (41.7%), students (38.0%) and subordinate employees (34.6%), who travel on the services on at least three days a week (69.3%). The most frequent reasons for the journey were work (44%) and study (25.6% for schools and 12.5% for universities). Monthly passes were the most common types of ticket (36.1%), followed by single tickets (26.2%).

The average opinion on the service is 6.99%<sup>58</sup>. The most favourable rating is given to security and safety on board.



## » CUSTOMER SATISFACTION RESULTS – BUSITALIA-SITA NORD

2013 average mark (scale 1-10)	2013 Result
Safety of the journey (careful driving)	7.75
Security on board (theft, harassment, etc.)	8.10
Professionalism and courtesy of the driver	7.84
Regularity and punctuality	6.84
Frequency of the services	6.39
Connections with urban services, trains, etc.	6.68
Cleanliness of the buses	6.55
Cleanliness of the bus stations and bus stops	6.46
Comfort on the buses (seats, baggage compartments, etc.)	6.78
Air-conditioning on the buses	6.92
Crowding on the buses	6.49
Care for the environment	6.66
Availability of tickets, passes, etc.	6.98
Services to disabled people (platforms, visual and acoustic aids)	6.28
Information at bus stops	6.26
Telephone information (toll free number of limited-liability consortia)	6.37
Information on the websites	6.44
Availability and completeness of timetable booklets	6.19
<b>Overall opinion</b>	<b>6.99</b>

57. Survey conducted by Istituto Piepoli – Milan.

58. "What do you think of Busitalia - Sita Nord's service on the whole, from 1 (not satisfied at all) to 10 (completely satisfied)?"

The points which were found least favourable, but which in any case were rated at an average of over 6, were the availability of timetable booklets, information at bus stops and services for the disabled. Among the points to be improved<sup>59</sup> users suggested the frequency of the services (34.5%), regularity and punctuality (31.6%), the cleanliness of the buses and crowding (20.6%)<sup>60</sup>.

## COMPLAINTS MANAGEMENT

The management of complaints and suggestions from users is a basic instrument for finding ways to improve the service.

In 2013 764 complaints/reports were received<sup>61</sup>, 56% of which by email.

Below are reported the complaints received by the company as broken down by type:

### » CLASSIFICATION OF THE COMPLAINTS RECEIVED\*

	Result 2012	Result 2013	Difference 2013 vs 2012 points %
Regularity of service	28.0%	28.2%	0.2
Punctuality	20.7%	23.0%	2.3
Information to customers	12.6%	6.8%	-5.8
Company-customer relations	11.9%	13.5%	1.6
Travel comfort	11.6%	14.0%	2.4
Tickets	4.3%	4.9%	0.6
Shortcomings in levels of service	3.6%	3.7%	0.1
Safety and security	2.3%	1.6%	-0.7
Cleanliness	1.5%	1.6%	0.1
Other	3.5%	2.7%	-0.8

\* The 2013 figure includes complaints about failings directly or indirectly attributable to Busitalia - Sita Nord received during the year.  
The percentages are counted on the total number of aspects referred to

An analysis of the local complaints received shows the importance of the "Regularity of service" factor (lost connections, services skipped, changes of route, going past bus stops, detours, strikes), the reason for almost 30% of the complaints. It is important to note, compared to 2012, the fall in the percentage (-5.8%) of users complaining about "information to customers", a sign that the company is taking greater care over this duty to its customers.

59. "Which of the following aspects should be improved?" more than one answer allowed.

60. The percentages are counted on the number of interviewees and not on the number of answers.

61. The figure refers to the complaints recorded in Tuscany and Veneto; anonymous complaints are not recorded because they did not allow the complaint to be closed by replying to the customer.

## 4.4 Travel Safety

### 4.4.1 Traffic Safety

GRI PR1 | PR2 | PR9

The Group companies are constantly engaged in ensuring an increasingly high level of safety for all activities that entail risks for its customers, the community and its employees, building on the culture of prevention and involving all the players, its workers first of all, in health and safety measures.

#### Traffic safety: RFI

The safety of the railway operations involved in train traffic is managed by RFI and Trenitalia, each with regard to its own sphere of responsibility.

The main technologies that contribute to ensuring safety are set out below.

#### » INNOVATIVE TRAIN PROTECTION TECHNOLOGIES\*

	km
SCC, SCC-AV, SCC-M and CTC systems, remote-controlled traffic	11,611
SCMT	11,848
SSC	4,273
ERTMS, interoperability in the High Speed/High Capacity network	654
GSM-R telecommunication device (can be used for emergency calls)	10,954

\* All the lines in the network are equipped with one or more cab signalling systems





## SCC SYSTEMS

The SCC system (*Sistema di Comando e Controllo*, Command and Control System), with its development for High-Speed (AV) trains (SCC-AV) is an innovative remote-control integrated operations system which manages traffic, diagnoses rail track and station equipment, prevents breakdowns, manages maintenance and information to the public, provides a video-surveillance system and simplifies governance procedures achieving the maximum promptness and effectiveness in solving rail traffic problems. With this system, commands are sent from manned control rooms in which the technology and operators are concentrated and controls are received by unattended outlying positions. The even more advanced SCC-M system (*SCC-Multistazione*, Multi-station Command and Control System) is installed on lines with outlying positions commanded by ACC-M equipment (*Apparato Centrale Computerizzato Multistazione*, Multi-station Computer-based Interlocking System).

## CTC SYSTEMS

With CTC systems (*Sistema di Controllo Centralizzato del Traffico*, Centralised Traffic Control System), the parent of the remote-control systems, a high number of unattended stations and stops can be controlled and supervised at a distance from a Command Post (*Posto Centrale*). It is mainly used on regional and inter-regional lines.

## SCMT SYSTEMS

The SCMT system (*Sistema di Controllo della Marcia del Treno*, Train Movement Control System) is a sophisticated cab signalling system that complies with the new European standard for inter-operability among railway networks (ERTMS, the European Rail Traffic Management System) and restricts the speed of the train at all times according to the conditions imposed by the signals (maximum speed on the line and speed allowed for the type of train), engaging the emergency brake if the speed limit imposed by the system is exceeded.

## SSC SYSTEMS

The SSC system (*Sistema Supporto Condotta*, Train Driving Support System) is an advanced system that checks that the commands that the driver gives the locomotive are appropriate to the meaning of the signals that he encounters along the line. Fixed light signals are controlled by means of a microwave transponder transmission technology. The SSC system is used on diesel traction lines on which traffic is light. The System controls train speed and movement through the transmission of information between lineside signalling equipment and instruments on board the train, engaging the emergency brake when speed limits are not observed.

## ERTMS/ETCS LEVEL 2 SYSTEMS

ERTMS/ETCS Level 2 systems for interoperability between European networks. The European Rail Traffic Management System/European Train Control System enables foreign trains to run on the Italian network on the basis of information set out in a common language and handled through interoperable components lineside and on board. This innovative technology removes the need for the limitations on international traffic deriving from the differences among the systems used in the various countries. The ERTMS/ETCS system also gives the drivers the information they need to travel at the most appropriate speed, engaging the emergency brake if the train exceeds the maximum authorised limit.

## GSM-R SYSTEMS

GSM-R (Global System for Mobile Communications - Railway) is a system developed also with a view to the integration/interoperability of European rail traffic. It is used both for traditional voice and data communication and for the exchange of information among the most advanced signalling and traffic control systems.

RFI has been using the ISMS system (Integrated Safety Management System; SIGS, Sistema Integrato di Gestione della Sicurezza) since 2003. This is a form of control applied to rail traffic and railway operations, labour and the environment. Control is exercised at a central and a local level. The SIGS central level lays down instructions and controls, while the local level receives the instructions from the central level and performs its duties by following the instructions effectively and efficaciously. The certificates of the various local levels are consolidated in a single certificate made out in the company's name. The main areas of RFI's present certification are summarised in paragraph 2.4.

Train accidents on the rail network operated by RFI are monitored through entries in the Safety Database (Banca Dati Sicurezza) in accordance with the current international policies.

In particular, the benchmarking of the accident rate at ERA (European Railway Agency) level applies the parameters laid down in Directive 2004/49/EC, as amended and supplemented (Eurostat), which was transposed into Italian law by Legislative Decree no. 162/2007, while at UIC<sup>62</sup> level those provided by Fiche A91 UIC<sup>63</sup> are also used. With the ERA calculation, therefore, unlike the UIC method, accidents are also counted that occur on rails temporary closed to traffic for maintenance.

There was a substantial overall fall in the number of accidents in 2013 compared with the latest years taken for comparison, continuing the downward trend that had already started in 2012. Specifically, the 2013 absolute value (100 accidents) recorded a decrease of 7 events compared to the previous year (107 accidents), accounting for a reduction of 6.54%.

## » STATISTICS ON RAILWAY ACCIDENTS\*

	2011		2012		2013	
	Absolute value	Per billion trains-km	Absolute value	Per billion trains-km	Absolute value	Per billion trains-km
Collisions of moving trains (against other trains or other objects)	6	19	7	22	4	12
Derailment of moving trains	3	9	5	16	6	18
Accidents at level crossings** (including pedestrians)	18	57	13	41	14	42
Accidents to persons caused by moving rolling stock (except for suicides)	79	249	80	253	73	220
Fire on rolling stock	0	0	1	3	2	6
Others	2	6	1	3	1	3

\* Railway accidents that meet the requirements set out by the European Railway Agency (ERA), according to the criteria laid down in Directive 2004/49/EC, as amended and supplemented (Directive 2009/149/EC): accidents that meet one or more of the following conditions have been considered with regard to all the types of incident reported in the table:

- at least 1 death;
- at least 1 injured person hospitalised for at least 1 day;
- damages over Euro 150,000;
- traffic blocked for more than 6 hours.

\*\* The type of incident involving accidents "At Level Crossings" (LCs) (Ai Passaggi a Livello, PL) includes, in international benchmarking (UIC and ERA), both collisions against obstacles at the level crossing (vehicles, etc.) and running down persons crossing the line unlawfully when the barrier is down. 8 persons were run down and 5 trains collided with vehicles or other obstacles in 2012.

62. Union Internationale des Chemins des Fer.

63. The two policies adopted agree in the definition of an "accident" (at least 1 death immediately or within 30 days of the accident/serious injury, 150,000 Euro damage, line blocked for more than 6 hours).

About 89% of the above total of 100 accidents were due to causes external to the railway system, i.e. to persons' unlawful behaviour or exceptional external circumstances of any other type (e.g. particularly extreme weather conditions).

While the number of deceased persons classified as "passengers and staff members" was substantially con-

stant in 2013 compared with the number in the two previous years, there were considerably fewer deaths of persons classified as "others", thus reversing the negative trend that had started in 2012. This figure includes persons run down along the line, near service areas and at level crossings (LCs), regardless of responsibility. Accidents classified as suicides are not counted.

## » CONSEQUENCES OF RAILWAY ACCIDENTS TO PERSONS ON THE RFI NETWORK

	2011	2012	2013	Trend 2013 vs 2012
Deceased staff members <sup>1</sup>	2	1	2	▲
Deceased passengers <sup>2</sup>	0	2	2	▶
Other deceased persons	64	66	58	▼
<b>Total deceased persons<sup>3</sup></b>	<b>66</b>	<b>69</b>	<b>62</b>	▼
Staff members injured	0	7	2	▼
Passengers injured	4	6	2	▼
Others injured	30	26	29	▲
<b>Total injured<sup>4</sup></b>	<b>34</b>	<b>39</b>	<b>33</b>	▼

1. Staff members: those who work for the railways and are on duty at the time of the accident. The train crew and the personnel in charge of the rolling stock and infrastructure are included (included any staff members working for Contractors and independent Contractors).

2. Passengers: all those travelling on the train excluding the personnel on board. Passengers who try to get on or get off a moving train are included in the accidents statistics.

3. Deceased person: anyone who dies immediately or within 30 days after an accident. Suicides, natural deaths and deaths due to criminal causes are not counted.

4. (Seriously) injured person: any person injured as a result of an accident hospitalised for over 24 hours. Attempted suicides are not counted.



There was a substantial fall in the number of (serious) injuries to "passengers" and "staff members" as a result of railway accidents compared with previous years. In particular, the numbers of injuries to each of these categories of person were lower than in 2012. Even if the number of injuries to "others" was slightly higher, the trend was substantially a falling one over the three-year period considered, going down from 30 seriously injured persons in 2010 to 29 in 2013.

Accidents involving and classifiable as attempted suicides are not counted.

For its own purposes, RFI divides the accidents into “Typical”, i.e. those strictly connected with railway traffic, and “Atypical”, being those due to persons behaving unlawfully. A “Typical” accident is one which gives the truest representation of the safety of the railway system in that it refers to events such as collision, derailments, fires and collisions of moving trains against road vehicles at level crossings.

According to the criteria set out by the UIC, 18 “Typical” accidents were reported in 2013 compared to 19 in 2012, thus recording a decrease of about 5.26%.

## » SPAD TREND

	2012	2013
<b>Typical accidents</b>	<b>19</b>	<b>18</b>
Typical UIC trains	13	12
Typical UIC shunting	1	1
Typical UIC at level crossings	5	5
<b>Atypical accidents</b>	<b>88</b>	<b>83</b>

There were 83 “Atypical” accidents, which, in practice, involve persons run down and travellers falling off moving trains, in 2013 compared with 88 in 2012. Persons run down while using level crossings are included in the calculation of “Atypical” accidents (9 events in 2013 against 8 in 2012).

Overall, there was an improvement in the accident rate in 2013, an inversion of the tendency recorded the previous year, including the SPAD (Signal Passed At Danger) results.

## » ACCIDENTS

	2011	2012	2013
SPAD - Signal Passed At Danger	12	20	17





## RAILWAY INFRASTRUCTURE MAINTENANCE

Proper planning, scheduling and execution of maintenance processes ensure that infrastructure is maintained up to prescribed safety standards. The objectives involved are attained through the watchful management of day-to-day and extraordinary maintenance with careful scheduling and execution of the work itself and constant controls conducted in order to verify the correctness and efficacy of maintenance work performed on all items of significance from the point of view of safety<sup>64</sup>. Supervision and control are particularly important. The former ascertains the “state of health” of the systems in order to maintain and improve railway infrastructure reliability and availability parameters so that the prescribed safety standards are satisfied, while the purposes of the latter, taking the form of visits and inspections regarding the technical, organisational and operational aspects of the systems, are to ascertain that the maintenance work that has been carried out has been done correctly and efficaciously and to verify the state of the infrastructure and the operations and organisation of the worksites.

These activities are carried out in accordance with the operational guidelines defined by specific reference procedures, managed within the Integrated Safety Management System.

Below are reported some data relating to 2013:

Maintenance	Cost
Day-to-day maintenance	660.2
Extraordinary maintenance	812.4

*Values in millions of Euros*

## LEVEL CROSSINGS

In 2013 work continued on increasing safety levels, various types of action being taken:

- removing Level Crossings (LCs);
- technological risk reduction measures based on the installation of TV-PL<sup>65</sup> equipment or PAI-PL (*Protezione Automatica Integrativa – Passaggio a Livello*, Supplementary Automatic Protection system – Level Crossing) to detect obstacles to the passage of trains;
- activities performed and steps taken to verify LC road signal conditions and characteristics; this is also done in collaboration with the competent local authorities, with a view to improving the visibility of the signs at the side of the road if necessary in order to deter car drivers from incorrect behaviour (crossing the railway line unlawfully or tailgating the vehicle in front).

Joint action with the authorities concerned enhances general safety at these crossings.

64. Switches, signals, engineering works, level crossings, etc.

65. CCTV equipment for level crossings.

## TRAFFIC SAFETY: TRENITALIA

Trenitalia manages operational safety from a dedicated facility in which all the necessary activities are performed in the light of the present European and Italian regulatory framework.

The heart of the system is the Operational Safety Management System (*Sistema di Gestione della Sicurezza di Esercizio*), a system which is constructed around the typical PDCA (Plan, Do, Check, Act) cycle on which all Management Systems are based. In this way safety issues are not approached “reactively” after operational events/problems, but “proactively”.

Generally speaking, operational risk is kept under control by means of various activities from risk analysis and acceptability assessment to the adoption of prevention and/or mitigation measures. Where it is considered necessary, risk reduction measures are drawn up and included in the annual Safety Plan. The measures may involve one or more of the three key components of the System: machines (technology), human beings (the human factor and organisation) and procedures (criteria for the performance of processes).

Trenitalia keeps operational safety processes under control using a specific system of indicators that monitor performance constantly.

Indicators that tend to rise over time are subjected to a thorough analysis in order to find the causes so that corrective action can be taken accordingly.

Trenitalia's operational safety indicator system has four levels:

1. Accident Indicators to monitor accident rates;
  2. Performance Indicators to monitor “dangerous events” during railway operations;
  3. Primary Cause Indicators to monitor the causes that may give rise to dangerous events during railway operations;
  4. Process Indicators to monitor supporting processes.
- There is a cause and effect relationship between each of these levels and the next; for example if a primary cause arises this may lead to the occurrence of a dangerous event and thus to the possibility of an accident.

## ROLLING STOCK MAINTENANCE

“Railway Vehicle Maintenance” is one of the key processes that ensure that operational safety is maintained and improved and that the expected quality standards are met.

Specifically, Trenitalia plans, carries out, checks and improves maintenance processes through:

- a central Maintenance Engineering office which lays down the general criteria and issues the general instructions for vehicle maintenance;
- Maintenance Workshops (*Impianti di Manutenzione*) on two organisational levels. The Divisions' Routine Maintenance Workshops (*Impianti di Manutenzione Corrente delle Divisioni*) belong to the “first level” and are responsible for “small-scale” as well as “corrective” maintenance, carried out between one journey and another; the “second level” consists of the Cyclical Maintenance Workshop (*Officine di Manutenzione Ciclica*), which are responsible for work with a substantial impact on the value of the rolling stock as an asset, carried out while the vehicle is temporarily taken out of service.

Particular attention is paid to the improvement of the maintenance processes, which are formalised and implemented in specific Safety Plan Projects and Investment Projects, of which the following may be mentioned as examples:

- technological on-board safety systems are upgraded according to the sections of track on which the vehicles travel (this project was completed with a total investment of Euro 1.4 billion);
- wagons are fitted with appliances that can stop the train in the event of one wagon derailing (this project is underway);
- axle-box temperatures are taken by Locomotive Crew with portable instruments (this project is underway).

As a result of the 2013 operational safety Review, this commitment was renewed and enhanced for 2014.

Finally, with reference to cargo transport and in particular to the transport of dangerous goods, the certification as ECM<sup>66</sup> was obtained for goods wagons, according to Regulation (EC) 445/2011. This certification confirms that Trenitalia has created its own “maintenance system” which satisfies the requirements laid down in these regulations in order to ensure that the goods wagons which it is responsible for maintaining are able to operate in complete safety.

66. ECM: Entity in Charge of Maintenance.

## 4.4.2 Security Systems

GRI 4.12 | PR1 | PR9

Security is an essential value for the Ferrovie dello Stato Italiane Group. The railway network is the most extensive network in our country and the Group is therefore engaged every day in safeguarding its personnel, the travellers and the assets and know-how in its possession in collaboration with the police, specifically the Railway Police (*Polizia Ferroviaria*, PolFer), the body that is institutionally responsible for the prevention and repression of crime on the railways. As laid down in the second Agreement<sup>67</sup> entered into between the Ferrovie dello Stato Italiane Group and the Ministry of the Interior (which PolFer belongs to) in 2012, the two parties continue to collaborate in an increasingly targeted manner in order to raise the level of security for passengers and come to their aid promptly in the event of problems.

Another object of the Agreement is to reduce the phenomenon of thefts of copper along the main Routes (*Diretrici*) of the national network. The Group and the police have decided to focus on the second level of the criminal organisations involved, the receivers, and there was a slight decrease (4.3%) in the number of thefts along the railway lines compared with 2012 as a result.

The Agreement between the Group and the National Civil Protection Department was also renewed during 2013 and the following innovative elements were introduced:

- joint exercises were arranged in order to draw up/test emergency plans;
- the Department created a system of Volunteers to call on in the event of movements of large numbers of people or emergencies and formed a working group to decide the details of the necessary arrangements;
- the Department has to use the Ferrovie dello Stato Italiane Group's means of transport in cases of emergency when it is considered helpful to have a mobile operations room to transmit images from the place of the event to crisis centres;
- reciprocal collaboration in prevention activities (such as the circulation of FS snow plans/emergency plans and public information and awareness campaigns such as *Terremoto io non rischio* ["Earthquake – I'm not risking it"]).

## » STATISTICS ON SECURITY

	2011	2012	2013
Aggression against FS Italiane personnel	219	202	228
Thefts in stations	2,056	2,062	2,192
Thefts on trains	3,162	3,214	4,161
Thefts of copper on railway lines	1,944	2,015	1,930
Thefts of copper from depots	128	122	126

Number of events



67. The first agreement was signed in November 2007 in order to increase railway security levels on trains and in stations.



During the year operational collaboration under memoranda of understanding took the form of the management of major events such as the World Cycling Championship in Florence and educational and training activities. 23 exercises were carried out, refining action plans to deal with difficult situations or emergencies.

As regards the transport of sports fans – a major undertaking for the Group – the number of supporters that chose rail as the means of getting to the match venues continued to fall, as in the last five sports seasons.

With the Committees for Protection against Aggression (*Comitati Tutela Aggressioni*) that have been formed at institutional level, the Group continues to give legal advice to employees that suffer aggression in the course of their work<sup>68</sup>, paying the legal costs of any criminal actions that are brought. This phenomenon has increased, even by a very small amount, since 2012, in spite of the daily efforts made by FS personnel, above all to counter illegal activities such as fare evasion and illegal activities in general (peddling, unauthorised persons offering to carry luggage, begging). Control in stations and escorts on trains have been more than intensified in order to overcome these problems.

As regards the security of the corporate assets that are key resources for the infrastructure manager, 20 new integrated security systems<sup>69</sup> were completed in 2013 which now enable more than 200 corporate assets to be monitored. Specifically, an integrated security system was implemented at the Fiumicino Airport system. The system is operated by the PolFer.

The new PolFer Control Room at Rome Tiburtina High-Speed Station was also completed: this will also be able to manage the station's video-surveillance system. Fi-

nally, the number of installations that can be operated from the Security Situation Room (*Sala Situazioni Sicurezza*), where the security equipment provided by the company's Security Department is supervised and controlled, were increased. The Room operates about 70 security systems, with a total of more than 1,000 CCTV cameras throughout the country, by remote control. It is planned to complete the security network by the end of 2014, when there will be more than 140 centrally controlled systems.

The Long-Haul Passenger Division (LHPD) (DPLH, *Divisione Passeggeri Long-Haul*) and the Regional Passenger Division (RPD) (DPR, *Divisione Passeggeri Regionale*) ticket offices and the self-service ticket machines were also made secure by creating a dedicated, enclosed and video-controlled area.

In January 2013 a Ferrovie dello Stato Italiane Group office was opened devoted to the governance and centralised management of measures to counter all types of computer threat, both inside and outside the Group's IT assets.

The Anti-Fraud Team (*Team di Contrasto Frodi*), formed in 2008, constantly monitors transactions in order to intercept and thus curb fraudulent purchases of rail tickets with stolen or cloned Credit Cards. This activity kept fraud down to 0.04% in 2013, compared to turnover (against 0.02% in 2012).

In 2013, in addition to its established activities, the Anti-Fraud Team also specialised in monitoring travel agencies for abuses which cause harm to the corporate image and for frauds perpetrated against their customers. 21 forged tickets were detected in 2013, leading to the levying of fines and reports to the police in the more serious cases.

68. Mainly while curbing fare evasion and countering illicit activities on the railways (illegal peddling, etc.).

69. Passive safety measures such as barriers and active measures such as CCTV surveillance and anti-intruder systems.



# 5 Social Responsibility

## » HIGHLIGHTS

WHAT WE HAVE DONE	
<b>Human resources</b>	<ul style="list-style-type: none"> <li>Reduced both the number of accidents (-13%) and the accident rate (-9%) by more than the annual target; both of them also showed a decline compared to 2012 (-3% and -2%, respectively).</li> <li>Reviewed health and safety at work targets and lines of action of the group companies for the three-year period 2013-2015.</li> <li>Spread knowledge of best health and safety practices by means of intercompany initiatives (two workshops involving the main companies that have joined the project).</li> <li>Activated the first version of the dashboard which will monitor accidents in Group companies on the basis of "Z_Inail" administrative data.</li> <li>Laid down Guidelines for communication throughout the country introducing a plan which will involve all employees and which pays particular attention to local managers' role in information processes and to the measurement of the efficacy of the communication activities carried out.</li> <li>Realised a School Project by making agreements with higher secondary schools throughout the country in order to guide/introduce young people to the world of work.</li> <li>Joined the Campania ITS Foundation for Sustainable Mobility in the rail transport sector as a member, providing a course for the selection of 24 young holders of higher secondary school diplomas as "Senior specialists in the Production and Maintenance of means of transport and/or related infrastructures".</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Opened the Melfi Help Center.</li> <li>Continued with training courses at offices in Southern Italy (Messina, Foggia, Bari and Naples) for railway personnel who come into contact with social deprivation in stations.</li> <li>Concluded the fund raising campaign for the refurbishment and enlargement of five Community Homes (<i>Case Famiglia</i>) for poor old people with no fixed abode run by the Community of Sant'Egidio.</li> <li>Started the "Casa dolce Caritas" (Home Sweet Caritas) fund raising campaign for the refurbishment of the "Don Luigi di Liegro" hostel (Rome Termini) operated by Caritas (the Roman Catholic charity).</li> <li>Completed the European "Work in station" project.</li> <li>Realised the "Bike 95" homeless persons job creation project at Rome Termini Station.</li> </ul>



WHAT WE WANT TO DO	
<b>Human resources</b>	<ul style="list-style-type: none"> <li>• Achieve a reduction of 3% and 2%, respectively, in accidents and accident rate in 2014 compared to 2013.</li> <li>• Set RFI and Trenitalia middle managers involved in production processes the same safety objectives as those set for executives.</li> <li>• Continue with inter-company initiatives to spread best health and safety at work practices.</li> <li>• Activate the second version of the dashboard for the monitoring of accidents in Group companies on the basis of “Z_Inail” administrative data.</li> <li>• Open a Group intranet section for health themes.</li> <li>• Organise an open day on which the employees could take their children to see their parents’ workplaces.</li> <li>• Develop new functions in the Integrated Appraisal System for the monitoring of appraisals conducted with a view to Talent Management in support of employee growth activities (job rotation, career plans, training, etc.) and of the preparation of substitution tables for key company positions.</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Open new Help Centers in Trieste, Bari and Bologna; enlarge Bari and Bologna offices; start a feasibility study in the stations of Venice, Genoa, Palermo, Villa San Giovanni, Busto Arsizio, Reggio Calabria and the Tuscany Region.</li> <li>• Open an evening canteen for Expo 2015 in the premises next to the Milan Caritas home.</li> <li>• Participate in CSR (Corporate Social Responsibility) projects planned for Expo 2015.</li> <li>• Prepare a “Cold Weather Emergency Plan” in the stations of Rome, Milan, Genoa, Turin and Naples.</li> <li>• Carry out two studies into the exploitation for social purposes of property not used for core business.</li> <li>• Enlarge the “Un Cuore di mamma” community home for families with children suffering from oncological diseases at the Ronciglione station.</li> <li>• Draw up a memorandum of understanding for the purchase by the Italian Youth Hostels Association (AIG, <i>Associazione Italiana Alberghi della Gioventù</i>) of areas and/or properties to use as accommodation for young people.</li> </ul>



## 5.1 Human Resources

### 5.1.1 Our People

GRI EC7 | LA1 | LA2 | LA13)

#### » NUMBER OF STAFF MEMBERS OF THE FERROVIE DELLO STATO ITALIANE GROUP

	2011	2012	2013
<b>Executives</b>			
Total	773	730	693
Women	112	109	94
Men	661	621	599
<b>Middle managers</b>			
Total	11,851	11,636	11,014
Women	1,920	1,916	1,806
Men	9,931	9,720	9,208
<b>Office workers</b>			
Total	31,953	30,975	30,167
Women	5,895	5,836	5,711
Men	26,058	25,139	24,456
<b>Manual workers</b>			
Total	24,058	22,204	21,030
Women	1,385	1,270	1,126
Men	22,673	20,934	19,904
<b>Total amount at 31 december</b>	<b>68,635</b>	<b>65,545</b>	<b>62,904</b>
% of women	13.57%	13.93%	13.89%
% of men	86.43%	86.07%	86.11%
<b>Annual average number</b>	<b>70,629</b>	<b>67,191</b>	<b>64,535</b>

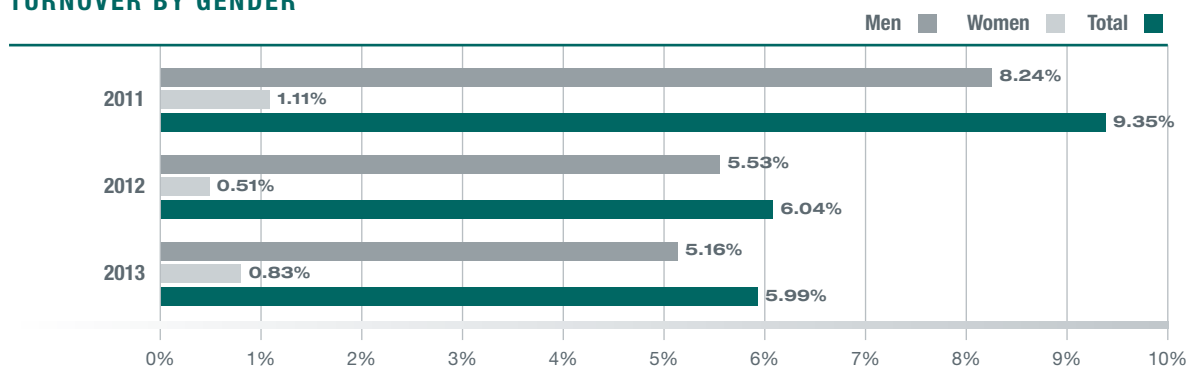
The scope of analysis in the chapter on "Social Responsibility" includes 91% of the Group's total number

In 2013 the staff establishment rationalisation process continued, conducted without conflicts by means of incentives for early retirement and the use of funds that support active income support and employment policies.

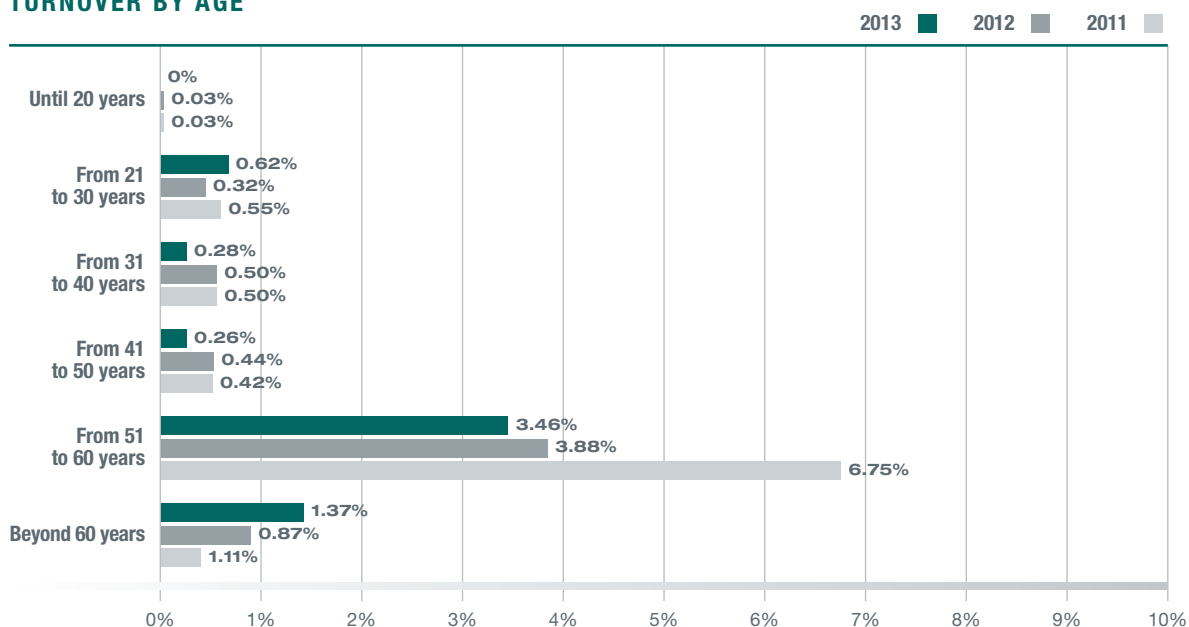
The proportion of female personnel out of the total number of human resources (13.9%) was more or less unchanged.

The turnover rate came to 5.99% compared to 6.03% recorded in 2012.

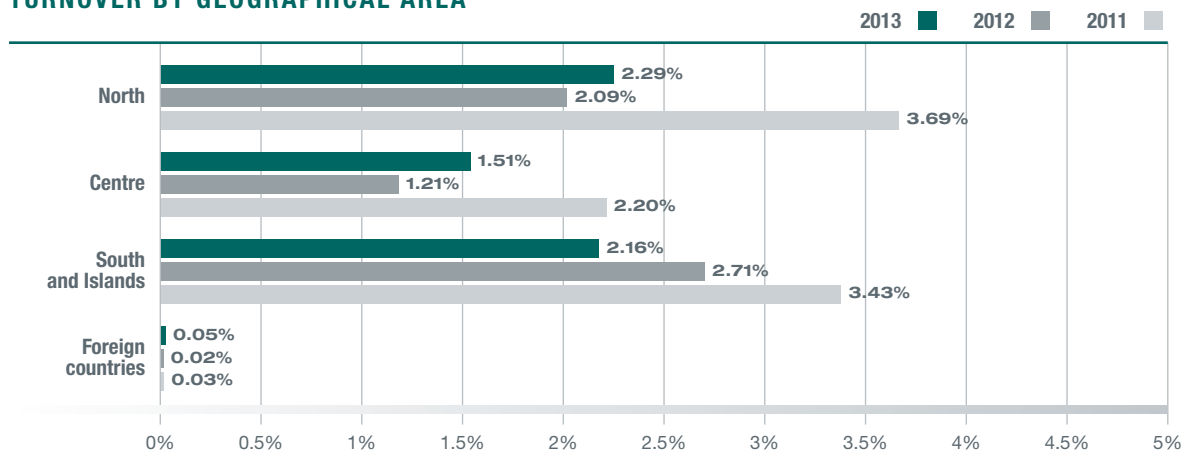
## »» TURNOVER BY GENDER



## »» TURNOVER BY AGE

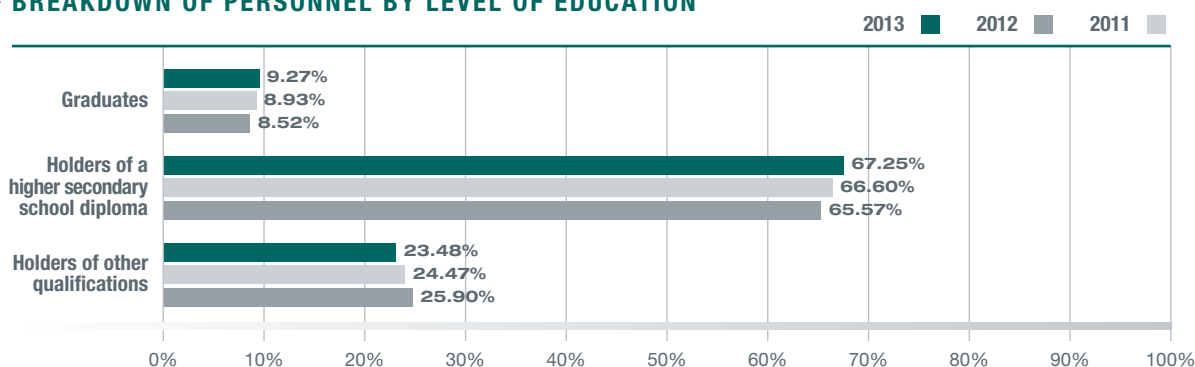


## »» TURNOVER BY GEOGRAPHICAL AREA



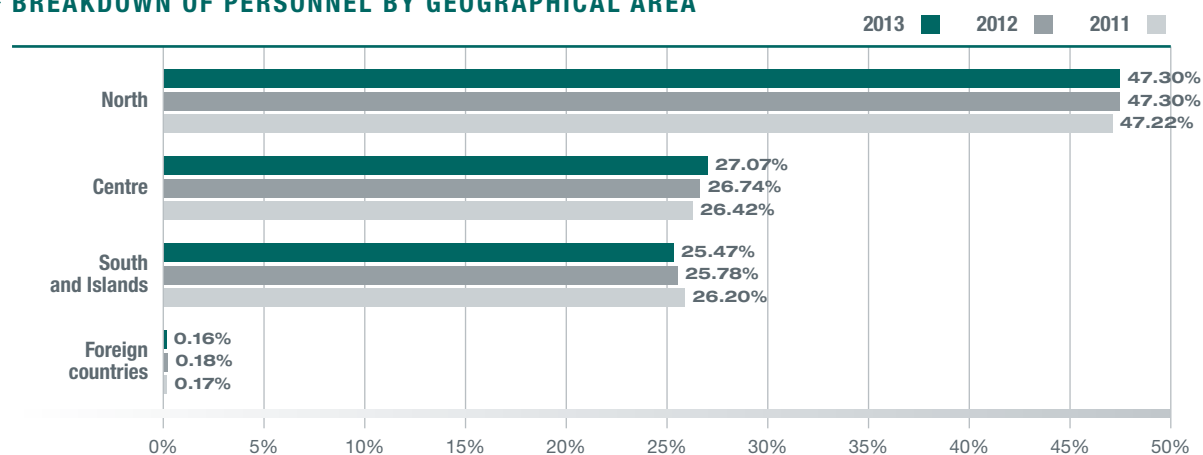
The percentage of personnel with degrees or with higher secondary school diplomas out of the total work force is rising.

## » BREAKDOWN OF PERSONNEL BY LEVEL OF EDUCATION



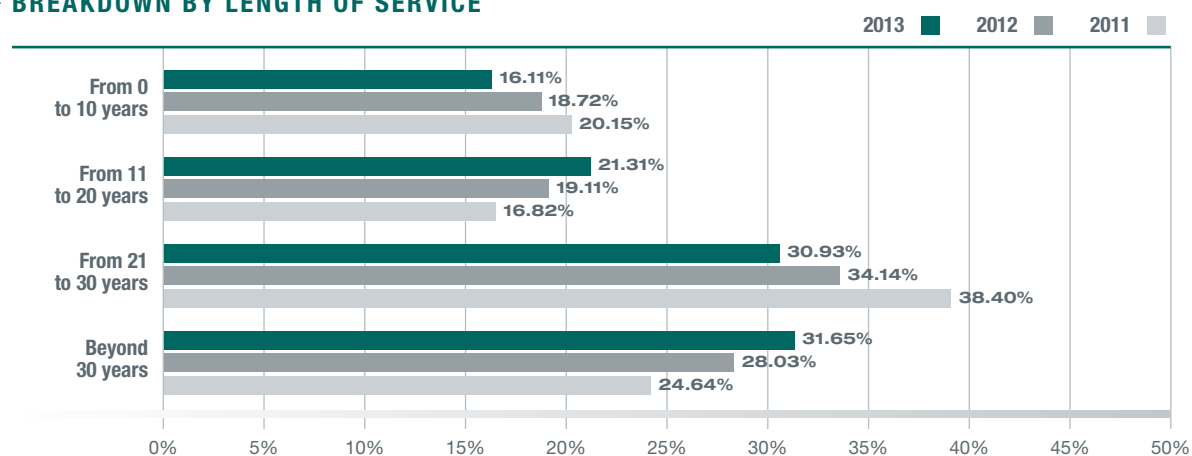
There were no significant changes in the distribution of the personnel over the country compared with last year: about 47% of those at present employed work in the North, 27% in the Centre and 25.5% in the South, including the Islands.

## » BREAKDOWN OF PERSONNEL BY GEOGRAPHICAL AREA

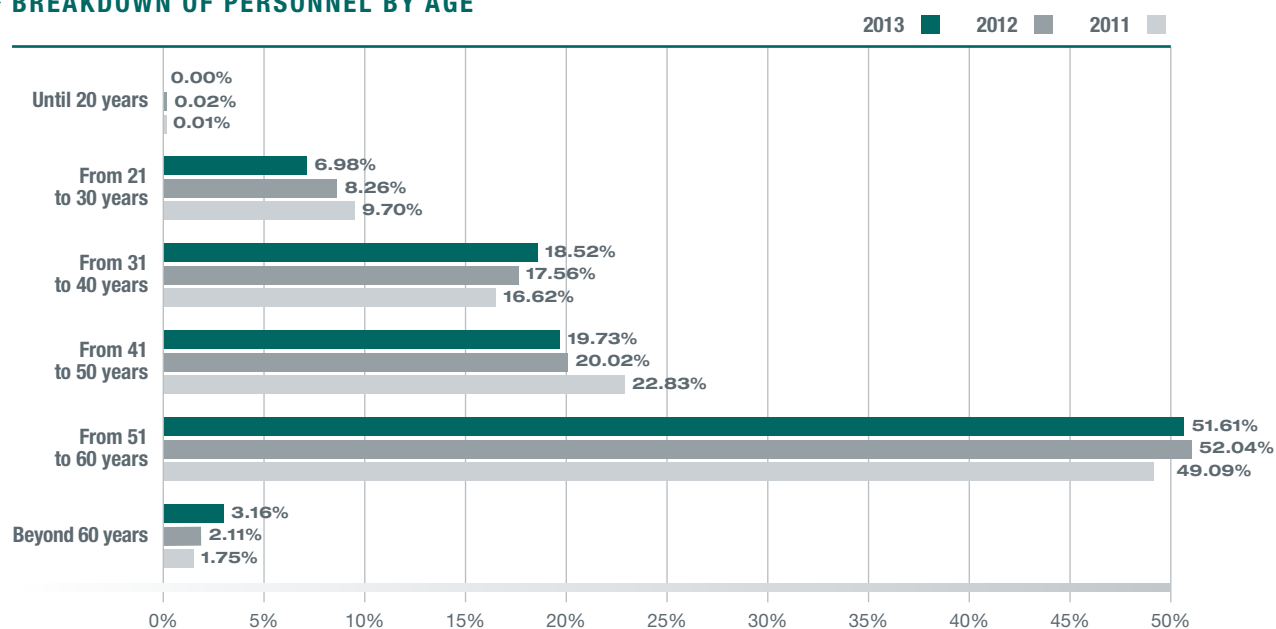


There was a decrease in the 21-30 age group in favour of the over 30 age group. Average seniority in 2013 was 23.3 years, compared with 22.8 in 2012.

## » BREAKDOWN BY LENGTH OF SERVICE



## » BREAKDOWN OF PERSONNEL BY AGE



The employees' average age in 2013 was 48.1 years compared to 47.7 years in 2012.

## 5.1.2 Remuneration and Social Security System

GRI EC3 | EC5 | LA3 | LA4 | LA14

The most common form of employment contract is still that for an indefinite term, applied to about 99% of the Group's workers. As in previous years, 100% of the employees are covered by collective labour agreements: the CCNL agreement (*Contratto Collettivo Nazionale di Lavoro*, National Collective Labour Agreement) for the Group's non-executive personnel is that applied for Mobility/Railway Operations section, as supplemented by the Group's Supplementary Agreement of 20 July 2012. Average pay is higher than in 2012 owing to the increases stipulated in the above CCNL agreement, under which newly recruited staff receive elements of pay in addition to the contractual minimum. In 2013, also according to grade, contractual minimum pay made up an average of from about 75% to 92% of the total package.

### » AVERAGE GROSS PAY

	2011	2012	2013
<b>Middle managers</b>			
Total	46,415	46,966	48,655
Women	44,162	45,037	47,059
Men	46,848	47,337	48,966
<b>Office workers</b>			
Totale	38,794	39,333	41,351
Women	33,064	33,672	35,507
Men	40,048	40,600	42,685
<b>Manual workers</b>			
Totale	31,829	32,377	33,922
Women	29,757	30,360	31,901
Men	31,955	32,497	34,038

Values in Euro

In addition to the contractual minimum, all employees receive some fixed items of pay prescribed in their CCNL agreement (including increments) and other items according to their various jobs.

There are no gender-related differences, other circumstances being equal; any differences in pay between men and women are due to the different positions they fill in the Company and the responsibilities associated with them. For example there are fewer women in the "operations" sectors, in which extra allowances are earned that are characteristics of this type of work (shift, holiday and night pay, etc.).

The minimum pay prescribed for the employee's grade is applied in both fixed term and indefinite term contracts<sup>70</sup>.

Social security benefits for employees are funded through specific contributions payable partly by the employee and partly by the employer. Employees have to pay a contribution rate of 9.19% calculated on their gross contributable pay, which rises by one per cent (totalling 10.19%) for gross contributable pay above Euro 3,794<sup>71</sup> a month. The employer pays a contribution of 23.81%, also on gross contributable pay. The employer sustains additional costs for most Group employees, such as maternity and sick pay and unemployment insurance benefits (*ASpl*, *Assicurazione Sociale per l'Impiego* and *Mini-ASpl*). The supplementary pension schemes to which the Ferrovie dello Stato Italiane Group's employees belong are either private closed-end pension funds or open-end pension funds operating on the basis of a funding system laid down by law for which defined contributions are compulsory.

The Group's main form of supplementary pension schemes is Eurofer, a fund of private origin, to which the employer and the employee pay equal contributions<sup>72</sup>. Workers may raise the amounts of their contributions voluntarily afterwards, without this entailing a corresponding increase in the employer's contribution.

70. For the table of monthly contract minimums applied at the time of recruitment, reference should be made to the relevant CCNL agreement.

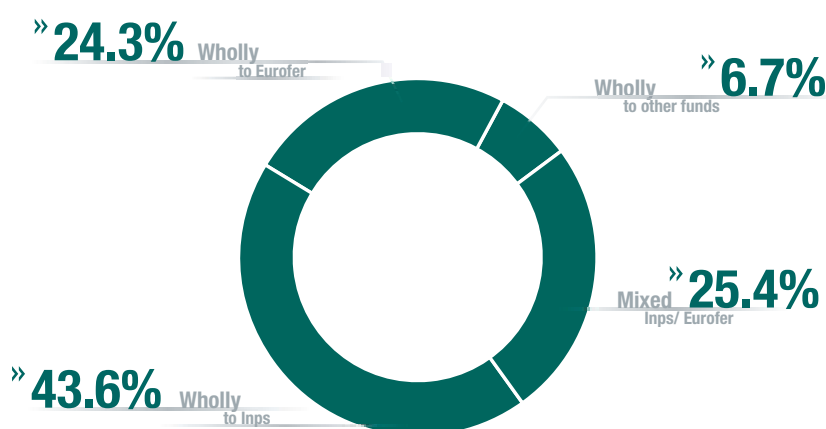
71. The contribution ceiling applied by the INPS (Istituto Nazionale per la Previdenza Sociale, National Social Security Institute) in 2013.

72. According to section 22 of the Group's Company Agreement of 20 July 2012, in accordance with contributions procedures 1% of monthly pay calculated on a twelve-month basis and consisting of the contractual minimum amount, individual superminimum, periodic increments, responsibility allowances for middle managers and pay according to grade.

Equally shared contributions are not paid into open-end funds, into which only 100% of the *Trattamento Fine Rapporto* pay (*Tfr*, retirement allowance) is paid indiscriminately. A supplementary health scheme has been introduced for subordinate employees in accordance with the new CCNL agreement, in addition to the company supplementary pension scheme (Eurofer), and has been operating since 2013.

The table below shows how the employees have chosen to allocate their *Tfr* contributions.

## » ALLOCATION OF TFR CONTRIBUTIONS - 2013



Executives, on the other hand, come under the CCNL agreement for Executives in Companies that produce Goods and Services. The structure of the Ferrovie dello Stato Italiane Group executives' pay complies with the provisions in this agreement regarding minimum pay. The remaining components in their remuneration, both fixed and variable, take the professional and managerial aspects of their positions and roles in the Group's organisation and their performance into account. Individual executives' positions are appraised by means of a weighting method whose objective elements enable pay policies, organisational decisions and career paths to be planned and managed.

The methodology adopted for the appraisal of executives and the comparison of their pay with that of other similar positions in the Group and on the market is one that has been developed by a leading international rewarding policy group which has not only one of the biggest remuneration and compensation databases in the world but has also created a procedure for its application. The purpose of the Ferrovie dello Stato Italiane

Group's pay management policy is to ensure consistency in internal levels of remuneration (internal equality) for the various roles in its organisation and to remain in line with the amounts offered on the external labour market. Decisions taken annually with respect to executives' remuneration have the purpose of appreciating and acknowledging the contribution made by the executive concerned through the appraisal of continuously excellent performance in activities that are complex and/or related to the Group's core business. Pay adjustments, on the other hand, are made on the basis of the Group's policies for the management and acknowledgement of the value of its human resources in order to enhance their sense of belonging and motivation over time.

A formalised short-term Management By Objective (MBO) incentive scheme is adopted for executives in positions that have a substantial impact on corporate strategies and processes. The variable pay component in this scheme is linked to the attainment of specific previously set performance targets that are decided upon in accordance with corporate business objectives.





The MBO scheme for 2013 was designed with a view to contributing to the optimisation of corporate processes and the achievement of business results; for this purpose, the executives involved in the scheme were set personal targets related both to the direct responsibilities of their role and the collective operating results of the company and/or the Group. As in the past, in the MBO 2013 process safety at work and environmental sustainability remained points of reference and fundamental principles which were to be respected in enhancing the culture and sensibilities of all the employees working for the Ferrovie dello Stato Italiane Group. Executives' total emoluments are also supplemented by a range of benefits/concessions (some of which require the executive's express consent and the payment of pro-rata contributions), mainly being a mobile telephone, insurance cover for occupational and non-occupational accidents, permanent invalidity from illness, death, the supplementary health scheme (Fasi), the supplementary pension scheme (Previndai) and another health insurance scheme supplementary to Fasi (Assidai).

### 5.1.3 Valuing Human Capital

GRI LA10 | LA11 | LA12

#### Development

Three main types of activity were chosen for appraising, developing and monitoring the human resources concerned:

- appraisal of the target personnel of interest to the Group. 808 persons were assessed in all in order to consider their capacity to deal with organisational changes and/or to fill certain positions;
- campaigns to appraise potential on the Integrated Appraisal System (IAS) (SIV, *Sistema Integrato di Valutazione*). Inter-company campaigns were carried out on 808 persons (executives, middle managers and new graduates) and a potential appraisal campaign on behalf of Trenitalia was conducted on 301 persons;
- IAS upgrade: the module for the management of development plans and of the substitution tables was converted into a system.

#### Training

The purpose of training is to increase managerial skills and keep up and refresh technical and professional expertise in order to govern change and lead, support and motivate personnel in attaining corporate objectives. About 330 thousand training days at Group level were given in 2013 at a total cost of Euro 8 million; most of this amount (Euro 7.4 million) was covered, as in past years, by special funding for training provided by entities outside the Group.

The main objectives of these training courses were:

- to strengthen and consolidate managerial skills in line with the Group's behaviour model;
- to update specialist technical skills in order to perform the work involved in the position occupied and ensure growth in the various types of occupation;
- to support the performance of persons who had been promoted to higher positions with a wider range of responsibilities;
- to guide young new recruits to the Group and give them practice in behavioural skills as the "basis" for professional growth;
- to oversee diversity management action.

Specifically, the Parent Company's training programmes were designed taking the company's lines of strategy and the levels of skill expected for the various positions into account.

The Parent Company began to call tenders on the market for training courses for all the operating companies in 2012. This process ended during 2013 and 8 master agreements and 2 contracts were signed.

In particular, the contents of the training procured will be:

- managerial skills from innovation to Customer orientation and Internationalisation;
- health and safety at work;
- the environment and quality;
- safety leadership and emergency management;
- trainer and examiner training.

The following are the main inter-company training projects that were carried out during 2013 by number of days/and number of persons involved.

### INSTITUTIONAL TRAINING

Training projects continued for newly recruited young graduates to help them to learn the main processes, players and facilities in the country and thus share values and specialist railway know-how. 3 complete editions of the orientation course were provided for about 60 young persons over a total of 15 days in the classroom and in the field.

In the framework of diversity management, the training courses continued for women coming off maternity leave and their line managers.

3 *Talento al Femminile* ("Talent, Female Gender") awareness events were held at *Frecciarosa* ("Pink Freccia Train") meetings for about 200 women from the Ferrovie dello Stato Italiane Group.

3 two-day editions of training in communication took place to support the diffusion of corporate messages and the Information Cascade process, beginning in the first half of 2013. The main purpose of this project was to give about 150 executives training in efficacious communication techniques. These students have been selected to become Opinion Leaders in the forthcoming process of the divulgation of the values, results and significance of change in the Group.

### MANAGEMENT TRAINING

The training projects that had been in progress since 2012 for Group executives and middle managers with responsibilities in operational offices were brought to a conclusion.



In detail, 3 new editions of the training course for the abovementioned middle managers were given, attended by about 60 managers from various Group companies. Training was re-designed on the basis of the result of the new inter-company appraisals and the most recent role requirements. The Training Course lasts six and a half days during which the students start by reflecting on their roles and then go on to consider the themes of self-efficacy and strategy deployment before developing all the themes involved in human resources management: objective appraisal, formation of working groups, motivation management, setting objectives and managing feedback with a view to evaluation and growth.

Two important training courses were also designed for executives and middle managers in executive positions:

- a Management Workshop (*Laboratorio Manageriale*) in 2 two-day modules which develops and practises the main dimensions of Leadership;
- the Economics of the creation of value in organisational processes in a two-day course whose objective is to hasten learning of the methods for the measurement and economic evaluation of activities and processes and to refine the capacity to understand the value rationale in organisational processes and transfer this understanding to human resources.

2 editions of the transversal and behavioural training course for Graduates about one and a half years after their orientation were given. This course is a cycle lasting about nine and a half days which develops basic management model skills (economics, working to projects, working in a group, ability to communicate, being proactive) and engages the young people attending, of whom there were about 40 in 2013, in working on inter-functional work projects.

The first inter-company edition of the project for the development of management skills was given for 18 Group middle managers with responsibilities in operational offices. The form that training took meets the Group's requirement for an investment in a method which gives rapid improvement and real support in Management generation change. The course included, among other aspects, individual coaching by internal inter-company experts specially trained and certified to help students to develop their management skills.

#### TECHNICAL AND OCCUPATIONAL TRAINING

Technical and occupational training, including about 300,000 man-days of training, concentrated on the transfer and updating of specialist know-how for the main professional families.

Environment and Sustainability education continued with *ad hoc* sessions (such as training about 40 auditors in methodological elements and tools for the management of the auditing prescribed in the Group Governance Model). A substantial investment in training was made for Group Energy Managers: about 60 persons attended

a five-day basic course to which were added 3 specialist modules lasting two days each regarding the main aspects of energy efficiency and specific rules on the use of resources.

Mobility Management and Green Procurement training continued, the former attended by persons newly appointed to the function and the latter by Ferservizi procurement area personnel.

As regards social policies, the "Hope in Station" project went on in order to enhance the awareness of Group personnel who work in contact with social deprivation in stations; all the training days were held in Southern Italy and, specifically, in Naples, Foggia and Messina, involving a total of about 50 people.

Training and refresher courses continued for about 80 personnel from the Tax professional family and the usual annual two-day courses for updating 90 personnel from the family of Auditors in the latest rules were held.

As always, training in the Human Resources professional family consisted in the certification of new internal Assessors and Coaches, which were 12 and 10, respectively.

Another substantial investment in training was also required by the start-up of the new Group Recruitment system: about 50 persons attended, all from the human resources selection and management areas.

The Lean Six Sigma methodology Pilot Project was launched in 2013. This project, preparatory to the human resources concerned being certified as Green Belts, involved 14 persons and concentrated on improving the efficiency of two processes of Trenitalia and RFI.

In the **Parent Company**, after the course for Web Radio and Web TV professionals, a course in editorial journalism for the *La Freccia* Team and specialised graphics was provided so that in-house know-how could be acquired.

In accordance with the objectives in the Business Plan, Group companies continued to develop their own training projects in support of the technical and specialist skills related to their business; the main themes handled in these projects follow.

**Trenitalia** concentrated training on competitiveness, the market and internalisation.

Specifically, Trenitalia made a considerable investment (about Euro 310,000) in the creation of the IQESMS (Integrated Quality, Environment and Safety Management System; *SIGSQ, Sistema di Gestione Integrato Qualità, Ambiente e Sicurezza*) training plan, which has its place in training in Health and Safety at Work, in the Environment and in Quality, aspects to which the whole Group has always paid particular attention.

Trenitalia also gave training sessions in stress management and in developing the capacity for the prevention/management of (verbal and physical) aggression against front line personnel.

Trenitalia also developed in-house professional expertise in order to open local Listening Posts (*Punti di Ascolto*) for receiving and handling requests for psychological support by employees suffering from work stress symptoms.

RFI's training plan for 2013 concentrated on Safety issues, both in terms of railway operations, on the basis of suggestions from the Italian Railway Safety Agency (ANSF, *Agenzia Nazionale per la Sicurezza delle Ferrovie*) and in terms of Safety at Work.

Italferr did some important work in designing and providing training for external clients. We mention in particular various training days on the "Management of waste material" (at the request of the Italian Geologists' Council [*Consiglio Nazionale Ordine dei Geologi*] and the Italian Electricity Board [*Ente Nazionale Energia Elettrica*]) for a total of more than 100 professionals in this sector.

Italferr also provided support to technical training activities for Anesrif (*Agence nationale d'études et de suivi de la réalisation des investissements ferroviaires*, the Algerian

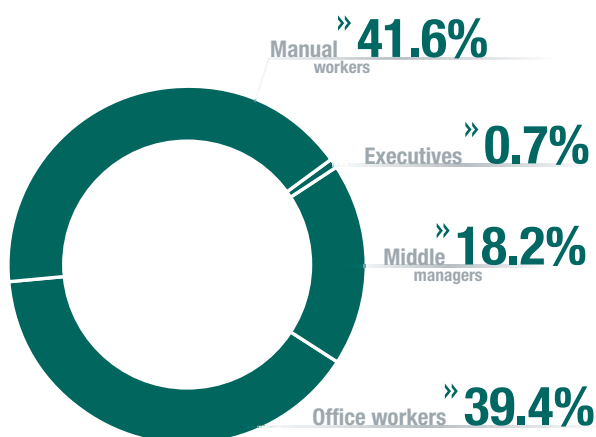
Railway Investment Agency) in Algeria and prepared additional proposals to be submitted to the same for 2014. Specific training courses, to be implemented in 2014, were designed for new international customers, such as SAR (Saudi Arabia Railways) and the Oman Ministry of Transport and Communications. Of particular importance was training given by **Ferservizi** on the Custody and Care of the real estate assets under management, traceability, monitoring office cleaning services and facility management.

#### TRANSVERSAL TRAINING FOR ALL

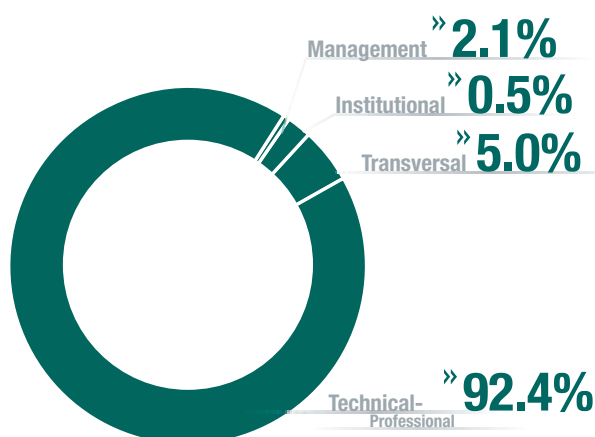
Individual and collective language courses continued. Compared with the past a greater need to learn German emerged on the part of executive personnel.

E-learning courses on Health and Safety at Work for workers, managers in charge and executives (Legislative Decree no. 81/08, etc.) and on privacy issues were designed and implemented on the Group's platform.

#### » ATTENDANCE DAYS BY PROFESSIONAL POSITION 2013

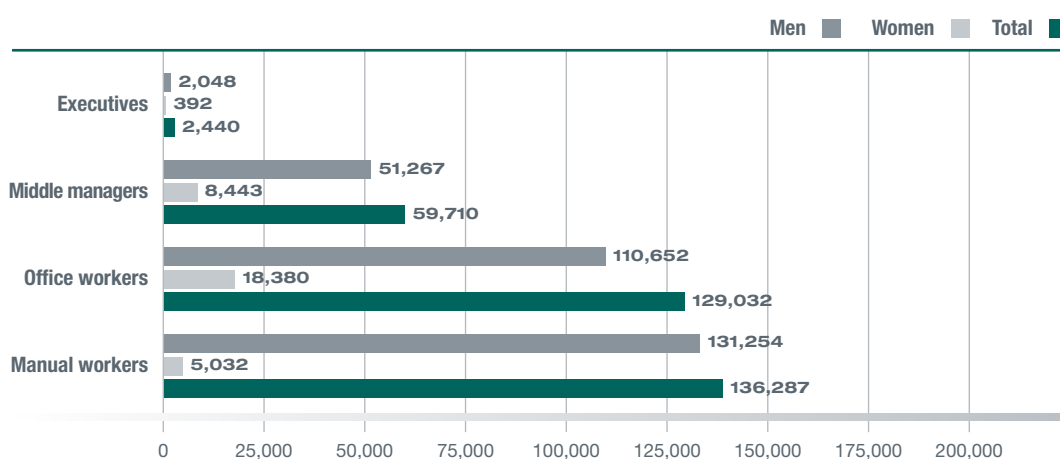


#### » ATTENDANCE DAYS BY DIDACTIC AREA 2013

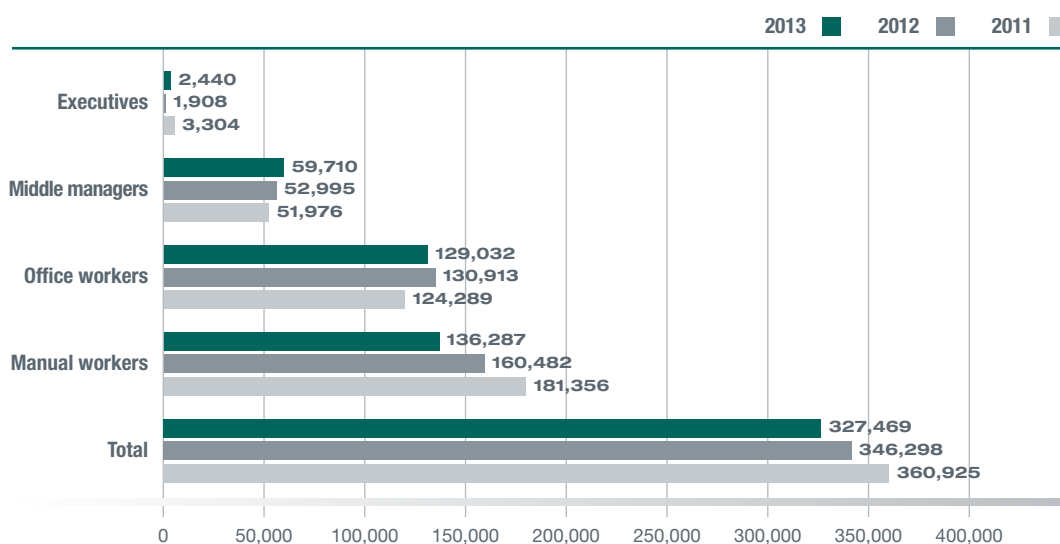




## » ATTENDANCE DAYS BY PROFESSIONAL POSITION 2013



## » TREND IN ATTENDANCE DAYS





## Employer Branding and Recruitment

A substantial amount of work was done on internal job posting in order to encourage the growth and retention of human resources in the Group by means of occupational diversification and job rotation among the various companies. 25 announcements to fill 49 positions were published, leading to the consideration of more than 690 applications and the selection of about 60 suitable candidates.

The external market was resorted to, on the other hand, mainly in cases in which specialist professional personnel unlikely to have been found within the Group were looked for. 35 searches were carried out to fill 67 positions, leading to the consideration of about 3,200 applications and the selection of 81 suitable candidates.

In selecting operational personnel, while respecting Group standards and guidelines, each company adopted its own particular procedure, which considers it to be a preferential requirement for the candidate to reside in the region in which he/she is to work.

The new computerised e-recruitment system was developed and used: this system maps out and speeds up the various recruitment phases in external market searches and renders them more functional, more effective and of a higher quality.

Again during 2013 the Group carried out some vigorous Employer Branding exercises with the purpose not only of having a pool of human resources to draw on in case of need but also in order to:

- give guidance to young people and introduce them to the world of work;
- provide education in excellence in order to give the production system innovation and growth;
- build an attractive image of the Group in young people's eyes, drawing their attention to the qualitative and innovative aspects of the processes taking place in the Group.

The following activities were carried out:

- “Master in Railway Infrastructure and Systems Engineering”, given in collaboration with Rome La Sapienza University, Rome Metropolitana, Bombardier, Alstom and the Finmeccanica Group: a multi-disciplinary railway transport sector specialisation course for 30 high-level experts;
- “Master in Homeland Security” in partnership with Rome Bio-Medical Campus and other Italian and foreign companies to capitalise expertise regarding corporate security and develop the latest professional skills in this sector;
- “Master in Procurement Management” in collaboration with Rome Tor Vergata University, which the Group contributed to by funding scholarships for training in Procurement on Italian and foreign markets;
- work placements and support to degree theses to encourage osmosis between corporate and university know-how by developing training projects and innovative themes respectively, also funding scholarships;
- orientation seminars to develop personnel skills in young people and direct them to the business world;
- university competitions/business games to attract and form talented young people by means of national tournaments among Engineering students in the main universities;
- the Advanced Apprenticeship (*Alto Apprendistato*) scheme research doctorate at the Bologna Alma Mater Studiorum Electricity and Computer Sciences Engineering Department;
- development of relations with “Schools”, arranging “FS Open Days”, summer work placements, support in short dissertations and education in railway culture for the students from the best secondary technical schools;
- courses of alternating lessons and work for students to learn about the Company and its main trades from close at hand;

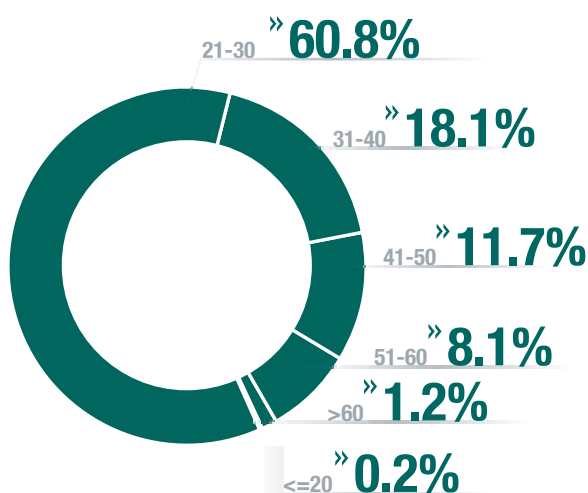
- updating the “Work with us” section of the website and including the company profile on other websites devoted to the world of work;
- career days and job meetings, i.e. job guidance days, for the presentation of the Ferrovie dello Stato Italiane Group, the occupational opportunities in its main companies and the policies for recruitment and career development;
- revival of the Large Companies Engineering Faculty (*Facoltà di Ingegneria Grandi Imprese*) Project, a scheme organised by various big Italian companies which provides engineering undergraduates with opportunities for coming into contact with the business world by means of orientation seminars, workshops in degree courses, innovative theses and research projects and meetings between managers and students.

All this, but not this alone, enabled us to come second in the “Best Employer of Choice 2013” ranking of companies in which new graduates would like to work. This is the result of a statistical survey of 153 Italian and foreign companies on a sample of 2,500 young people representing the universe of the Italian newly-graduated people.

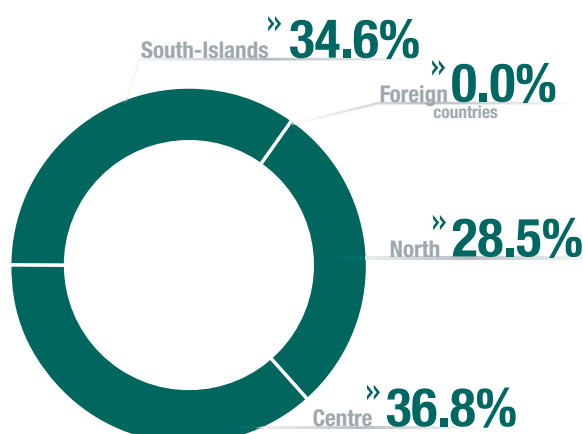
Form of contract	2011	2012	2013
Professional apprenticeship	162	38	263
Entry to employment under Law 30/2003	33	23	2
Fixed term*	380	316	189
Indefinite term - Full time	45	101	131
Indefinite term - Part time	6	2	7
<b>Overall total</b>	<b>626</b>	<b>480</b>	<b>592</b>

\* Including fixed-term contracts in the Ferries sector

## » NEWLY-HIRED WORKERS BY AGE 2013



## » NEWLY-HIRED WORKERS BY GEOGRAPHICAL AREA 2013



## Internal Communication

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During 2013 a new internal communication model was drawn up whose aim is to involve all employees, paying particular attention to local managers' roles in information processes and the measurement of the efficacy of the messages conveyed. The model was tested at some pilot meetings around the country at which more than 800 employees gave very favourable feedback.

As regards the diffusion of our corporate culture, apart from business matters the themes of corporate sustainability and social responsibility were constantly referred

to in at least one reflection a month on the company's intranet site. This is a channel that is very popular with the employees, with a daily average of over 13,000 separate visits.

Various awareness campaigns addressed directly at employees were conducted: against smoking and regarding health prevention and personal hygiene.

Among group activities we mention the Group's participation in "Race for the Cure" with a team which was awarded a prize for being one of the most numerous with its over 600 members.



## 5.1.4 Diversity and Equal Opportunities

GRI LA13

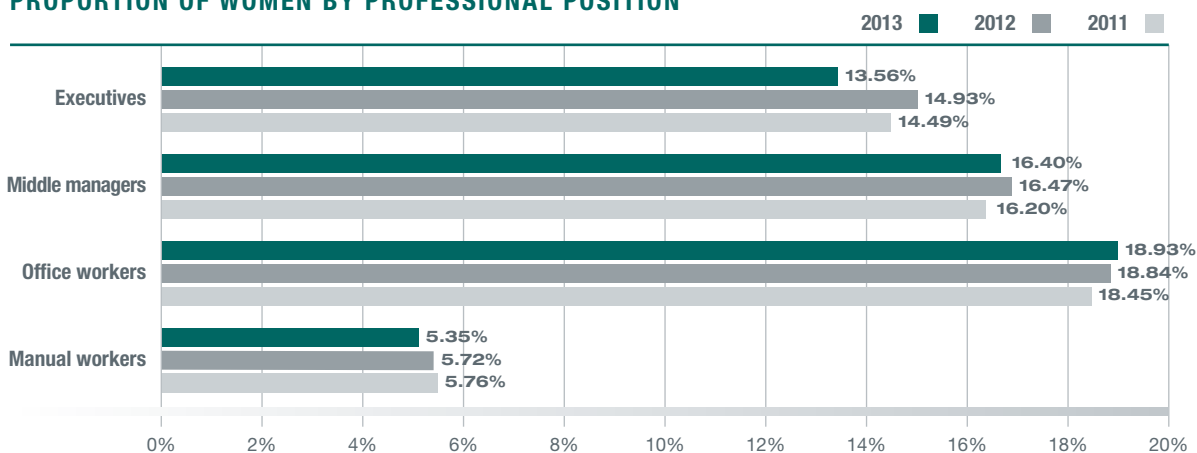
The Ferrovie dello Stato Italiane Group manages its human resources in full compliance with the rights laid down in law and in employment contracts, without discrimination on the grounds of gender, ethnic origin, language, religion, political opinions or personal and social condition. Through the Equal Opportunities Committee (EOC), the Group promotes initiatives and takes positive action in order to offer female workers more favourable conditions and greater opportunities.

In 2013, in the performance of the duties specified in the CCNL agreement for the Mobility/Railway Operations section, the Group promoted training and organisation of work initiatives for on-board personnel (training in dealing with aggression and “pink shifts” with lower working hours on return from maternity leave), as well as photographic exhibitions, conferences and the distribution of educational/information material on violence against women at stations and on trains. During the *Frecciarosa* month – a project that the Group carried on with other Institutions in October addressed at its customers – in consultation with the Group’s Equal Opportunities Committee a cancer prevention and health prevention at work awareness campaign was conducted in the form of 10 local meetings for a total of 900 women employees.

The proportion of women working for the Group, about 14%, was the same in 2013.



### » PROPORTION OF WOMEN BY PROFESSIONAL POSITION





### 5.1.5 Health and Safety at Work

GRI 4.15 | LA7 | LA8

The process of improvement of health and safety performance in the Ferrovie dello Stato Italiane Group continued in 2013, confirming the trend of the previous years. During the three years from 2010 to 2012, according to data provided by the insurance entity INAIL (*Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro*, National Institute for Insurance against Accidents at Work) regarding claims for compensation in the process of settlement, there was a 31.3% reduction in the number of accidents and a 15.1% reduction in their frequency (number of accidents per thousand employees), attaining the targets that had been set in advance. Furthermore, fatal accidents also showed a significant reduction: the average passed from 5 in the three-year period 2008-2010 to 2.6 in the three-year period 2010-2012.

As the targets had been attained in advance, in Group Directive (DdG, *Direttiva di Gruppo*) 163/AD of 7 May 2013 on the "Review of the Group health and safety at work objectives and lines of action for the three years from 2013 to 2015. Supplement to Group Directive no. 143/AD of 6 April 2011", the CEO handed down new instructions regarding this matter, including the decision to cut the number of accidents and their frequency by 3% and 2% respectively per year.

In 2013 the Group's prevention measures centred mainly on the full attainment of the accident reduction and health prevention improvement targets, which was achieved through organisational action, training and technological renewal.

In this year about 23% of man days, corresponding to 68,677 man days, of technical and professional training were devoted to health and safety at work and the environment.

The following initiatives were carried on in the field of Diversity Management during 2013:

- maternity guidance and "versatile leadership": 4 editions were given for about 50 women returning from maternity leave and about 40 of their direct or higher line managers. Among the main objectives of the course are to provide women with instruments for striking a balance between their jobs and their families, to make their direct line managers more aware of the theme of maternity, to provide knowledge of versatile leadership and of instruments for the management of motivation and to encourage greater motivation and professional efficacy;
- *Talento al Femminile* seminars: three of these took place in consultation and collaboration with the EOC, attended by about 200 women between 35 and 45 years of age. The objective of this project was to take the women participants on a voyage of discovery and observation of the distinctive characteristics of female models in their positive and negative aspects, in order to recognise them, "recognise them in themselves" and evaluate them. Women's talent is one of the results of the organisational commitment to the female universe, whose distinctiveness and contribution it intends to recognise. The themes and drivers behind the meeting were self-esteem, positive vision and interior calm, empathy, conflict management and strategic networking.

With a view to enhancing intergenerational relations, the Parent Company started arrangements for two pilot editions of an Apprenticeship Tutor (*Tutor dell'Apprendistato*) scheme for Trenitalia and RFI personnel at the end of 2013 in order to train the resources concerned for a new role as tutors of young apprentices throughout the country.

## » GROUP COMPANIES' ORGANISATION FOR HEALTH AND SAFETY AT WORK

	2011	2012	2013
Number of Production Units	129	127	129
Production Units with safety at work certificates	127	127	95
Company doctors	176	150	160
Workers' Safety Representatives	534	534	534
Personnel subject to medical inspections	50,764	49,166	47,503
Personnel subject to railway safety medical inspections	16,456	15,308	14,012

## » ACCIDENTS COMPENSATED FOR BY INAIL DIVIDED INTO ACCIDENTS AT WORK AND COMMUTING ACCIDENTS<sup>1</sup>

	2009	2010	2011	2012	2013 <sup>2</sup>
Accidents at work	3,200	2,902	2,555	2,197	1,919
Incidence rate <sup>3</sup>	38.66	38.33	36.29	32.79	29.79
Fatal accidents	5	5	2	1	3
Severity index <sup>4</sup>	1,451	1,354	1,296	1,184	n.a.
Commuting accidents	374	474	418	412	315

1. The slight differences in numbers compared to the data published in the 2012 Sustainability Report are due to changes in the data on the part of Inail.

2. Incidence rate:  $[\text{number of accidents at work/amount}] \times 1,000$  employees, calculated according to the European ESAW standard.

3. Severity index:  $[\text{number of days lost}] \times 1,000$  employees.

4. 2013 Inail data being consolidated.

The female personnel accident trend in Group companies continued to be analysed in 2013 in order to find critical issues and consider targeted initiatives to enhance prevention for the gender.

The final 2012 figures point to a constant reduction with respect to 2011, moreover one that is better than the trend in the Group as a whole, in both the number and frequency of accidents to female personnel.

## » ACCIDENTS TO FEMALE PERSONNEL AT WORK COMPENSATED FOR BY INAIL

	2009	2010	2011	2012	2013 <sup>1</sup>
Accidents to female personnel	344	309	276	231	220
Incidence rate for female personnel	32.53	30.87	29.21	25.22	24.57

1. 2013 Inail data being consolidated

## 5.1.6 Industrial Relations

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

Industrial relations are based on the utmost respect for the obligations laid down in relevant Italian legislation and current labour agreements.

The Trade Unions (OOSS, *Organizzazioni Sindacali*) receive the prescribed information and conduct detailed negotiations with the Group as provided in the CCNL agreement. The unions are also informed every six months of changes in large Group offices and in small offices in Group production companies.

In accordance with the CCNL agreement, changes in the organisation of work and in working hours must be preceded by a negotiation procedure which is to be concluded in at most 20 days after starting. Negotiations with the unions are conducted both at central level through their National Secretaries and at local level through Regional Secretaries, together with the Joint Union Representatives (*Rappresentanze Sindacali Unitarie*).

There are far-reaching formal agreements between the Group and the Trade Unions regarding workers' health and safety. The purpose of these agreements is to support all action taken to foster the enhancement of a culture of safety and prevention among the workers by promptly updating procedures for the training of new recruits, and for training in the event of transfers or new duties and after the introduction of new equipment or technologies.

On 30 July 2013 the Ferrovie dello Stato Italiane Group signed some important understandings with the Filt-Cgil, Fit-Cisl, Uiltrasporti, Ugl Trasporti, Fast Ferrovie and Or.S.A. Ferrovie trade union organisations in order to pursue active income support and employment policies (the so-called "bilateral fund").

On 30 July 2013 an arrangement was also signed with the Trade Unions regarding the 2012 Performance Bonus.

2013, as already mentioned, was also the first year of operation of the supplementary health scheme for non-executive Group employees, introduced by the 2012 Supplementary Agreement.

As regards social developments in Europe, the Ferrovie dello Stato Italiane Group, as a member of the CER, contributed to the preparation of the document approved by the TRAN Committee (Committee on Transport and Tourism) on the review of Regulation (EC) no. 1370/2007 on local public transport within the scope of the Fourth European Railway Package. At the same time, the Group continued to participate in the restricted working group named "Social aspects and the protection of staff in case of change of railway operator", which has prepared the final report and the common position of social partners following the check of the state of implementation of Regulation (EC) no. 1370/2007 itself.

The number of employees that are members of trade unions<sup>73</sup> fell from 68.43% in 2012 to 64.77% in 2013, while the absenteeism rate in 2013 was 8.7% compared to 8.4% in the previous year.

There was a substantial fall in the number of hours lost owing to strikes in 2013 when the process that led to the renewal of the CCNL agreement on 20 July 2012 came to an end. The fact that there was less conflict than in previous years is substantially attributable to the successful result of the renewal of the collective labour agreement.

	2011	2012	2013
Absenteeism work rate*	8.5%	8.4%	8.7%
Hours lost owing to strikes**	441,460	145,231	49,669

\* The data relate to: Ferrovie dello Stato Italiane, Trenitalia, RFI, Italferr, Ferservizi, FS Logistica, FS Sistemi Urbani and do not include the Ferries sector. In particular, the calculation of the absenteeism rate includes any hours lost owing to sickness, accidents, maternity, strikes, application of Law no. 104, study leaves, marriage leaves and overtime.

\*\* The data relate to Ferrovie dello Stato Italiane, Trenitalia, RFI, Italferr, Ferservizi, FS Sistemi Urbani.

73. The data relate to Ferrovie dello Stato Italiane, RFI, Trenitalia, Ferservizi, Italferr, FS Sistemi Urbani.



## Parental Leave in the Group

Apart from statutory parental leave, during the first eight years in the child's life employees (father and/or mother) may take optional leave for up to six months for each parent, or not in excess of eleven months for both parents combined if each parent takes advantage of this concession.

The CCNL agreement for Mobility area of 20 July 2012 adopts the provisions of Legislative Decree no. 151/2011<sup>74</sup>, and in fact the Group's Supplementary agreement provides for even more favourable pay conditions during the period of any employee's optional leave.

The number of employees that took at least one day's parental leave<sup>75</sup> in 2013 was:

	no.	days
Women	844	25,467
Men	2,845	46,650
<b>Total</b>	<b>3,689</b>	<b>72,117</b>

To complete the picture of the measures taken to safeguard maternity rights, time off is allowed for pre-natal examinations and tests and when the child is ill. In these cases too, the Group's Supplementary agreement provides for more favourable pay conditions than those stipulated in the CCNL agreement.

74. Consolidation Act on the legislative provisions governing the protection of and support to maternity and paternity rights.

75. The data relate to Trenitalia, RFI, Ferrovie dello Stato Italiane, Italferr, Ferservizi, FS Logistica, FS Sistemi Urbani, Italferr.



## 5.1.7 Litigation with Employees

GRI SO4 | SO8

		2011	2012	2013
Disputes for compensation	<i>no.</i>	3,062	2,749	2,945
Pending disputes	<i>no.</i>	9,731	7,488	6,600
Economic value of the disputes	<i>Euro</i>	56,703,000	41,003,000	46,534,000

The numbers reported in the table relate to the labour litigation as determined at 31 December 2013.

The figures relate to actions brought by employees, former employees or workers employed by firms that perform contracted services for the Group companies.

As we said for the year 2012, the most important types of dispute for the main Group companies, in terms of potential financial costs, during 2013 regarded:

- joint obligations pursuant to article 29, paragraph 2, of Legislative Decree no. 276/2003;
- conversion of fixed-term contracts into indefinite term contracts in the maritime sector;
- claims for work done for the Group companies to be recognised as a subordinate employment relationship owing to the violation of Law no. 1369/1960.

A large number of claims pursuant to article 29, paragraph 2, of Legislative Decree no. 276/2003, were again submitted against Group companies by employees of

contractors who have become insolvent: these claimants are requesting the Group to pay the salaries, wages and contributions that have not been paid by their own employers.

Some of the disputes have been settled after agreements whereby workers were paid portions of the amounts claimed, except for TFR benefits.

As regards the enforcement of the judgments handed down with respect to the firms that have not yet been admitted to insolvency proceedings, payment is still hindered by the fact that applications to exercise the right to recover the unpaid amounts from the contractor itself have been unsuccessful, as per the law at present.

There was a slight decrease, compared to the two-year period 2011/2012, in the number of actions brought by shipping workers asking for their work to be recognised as an indefinite subordinate employment relationship with Rete Ferroviaria Italiana S.p.A.. Although some unfavourable decisions for the company have been handed down, it is too early to express an opinion regarding these disputes since the Supreme Court has not yet ruled in the matter.

Litigation regarding sham employers (*interposizione fittizia di manodopera*), in connection with circumstances that arose during the period in which Law no. 1369/1960 was in force and in the cases regulated under Legislative Decree no. 276/2003, continue to be of particular importance owing to the financial exposure for Group companies that would result should they lose the cases involved.

In order to reduce the costs for the Group companies arising from engaging contractors' personnel who have taken legal action, sums were paid out of court in exchange for the persons concerned waiving their claims. There was no record of any actions brought by Group personnel as a result of episodes of discrimination (on the grounds of gender, ethnic origin, religion, political opinions, nationality or social background) or violation of human rights.





## 5.2 Community

GRI 2.10 | 4.12 | 4.14 | EC1 | EC8 | LA8 | PR1

### 5.2.1 Solidarity Projects

A vocation for solidarity has always been a fundamental value for the Ferrovie dello Stato Italiane Group, which has been constructively engaged for years in carrying out projects and activities for deprived persons.

The policy that Ferrovie dello Stato Italiane has made its own is one of supporting and planning social initiatives in railway areas in consultation with the world of associations and local authorities.

The Ferrovie dello Stato Italiane Group promoted a large number of solidarity activities in 2013.

#### Help Centers and Welfare Homes

The entire country is affected by the social emergency, particularly in the areas around railway stations: the Help Centers are the first big solidarity project to counter this phenomenon, promoted and conducted by the Group in collaboration with local authorities and the tertiary sector. These are “low threshold” welfare bureaux without procedures that obstruct entry, located inside and/or in the neighbourhood of railway stations, whose aim is to intercept and give advice to underprivileged persons and guide them on the way to recovery through the town’s social services. The highly innovative “A Heart in the Station” (*Un Cuore in stazione*) project has its place in the process of the expansion of the Help Center network. This scheme came into being from a partnership between ENEL Cuore, a non-profit association, and Ferrovie dello Stato Italiane with the aim of carrying out a series of measures for the satisfaction of the needs of deprived persons by finding and refurbishing Group-owned premises to put to use for social purposes. As a result of this project, the Melfi Help Center was created in 2013, an addition to the network of offices fulfilling a social function already existing all over the country.

## » NETWORK OF HELP CENTERS AT STATIONS

EXISTING CENTRES	POTENTIAL CENTRES*
Rome	Pistoia
Chivasso	Prato
Milan	Pisa
Genoa	Livorno
Messina	Firenze Campo di Marte
Bologna	Firenze Rifredi
Bari	Venezia
Pescara	Genoa (P. Principe or Brignole)
Foggia	Palermo
Naples	Villa San Giovanni
Catania	Busto Arsizio
Turin	Reggio Calabria
Florence Santa Maria Novella	Trieste
Rimini**	
Melfi	

\* The Memorandum of Understanding with the Tuscany Regional Government could lead to the opening of new centres in the stations of the Region: Pistoia, Prato, Pisa, Livorno, Florence Campo di Marte and Florence Rifredi. It is planned to expand the network of Help Centers in the big stations and a feasibility study is being conducted for the opening of similar Centres in medium-sized and small stations too.

\*\* The Rimini Help Center, which was open until last year, was closed during 2013 owing to a lack of funding from the institutions.

To establish Help Centers, the Group grants premises inside or near railway stations on a gratuitous loan for use basis to associations or entities that deal with socially excluded persons and social emergency. Apart from the Help Centers, various welfare centres have come into being in previously disused railway premises now operated by big associations such as the “Don Luigi di Liegro” Caritas hostel at Rome Termini, the “Rifu-

gio Caritas” centre in Milan, managed by Caritas Ambrosiana, the “Binario 95” (Track 95) Day Centre in Via Marsala in Rome and the “Pedro Arrupe” centre for asylum seekers and political refugees, managed by the “Centro Astalli” Association<sup>76</sup>. The area granted under gratuitous loans for use for social activities corresponds to 17,618 sq. m., for an estimated overall value of Euro 26,427,390<sup>77</sup>.

The Group collaborates closely with ONDS (Osservatorio Nazionale sul Disagio e la Solidarietà nelle Stazioni, National Observatory of Social Deprivation and Solidarity in Stations), directed by the Europe Consulting non-

profit organisation, which coordinates all the Centers, trains their operators and prepares detailed analyses of social deprivation. ONDS collaborates with INMP - San Gallicano<sup>78</sup> in the prevention and treatment of the sicknesses that afflict persons with no fixed home. In 2013 the Help Centers in the ONDS network recorded a 27.6% increase in the use of their services<sup>79</sup> compared with 2012.

76. This project, which has been operating in the former Ferrotel premises at Rome Smistamento railway depot, is supported by the United Nations High Commissioner for Refugees and is a part of the Italian Asylum-seekers Project (*Progetto Nazionale Asilo*) which is also promoted by the Italian Ministry of the Interior, ANCI (*Associazione Nazionale dei Comuni Italiani*, National Association of Italian Municipalities) and Rome City Council. It provides occupational training courses, educational assistance for minors and Italian language courses, with the aim of helping the entrants to the country to enter society and find work. Among other things, spaces have been given for social and cultural activities such as the Shoah Museum in Milan Central Station.

77. The data relating to the area includes the network of Help Centers (10,618.26 sq. m., for a market value of Euro 15,927,390) and, starting from 2014, the Shoah Museum as well (7,000 sq. m. for a market value of Euro 10,500,000). The value of Euro 26,427,390 was calculated multiplying total areas by the average market value of Euro 1,500/m<sup>2</sup>. This figure (which remained unchanged compared to the previous year) is the weighted average of the market values of some Help Centers and Welfare Centres of various types and sizes in different towns.

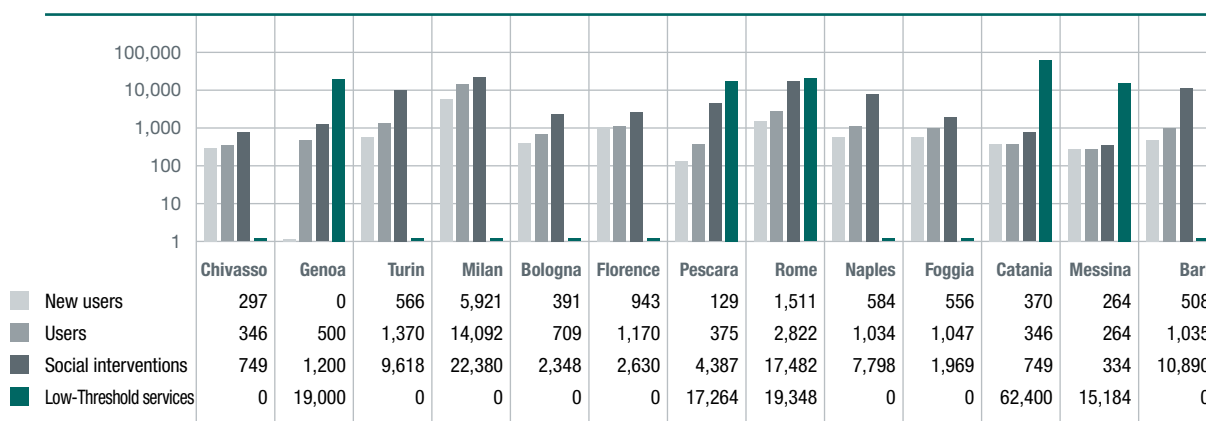
78. *Istituto Nazionale per la promozione della salute delle popolazioni migranti e il contrasto delle malattie della povertà*, National Institute for the Promotion of the Health of the Migrant Population and for Fighting Diseases of the Poor.

79. Estimated number of requests for help or guidance regarding local services (uses of the service) during the year, even if provided more than once for the same person.

## » MAIN HELP CENTER NETWORK SERVICES

		2012	2013	2012 vs 2013
Total days open	days	3,952	3,744	-5.3%
Total hours open	hours	24,219	23,660	-2.3%
Total uses of services	no.	169,019	215,730	27.6%
Total new users helped	no.	10,239	12,040	17.6%
Average number of cases per day	no.	576	725	25.9%
Average of new users per day	no.	34	39	14.7%

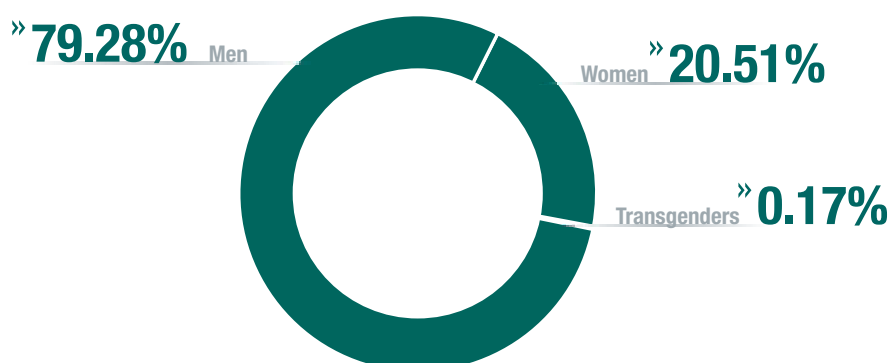
## » TOTAL USERS AND NEW USERS RECORDED BY THE ONDS NETWORK CENTRES IN 2013\*



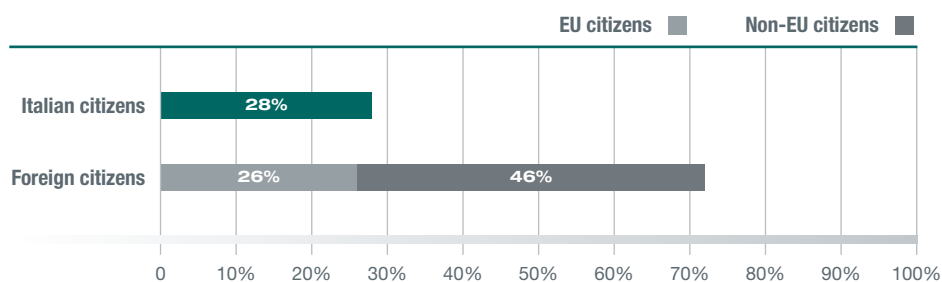
\* The chart does not report the Melfi Help Center as the refurbishment of the property was completed in July 2013, while operations started in February 2014



## » BREAKDOWN OF NEW USERS BY GENDER

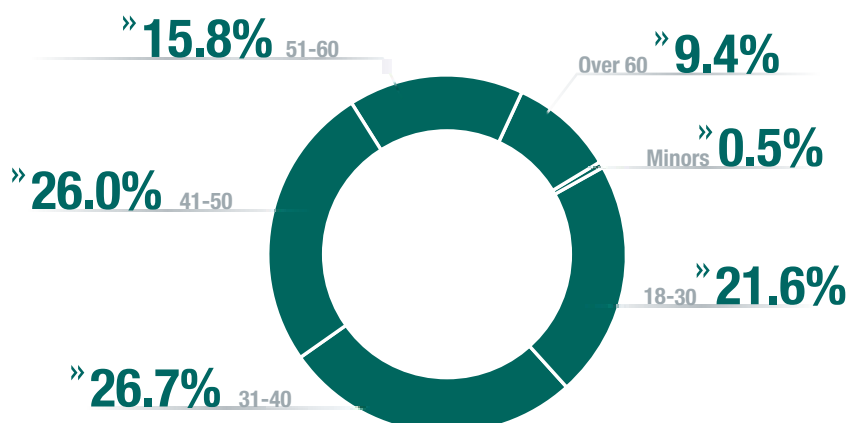


## » BREAKDOWN OF NEW USERS BY NATIONALITY\*



\* The number of Italians that turn to the Center offices has risen slightly since last year owing to the new population brackets reduced to poverty, such as old retired people and the "new poor" (poor workers, persons who have lost their jobs or have become redundant before reaching pensionable age, separated and divorced persons, etc.)

## » BREAKDOWN OF NEW USERS BY AGE





## Fund Raising Campaign

During the Christmas period in 2013 the Ferrovie dello Stato Italiane Group and Caritas Romana organised the “*Casa Dolce Caritas*” solidarity campaign in support of the completion of the refurbishment of the “Don Luigi Di Liegro” Caritas hostel at Rome Termini Station, the biggest welfare centre in Italy for persons with no fixed abode<sup>80</sup>. Group and Caritas volunteers offered Freccie travellers a bag of chocolates in exchange for a free offering. Other forms of fund collection were organised in stations where Customers could leave offers through self-service ticket machines, at ticket counters and at the *FRECCIA* Clubs. A collection among more than 60,000 Group employees also contributed to the final result<sup>81</sup>. In January a solidarity campaign organised together with the Community of St. Egidio to support the enlargement of five community homes in Genoa, Naples and Messina, came to an end; the final result of this collection was Euro 230,000.

## National and European Projects

During the year the Group carried out a “Cold weather emergency plan” to boost the winter work of the Help Center network<sup>82</sup>. 2,500 blankets were distributed to the homeless through the network of Help Centers and associations. A “Cold weather emergency plan” for the 2014/2015 winter has already been worked out with the major Italian charitable associations which will involve stations located in Milan, Turin, Rome, Genoa and Naples<sup>83</sup>. The Help Center’s social work efforts will also be stepped up in the stations in Florence, Bari, Catania, Messina and Pescara.

The Group’s dedication to this work is increasingly crossing national frontiers by sharing the good practices set in motion with other European railway companies. Thanks to this involvement in Italy and abroad, the Group has promoted the European Charter for development of social initiatives in stations (the European Solidarity Charter), already signed by many European railway companies and the world association for the sector, the Community of St. Egidio, ANCI and the Astalli Foundation.

The “Work in Stations” project was concluded in 2013. The Group is a partner in this scheme with the French (SNCF) and Belgian (SNCFB) railways: the aim is to find innovative instruments and methods for social inclusion through opportunities for work offered by the railway world and the activities linked to it. The result of this project was the creation of a brochure on the Group’s social work prepared by homeless persons in the “*Binario 95*” day centre<sup>84</sup>. “Work in Stations” is the continuation of the European “Hope in Stations” project, which found ways of bringing deprived persons into society and gave training courses for railway personnel who come into daily contact with persons in difficulty. The pilot courses that were given at Rome Termini Station have become institutional, and after the sessions arranged for railway staff in Northern and Central Italy, were given in Messina, Foggia, Bari and Naples too.

The “Bike 95” initiative was started in 2013 in the framework of the European “Work in Stations” project: this is a scheme for entry into the world of work which resulted in seven homeless people starting a bicycle repair and hire business at Rome Termini Station.

80. The Caritas Hostel at Rome Termini Station will shelter homeless persons in 34 new rooms (73,000 night stays per year); these persons would otherwise sleep in the station or in the streets nearby.

81. The Christmas fund raising campaign is repeated every year to support the major charitable associations in carrying out projects for deprived persons.

82. Specifically, the project involved the Centres in Genoa, Messina, Bari and Naples and the Astalli Centre in Rome.

83. The “Cold weather emergency plan” will involve the stations in Milan Centrale, Milan Porta Garibaldi, Turin Porta Nuova, Rome Termini, Rome Ostiense, Rome Tiburtina, Rome Tuscolana, Rome Trastevere, Genoa Piazza Principe, Naples Centrale and Naples Campi Flegrei.

84. This centre is operated by the Europe Consulting non-profit organisation at Rome Termini station.

## Social and Employment Spin-offs from the Help Centers

In 2013 the Ferrovie dello Stato Italiane Group spent about Euro 278,000 on carrying out activities and projects for deprived persons, with a spin-off both in terms of employment, as regards the social operators requested by the welfare centres, and in terms of the inclusion of the persons helped in society and employment.

### » ECONOMIC VALUE OF SOCIAL ACTIVITIES

ACTIVITIES	DETAILS OF ACTIVITIES	AMOUNT
<b>Fight against social deprivation and solidarity in stations</b>	Agreement with the National Observatory of Deprivation and Solidarity (Osservatorio Nazionale sul Disagio e la Solidarietà) in stations; opening of new Help Centers; exploitation of dis-used stations and public spaces; cold weather emergency projects and initiatives ...	249,400
<b>Activities regarding social issues and stations at European level</b>	Activities of the Gare Européenne et Solidarité network	7,200
<b>Other social initiatives</b>	Supporting ex-prisoners to resettle in society and find work; motivation day and fund-raising campaign with FS volunteers; information services on internet	21,400
<b>Total</b>		<b>about 278,000</b>

For example the Social Cooperative that manages the Help Center and the “Binario 95” Centre at Rome Termini, which started with a staff of six in 2002, gradually increased the number of its social operators<sup>85</sup> to about 50 people working permanently every year, either directly or indirectly, in planning or managing station services. As regards social and employment inclusion, 135 new persons in deprived circumstances were received for a resettlement course by the Rome Termini “Binario 95” Centre in 2013<sup>86</sup>. 102 persons were given employment guidance and, out of the persons helped by the Centre in 2013, 11 were engaged on regular employment contracts in the publishing, creative or services activities performed in the station by the cooperative. To these are added four disadvantaged persons who have already been helping to operate services in the station for some years.

With Ferrovie dello Stato Italiane's support, the Community of St. Egidio put 10 deprived persons into employment: they are at present engaged in social projects in Roman railway stations.

Again in Rome, the “Centro Astalli” Association, which manages the “Pedro Arrupe” Centre, trained and found jobs for 16 political refugees seeking asylum.

85. Various forms of contract are used.

86. After a special resettlement programme, some found work, thus resuming an independent life; others were put into community homes and welfare centres, referred to healthcare services and/or admitted to hospital; others again returned to their families.

## Reuse of Properties and Decommissioned Railway Lines

In addition to the property it requires for its core business, the Ferrovie dello Stato Italiane Group owns extensive real estate assets, partly disused, in the form of stations, crossing keepers' boxes and railway lines. In 2013 memoranda of understanding were formalised with the Tuscany Regional Government, Legambiente (an Italian Environmental Organisation), AITR (*Associazione Italiana Turismo Responsabile*, Italian Responsible Tourism Association), CSVnet (*Centri di Servizi per il Volontariato*, Volunteering Service Centres) and Legacoopsociali (*Associazione Nazionale delle Cooperative Sociali*, National Association of Social Cooperatives) to carry out socially useful activities in the field of volunteering, the environment and culture.

### » STATUS OF REGENERATION OF REAL ESTATE ASSETS

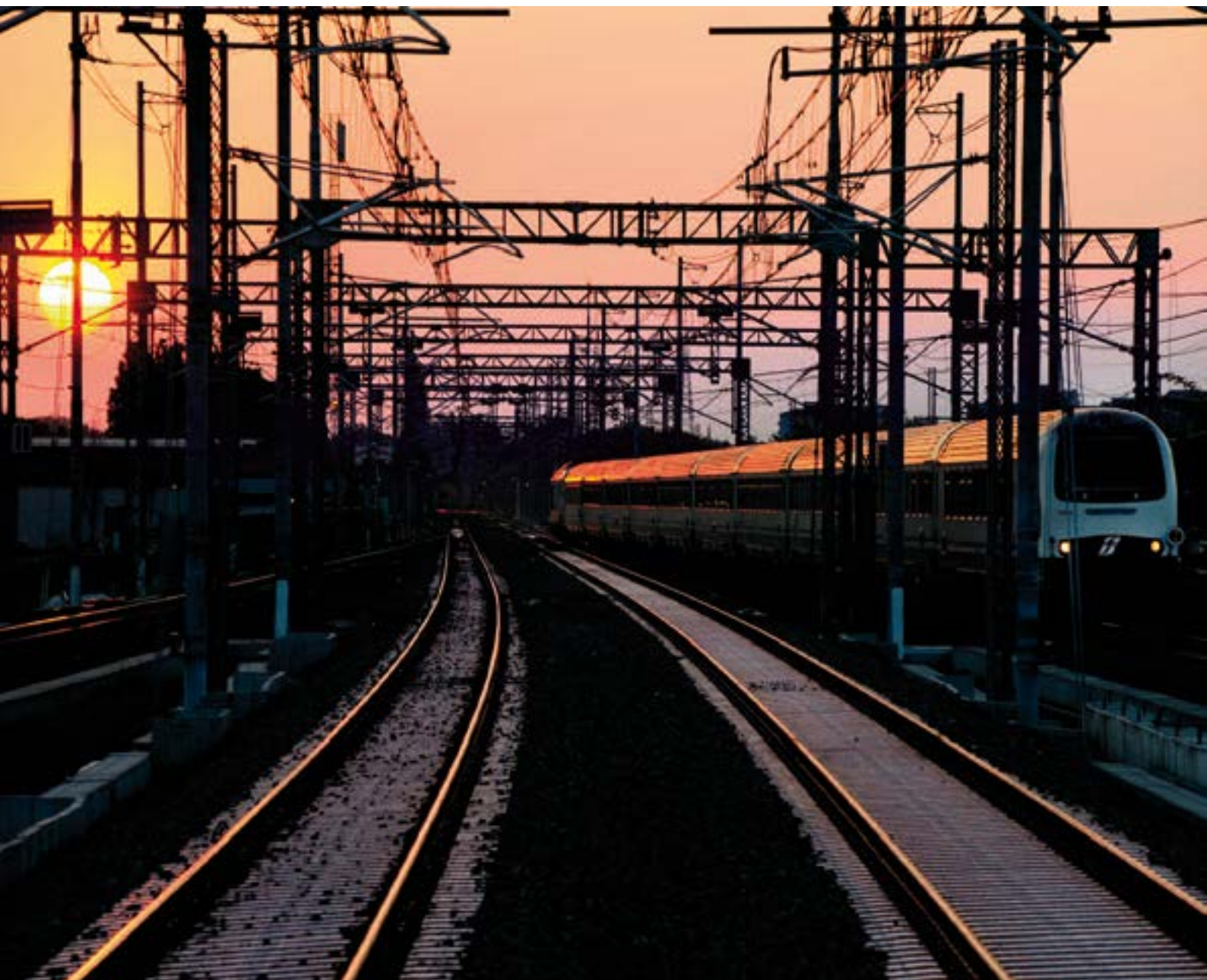
Unattended stations	Working but without railway personnel	1,700
Stations regenerated for social purposes	Red Cross, Misericordie charitable association, Fire Brigade, Civil Protection, Natural Parks, environmental and cultural association offices	345

63,683 sq. m of space in the 345<sup>87</sup> stations regenerated and put to use for social purposes have been granted under 540 current gratuitous loan for use agreements with Municipal authorities or non-profit organisations, for a market value of Euro 95,524,500<sup>88</sup>. Below are some examples of regenerated areas:

Civitella Roveto station (Avezzano-Roccasecca section)	Local Green Cross
Milan S. Cristoforo	Depot for trains departing for Lourdes managed by Unitalsi ( <i>Unione Nazionale Italiana Trasporto Ammalati a Lourdes e Santuari Internazionali</i> , National Italian Union for the transportation of the sick to Lourdes and International Sanctuaries)
Lissone (Milan-Chiasso line)	Offices of equal opportunities or sustainable mobility associations
Ceccano eco-friendly station (Rome-Naples line)	Valle del Sacco Environmental Education Centre managed by the Tolerus Association and Study Centre
Arce (former station depot - Roccasecca-Avezzano line)	Office of the "La Lanterna" associations centre, which organises activities for Italians or foreigners in difficulty

87. RFI retrieved this figure from the SAPRE database, which can supply the exact number of regenerated stations (there may be more than one gratuitous loan for use agreement for social purposes per station). The estimated figure for 2012, on the other hand, is the total number of current agreements.

88. The overall value of Euro 95,524,500 has been calculated by multiplying the square metres granted under gratuitous loan for use agreements for an estimated average market value (relating to sales) of Euro 1,500 per sq. m.



An important social project is the one carried out in some disused premises of Ronciglione Station in 2013: after Ferrovie dello Stato Italiane had granted the space free to the “Cuore di Mamma” non-profit association, a welfare and holiday home was opened for families with children suffering from cancer. This Centre operated in conjunction with the Bambin Gesù and Policlinico Gemelli Hospitals in Rome. The complex project for the

regeneration of the Group’s disused properties and their being put to use for social purposes, of which the above project is a part, is one of the most remarkable examples in Europe of corporate commitment to social welfare. There is also a vast amount of decommissioned railway lines, part of which belongs to the Group, which could be devoted to greenways, as has already been done for about 325 km of track.

## » STATUS OF REGENERATION OF DECOMMISSIONED RAILWAY LINES

National decommissioned railway lines	6,500 km
Railway lines decommissioned by the Ferrovie dello Stato Italiane Group (could become greenways)	3,000 km
Decommissioned railway lines intended for non-motor vehicle circulation	325 km

## 5.2.2 Social and Cultural Activities

### The Ferrovie dello Stato Italiane Group and Culture

The Group constantly supports concerts, exhibitions, performances, conferences and other projects that enhance the value of the Italian artistic, cultural and scientific heritage. In 2013 there were again far-ranging forms of collaboration with the country's major Foundations and museums in order to create new travel opportunities, encouraging the use of the train as the ideal means of transport for getting to the Italian art cities, appreciating the country's cultural excellences and visiting its most important exhibitions. The following among the many important events supported by the Ferrovie dello Stato Italiane Group in 2013 are mentioned:

- the great Vittoriano exhibitions in Rome: "*Cubismo Cubisti*" (Cubism and Cubist Artists);
- the Venice Biennial events (Biennial Art Exhibition and Film Festival);
- the Palazzo Strozzi exhibitions in Florence;
- the Naples Theatre Festival;
- the exhibitions at the MAXXI Museum in Rome.

We also mention the partnership with the Venice Civic Museums Foundation, the Trento and Rovereto Mart Foundation and the Pinacoteca Agnelli picture gallery in Turin, which offer concessions to visitors who go to their exhibitions using Trenitalia trains.

The Group is also a member of:

- Civita Association, a reference point in the national debate regarding the protection and enhancement of the country's cultural and environment heritage;
- National Santa Cecilia Academy, a foundation which promotes artistic and didactic activities and historical and musicological research.

### Ferrovie dello Stato Italiane and the Great Social Themes

With some of the major Institutions and Associations concerned, in 2013 the Ferrovie dello Stato Italiane Group carried out initiatives supporting present-day themes such as the fight against smoking, the protection of health in infancy and fostering women's health and protection. The following projects were carried out.

- **sFreccia against smoking**

On the "World without Tobacco Day", the Group carried out information and awareness initiatives on *Frecce* trains to combat smoking addiction<sup>89</sup>.

- **FrecciaBimbo**

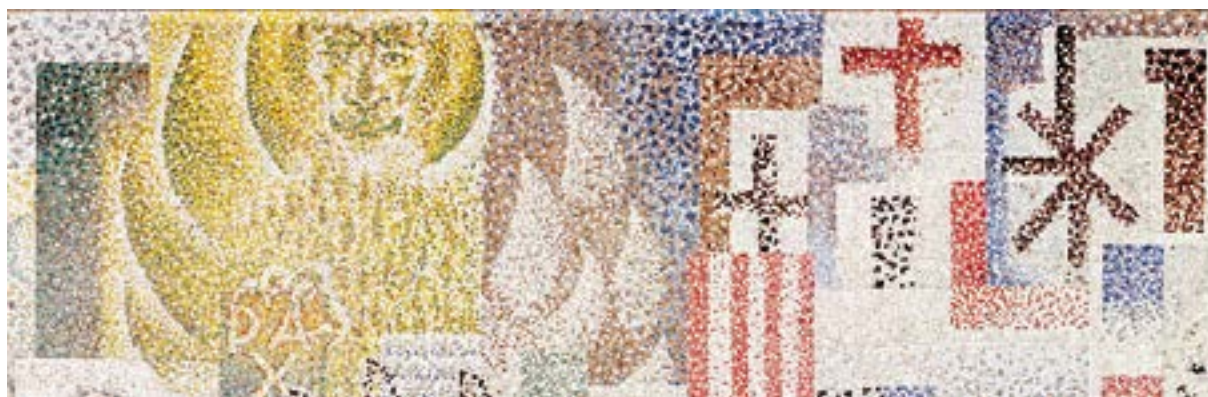
A project in collaboration with FIMP (*Federazione Italiana Medici Pediatri*, the Italian Paediatricians Association), sponsored by the Ministry of Health and participated in by other entities to inform *Frecce* travellers on the prevention of infant health risks.

- **Frecciarosa**

In October, the month devoted to the treatment and prevention of breast diseases, the Group carried out a series of initiatives and promotions for women *Frecce* passengers<sup>90</sup> and in the *Frecce* Clubs.

- **Femicide**

On the "International Day for the Elimination of Violence against Women", the Group supported "*Riconosci la Violenza*" (Look Out for Violence), a campaign promoted by the Prime Minister with the Equal Opportunities Department.



89. The activity was sponsored by the Ministry of Health and was carried out in collaboration with the Health Institute and the Umberto Veronesi Foundation.

90. This initiative was sponsored by the Ministry of Health and was carried out in collaboration with the Incontra Donna association, the Italian equal opportunities counsellor and other partners at national level.

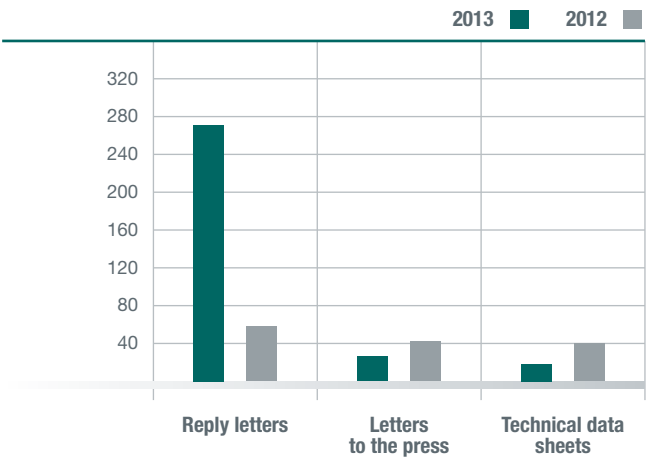
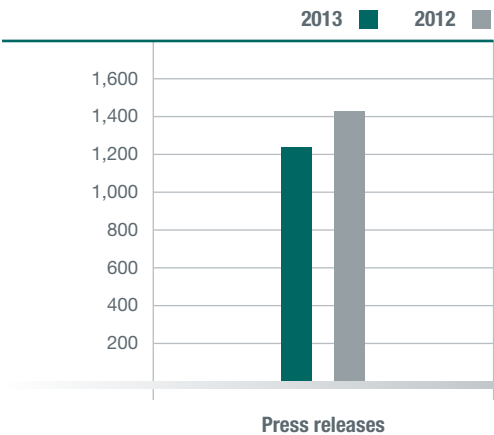
5.2.3 Relations with Media and New Media

To communicate its activities in 2013 the Ferrovie dello Stato Italiane Group kept in touch with national, local and international media<sup>91</sup> and online publications, websites and blogs (web 2.0) through its Press Office and its latest channels of external communication, which include:

- the online newspaper *fsnews.it*
- the institutional website *fsitaliane.it*
- the *FSNews Radio*;
- the *La Freccia.TV* web;
- the *La Freccia* and *Frecciaviaggi* magazines;
- social networks (*Twitter*, *YouTube*, *Facebook*, *Flickr*, *Storify*, *FourSquare*).

Relations with Media and Editorial Activities (RMEA)

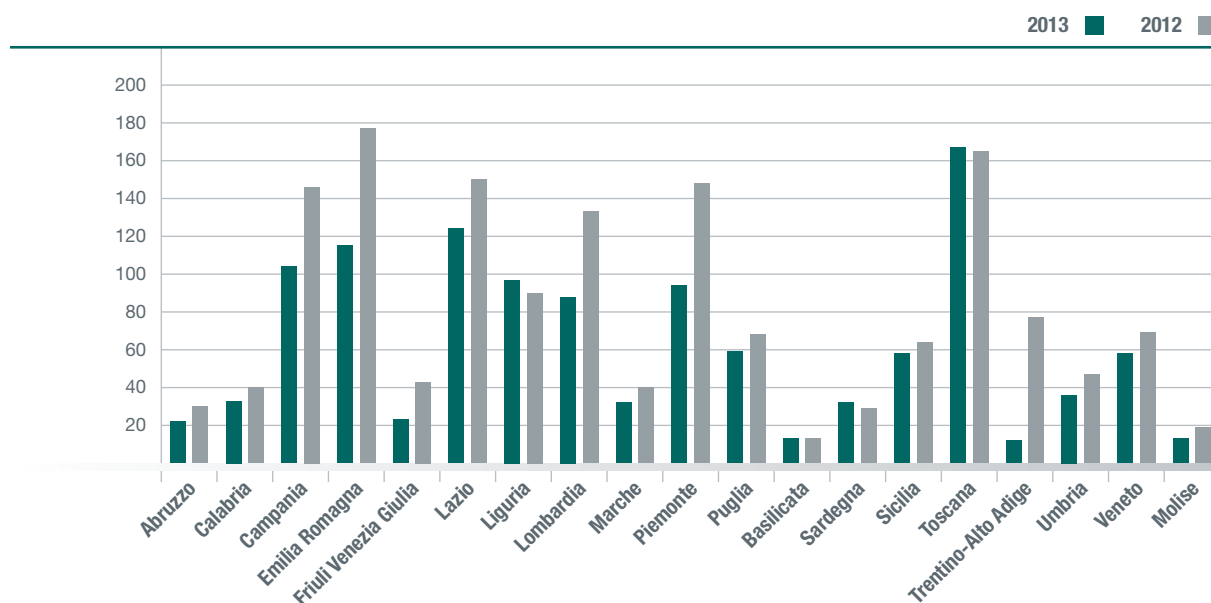
The Ferrovie dello Stato Italiane Press Office prepared 1,551 documents in 2013: press releases, letters to the press, reply letters and technical data sheets. The number of documents produced was not higher than in the previous year because there were no major problems such as the 2012 “Snow and Freeze Emergencies”.



91. Press agencies and national, local and foreign daily newspapers, free press, general and specialist journals and magazines, radio, televisions, photo agencies.

The Ferrovie dello Stato Italiane Group communicates effectively at local level too, through nine Local Media Correspondents who produced 1,291 items of news in

2013, including press releases, letters to the press and reply letters, as well as 80 items of news for the Group's online magazine only (*fsnews.it*).



National and local newspapers devoted 2,197 articles to the Group in 2013. On the basis of the space occupied on the pages, these articles were worth nearly Euro 40 million.

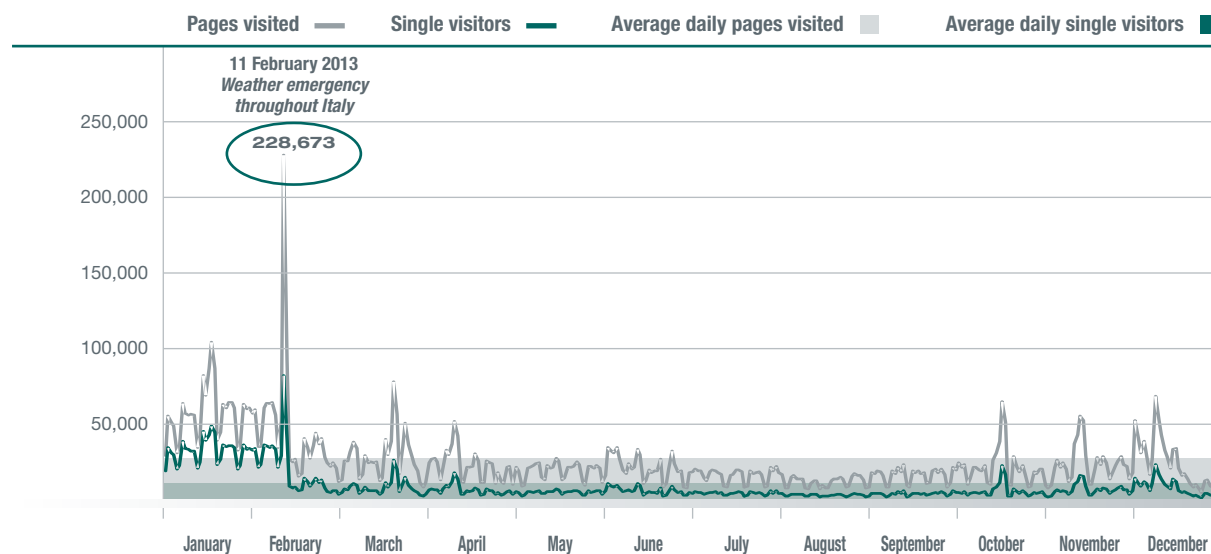
### Publications

The following publications were printed:

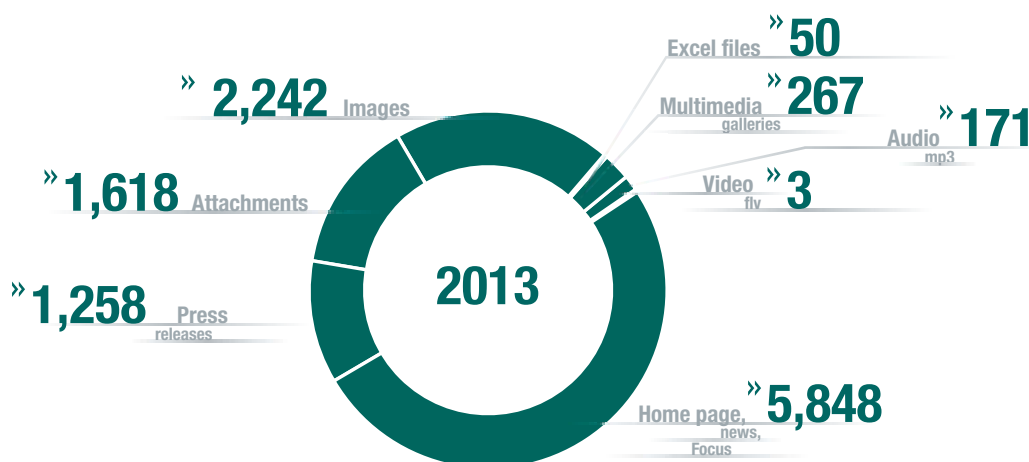
- 10 Group company brochures and flyers;
- 10 interviews with top management and editorial interviews in various Italian and foreign magazines and daily newspapers.



FSNews.it, the Group's online newspaper is confirmation of the reliability of the site as a service for travellers: the numbers of pages visited (228,673) and of visitors (83,419) reached its peak on 11 February 2013 during the bad weather emergency throughout Italy.

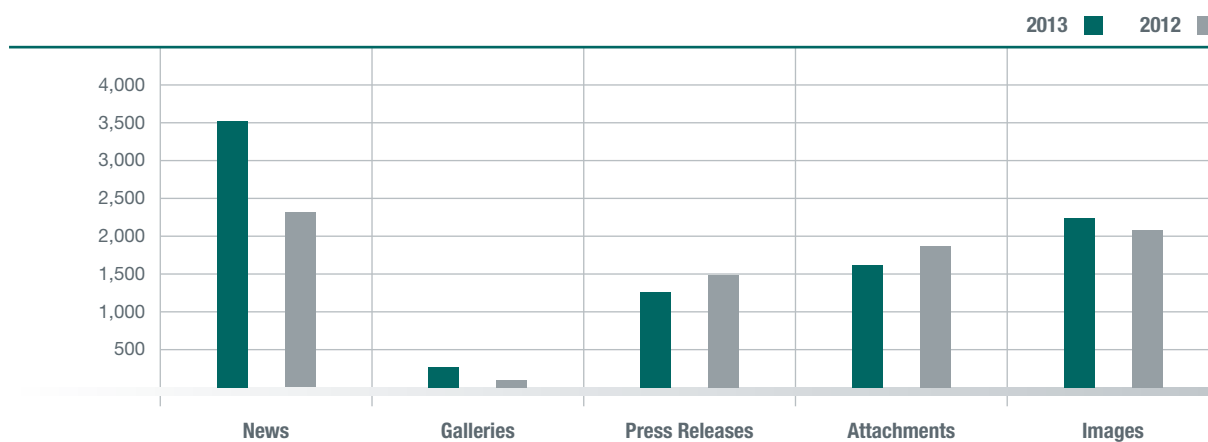


FSNews.it's news department published 5,848 pages in 2013, consisting of news items, highlights and points of general interest, with 2,242 images, 1,618 attachments and 267 multimedia galleries, 171 audio .mp3 files, 50 excel files and 3 video .flv; as well as 1,258 press releases.



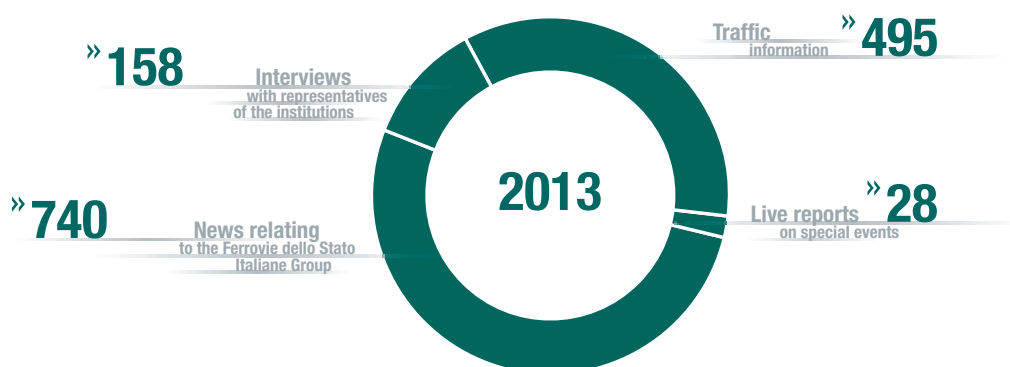


A considerable increase compared with the previous year in the production of news items (3,529 against 2,314 in 2012) and images (2,080 in 2012). The percentage increase is due above all to photo galleries and multimedia files (93 only in 2012).



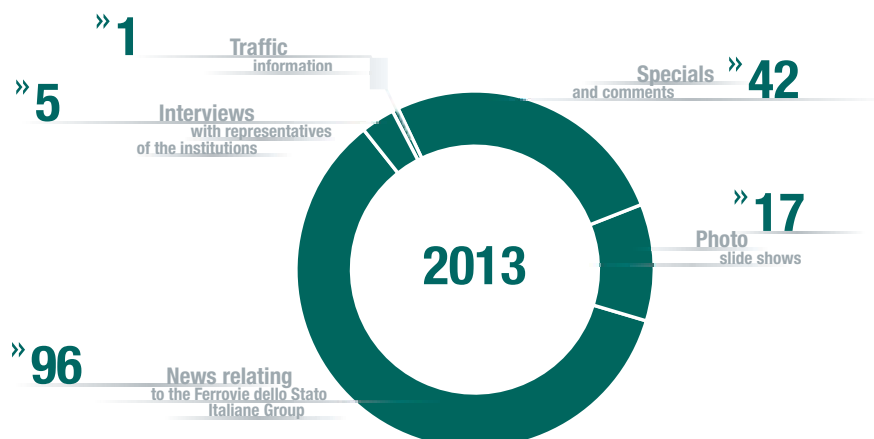
## FSNews Radio

During 2013 the *FSNews Radio* office broadcast 12 hours of live radio programmes announcing 740 items of news, giving 495 rail traffic reports and broadcasting 158 interviews with representatives of the institutions and 28 live reports on special events.



## La Freccia.TV

*LaFreccia.TV* broadcast 5 live streaming and 144 video-news programmes in 2013, the details of which are provided in the diagram below.



104 photographic services were also carried out for events, lectures, institutional documents and promotional material which further enriched the Group's historical archives at the same time. 68 institutional and promotional films and documentaries were made for audio-visual communication through the Group's new media and its monitors at stations.

### The *La Freccia* and *FrecciaViaggi* Magazines

On-board magazines, *La Freccia* (monthly publication) and *FrecciaViaggi* (quarterly publication) are published in paper form and online as also the series of product publications. All printed publications are on FSC® (Forest Stewardship Council®) certified paper.

*La Freccia*, a magazine with general contents together with a careful eye to the Ferrovie dello Stato Italiane universe, is interactive now: readers can access images, videos, interviews and use links through the new augmented reality application. A Ferrovie dello Stato Italiane magazine, *FrecciaViaggi*, entirely devoted to travel also came out in March 2013.



### Web & New Media

The Group's corporate website, [fsitaliane.it](http://fsitaliane.it), was enriched during 2013 with a new Investor Relations section and a multimedia archive containing the photo galleries of the Group's main events.

The FS Italiane Foundation's site, [fondazionefs.it](http://fondazionefs.it), came on line in October 2013, accompanied by a dedicated Facebook Page.

The Group is present on the following social networks:

- **Twitter:** more than 80,000 followers among the accounts: @FSNews\_IT, @LeFrecce and @Grazie1000, with more than 80,000 mentions (references/requests for assistance) and more than 600,000 tweets;
- **FondazioneFS Facebook page** (on line since October 2013): 300 posts, 7 albums with 288 photos;
- **Flickr:** more than 800 photos were published on the "Ferrovie dello Stato Italiane" account;
- **Storify:** the company profile @FsNews\_it included multimedia and information items regarding events of interest;
- **FourSquare:** information regarding services and commercial information at the main Italian stations were provided on the *LeFrecce* and *FSNews* accounts, with more than 200,000 check-ins;
- **Linkedin:** the official pages of the main Ferrovie dello Stato Italiane Group companies were created.

The **web listening** process that has been going for some years was further stepped up by near real time monitoring of web sources, gathering the sentiments of opinions regarding the Group and assessing the media impact of spontaneous conversations and articles published on line.

These activities as a whole further extended the Group's communication front from a target mainly composed of journalists and experts in the sector to a general public representing the Group's principal stakeholders.



## 5.2.4 The FS Italiane Foundation

The FS Italiane Foundation came into being in March 2013 with the aim of preserving and making use of the history and techniques kept by the various Group companies to date. The Foundation fosters the rediscovery of the history of the Italian railways, spreading their culture, promoting the National Railway Museum at Pietrarsa and at the other centres throughout Italy and organising historical-tourist trains. The following are part of the Foundation's assets:

- **200 still functional historic trains** built in the first half of the twentieth century, symbols of Italian railway transport which bear witness to technical excellence that has never known an interruption since 1905;



- **historic trains no longer in service** and railway museums, the Italian Railways' place of remembrance. The National Railway Museum at Pietrarsa, in the *Opificio Meccanico e Pirotecnico*, a former Bourbon mechanical engineering and munitions factory, projects visitors on a virtual journey in time among the most famous railway vehicles of our history;
- **the library** of more than 50,000 volumes (books, series and magazines) from pre-unity Italy up to our own days, some of which may also be consulted through an online catalogue;
- **the archive**, from two main sources:
  - the Historic Works and Construction Division Archive (*Archivio Storico Servizio Lavori e Costruzioni*), holding the documents regarding the construction of the network, stations and related facilities, more than 8,000 folders of information, drawings and plans which may be consulted through a computerised database;
  - the collection of Drawings from the former Materials and Traction Division Archive (*Archivio Disegni dell'ex Servizio Materiale e Trazione*), containing more than 7,000 rolls of technical drawings of historic locomotives and other stock and 10,000 photographs, most of which are glass plate photographs from the 1920s, 1930s and 1940s;
- **the audio-visual library** of more than 500,000 black and white and colour photographs, both analogical and digital, more than 5,000 video cassettes, 3,000 cinematographic films made from immediately after the Second War up to the 1970s and a recent archive of HD digital films which is growing continuously.

The Foundation avails itself of the collaboration of a large number of unpaid railway lovers, volunteers and former railway employees who help to keep historic rolling stock in a clean and decorous condition and who give up their time to carrying out many organisational and supporting activities. Fans and persons who are merely curious also take an interest in these matters through the Foundation's official Facebook page.

## » THE FS ITALIANE FOUNDATION IN FIGURES

<b>Operational rolling stock</b>	• 200
<b>Events organised in a year</b>	• 100
<b>Library</b>	• 50,000 volumes
<b>Archive</b>	<ul style="list-style-type: none"> <li>• 8,000 drawings and plans of the network and stations</li> <li>• 260,000 rolls of technical drawings of historic locomotives and rolling stock</li> </ul>
<b>Audiovisual library</b>	<ul style="list-style-type: none"> <li>• 500,000 black and white and colour analogical and digital photographs</li> <li>• 5,000 videocassettes</li> <li>• 3,000 cinematographic films</li> </ul>
<b>Sites where rolling stock is to be found</b>	• 11 sites + National Railway Museum in Pietrarsa
<b>National Railway Museum in Pietrarsa</b>	<ul style="list-style-type: none"> <li>• 36,000 sq. m.</li> <li>• 50 historic vehicles</li> <li>• <i>Trecentotreni</i> ("Three Hundred Trains"), an 18 m by 2 m model</li> </ul>
<b>Associations having agreements with the Foundation</b>	• 16





## 6 Environmental Responsibility

### The Main Environmental Factors Involving the Group

The Ferrovie dello Stato Italiane Group monitors the environmental aspects of its work in order to respect local resources and reduce interference with ecosystems to the minimum.

The following is a graphic representation of the environmental indicators that are of most significance for the Group. The companies falling within the scope of the reporting in the diagram are grouped by business sector:

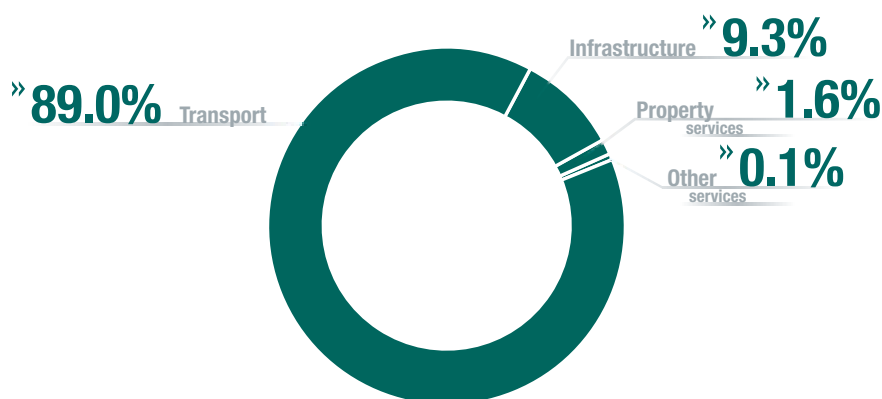
- Infrastructure: RFI, Italferr;
- Transport: Trenitalia, Netinera group, Busitalia - Sita Nord, FS Logistica, Serfer, Terminali Italia, TX Logistik;
- Property services: Grandi Stazioni, Centostazioni, FS Sistemi Urbani, FS Italiane;
- Other services: Ferservizi.

As shown in the diagrams that follow, the Transport sector accounts for a large part of the Ferrovie dello Stato Italiane Group's energy consumption compared with other business sectors, particularly for (electric and diesel) traction for railway transport and public road transport (diesel).



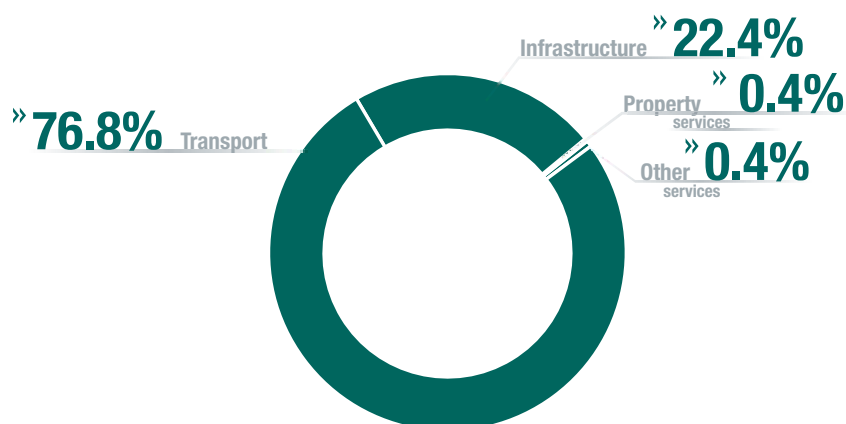
#### >> ELECTRICITY

TOTAL 4,700 GWH



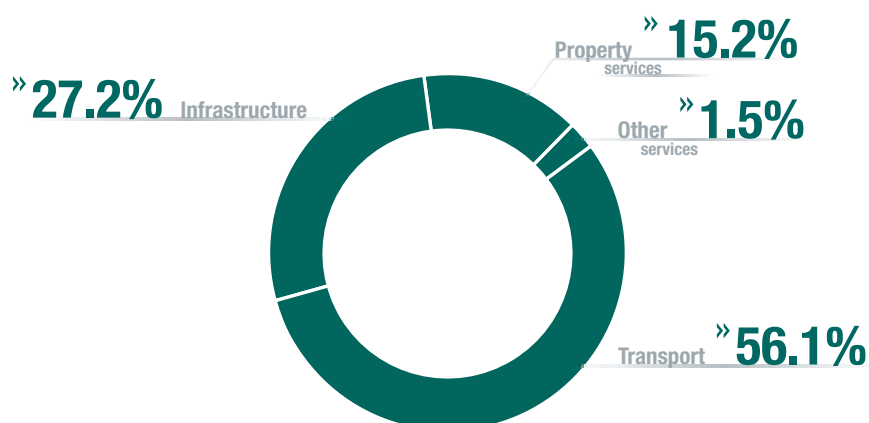
## » DIESEL FUEL

TOTAL 110,016 T



## » NATURAL GAS

TOTAL 41.6 MIL. M<sup>3</sup>

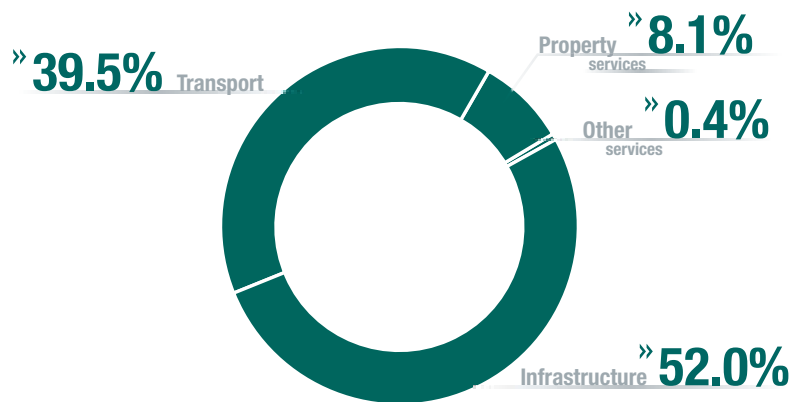


Most waste is produced as a result of the maintenance of rolling stock and infrastructure, processes that are mainly conducted in the Transport and Infrastructure sectors. Most waste for recycling (ferrous material above all) also comes from the maintenance of rolling stock (demolition of wagons) and rail track. There is much room for improvement in waste recycling management in the main stations: recycling remains stationary at a low percentage, the main difficulty being the management of large spaces open to the public. Finally, the percentage

of municipal solid waste differentiation in Other Services, on the other hand, is largely in line with the Italian average (about 40% in 2012, according to the Urban Waste Report, ISPRA [*Istituto Superiore per la Protezione e la Ricerca Ambientale*, Institute for Environmental Protection and Research] 2013). The following diagrams show the waste produced by the Group companies, including special, hazardous and non-hazardous waste and waste similar to urban waste collected in the main railway stations (Grandi Stazioni and Centostazioni network).

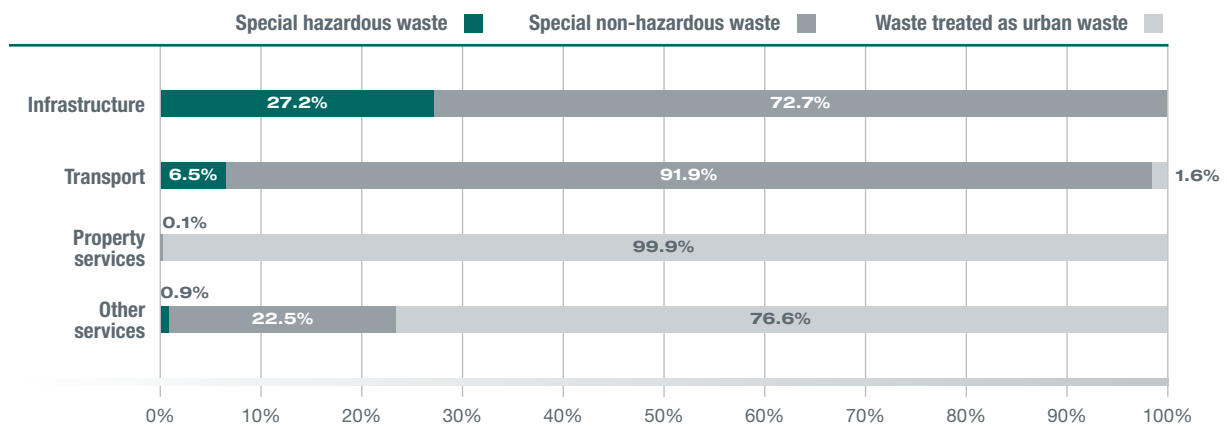
## WASTE PRODUCED

TOTAL 243,100 THOUSAND T

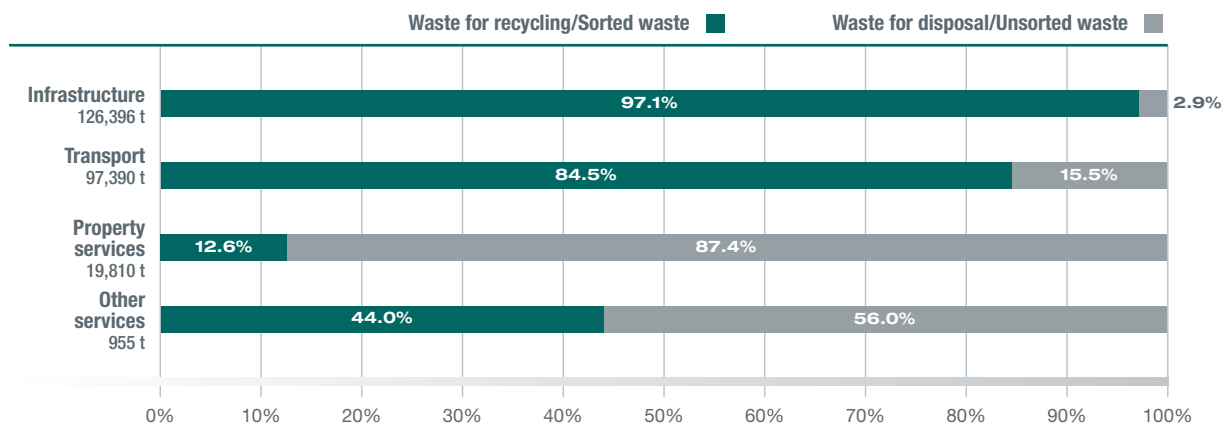


## WASTE PRODUCED

TOTAL 243,100 THOUSAND T



## WASTE FOR TREATMENT





## 6.1 Energy

GRI EN3 | EN4 | EN5 | EN6 | EN26

In 2013 the Ferrovie dello Stato Italiane Group again committed itself to seeking to use energy resources in a conscious and sustainable manner, also in the light of its role as a consumer of energy on a large scale in our country.

The Group's primary energy consumption rose by 5.3% compared with the previous year as a result of an in-

crease in the scope of reporting (to which was added the Netinera group) and an increase in railway services in Italy. These two factors more than offset the positive results of rationalisation of work and energy saving and were also a decisive element in the increase of primary energy consumption by railway operations, which accounted for 80% of the Group's total consumption.

### » PRIMARY ENERGY CONSUMPTION BY SECTOR<sup>1-2</sup>

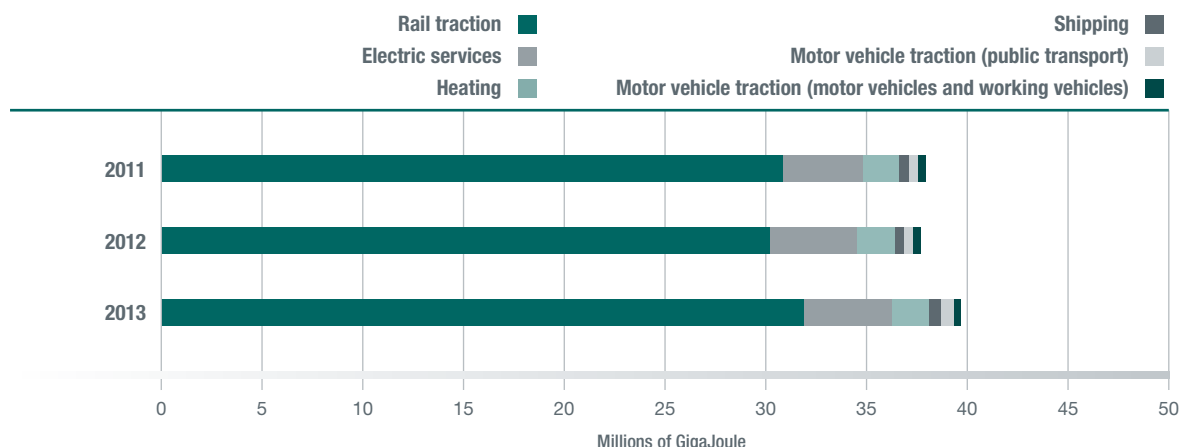
	2011	2012	2013	Δ 2013/2012
Rail traction	30,898,765	30,243,117	31,894,005	5.5%
Electric services	4,001,004	4,389,677	4,446,908	1.3%
Heating	1,673,098	1,693,657	1,813,293	7.1%
Shipping	511,753	592,725	543,649	-8.3%
Motor vehicle traction (public transport)	489,956	455,321	689,605	51.5%
Motor vehicle traction (motor vehicles and working vehicles)	307,395	295,222	297,577	0.8%
<b>Totale</b>	<b>37,881,971</b>	<b>37,669,718</b>	<b>39,685,038</b>	<b>5.3%</b>

Values in GigaJoule

1. The energy consumption data were processed by using the following sources: Terna statistics, UIC, Eurostat, International Energy Agency (IEA), ISPRA

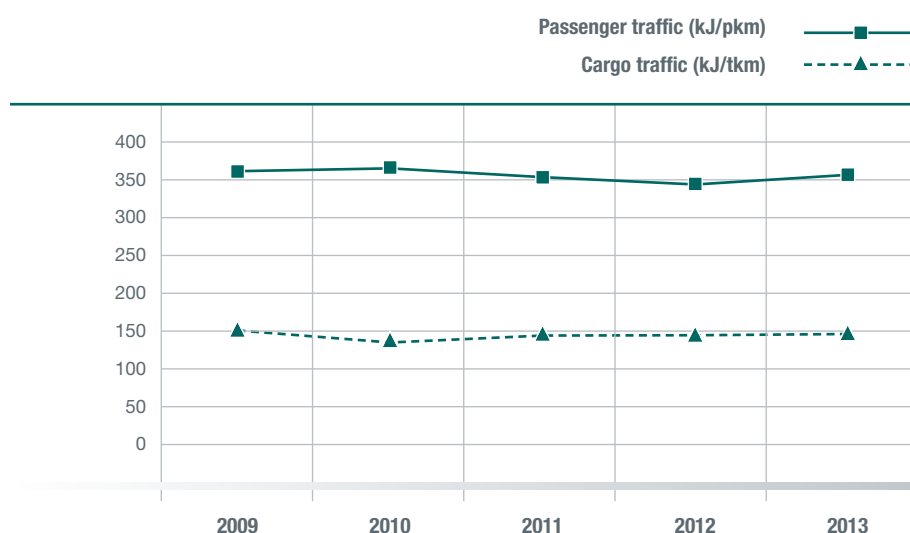
2. Starting with this Report, a location-based approach is used in choosing the electric mix for the calculation of primary consumption, which is also in conformity to CER's position with regard to the targets for the sector. 2011 and 2012 consumption, therefore, were reprocessed in line with this approach

## » TREND IN CONSUMPTION OF PRIMARY ENERGY



A project for measuring energy consumption on board trains continued in 2013 with regard to this aspect by using the DIS (Driver Information System) without installing a dedicated meter in order to encourage the adoption of an energy efficient train driving (eco-driving) style.

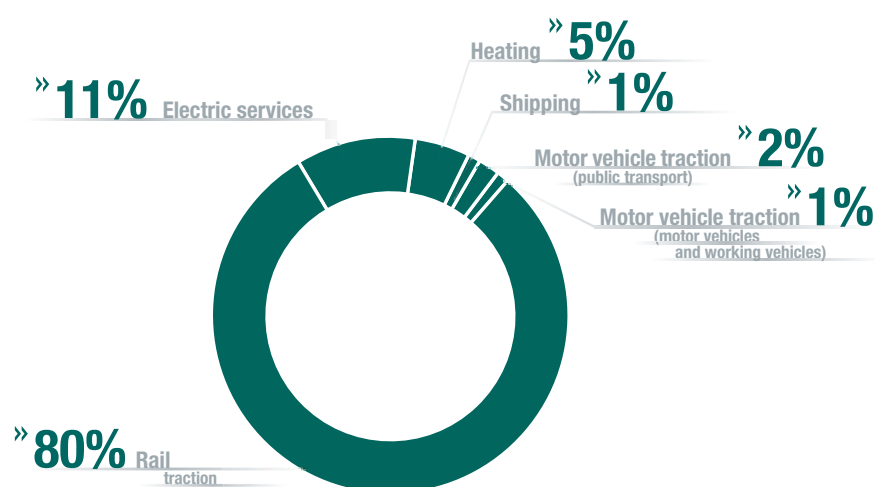
## » SPECIFIC FINAL CONSUMPTION FOR RAIL TRACTION (TRENITALIA)



A better driving style with a consequent reduction in consumption is an objective also pursued by the Netinera Group, which is working on an energy monitoring system that acquires location and performance data in real time.

The experiments conducted in 2013 gave excellent results and in 2014 Netinera will continue to put the system into action on its diesel locomotives and has started creating a version of the system for electric traction engines.

## » TOTAL CONSUMPTION OF PRIMARY ENERGY BY SECTOR (2013)



Electricity is the next biggest item of consumption with 11% of the total (lighting, Data Processing Centres, lifts, air-conditioners, etc.). During 2013 the Group's operating companies continued the process of monitoring and energy diagnosis in the main places of consumption (stations, workshops, etc.) and went on with their efforts to plan the consequent measures for rationalisation and greater energy efficiency.

Primary electricity consumption, however, rose by 1.3% compared with 2012, mainly owing to the extension of the scope of reporting owing to the inclusion of the Netinera Group.

The main measures taken to reduce electricity consumption consisted in:

- continuing with and building up the "Green Industrial Plant Project" (*Progetto Impianto Verde*), a project whose aim is to work to a reference energy standard for upgrading industrial plants, carrying out another fifteen energy diagnoses in the maintenance shops and afterwards drawing up a programme of operational and structural action to improve energy efficiency and the self-production of energy from renewal sources by each plant;
- starting a project for the real-time monitoring of electricity consumption in about 50 industrial plants, involving the installation of a centralised management system with sensors in the maintenance lines and in the offices; during the year a smart metering system was put into action in the first three RMWs (Routine Maintenance Workshops; OMC, *Officine di Manutenzione Corrente*) in S. Maria La Bruna, Foligno and Verona, and the results of this monitoring system will enable measures to be taken in the areas in which improvement has been found possible;

- lighting audits at a sample of stations. The findings served to draw up an energy efficiency plan providing for the replacement of lighting equipment (platform roofs, subways, passenger facilities and lighting towers) with LED technology and the introduction of remote control and remote management systems.

Heating fuel consumption (4.5% of the total) rose by more than 7% as a result of an extension in the perimeter (the inclusion of the Netinera Group) and new users in Bari and Rome Tiburtina Stations. An important factor to note is the gradual transition from diesel fuel, fuel oil and LPG to natural gas powered thermal plants.

There was an overall 8.3% drop in the consumption of diesel fuel in the shipping sector as a result of the reduction in operations (sea journeys).

The total 51.5% increase in consumption for motor vehicles in the road transport sector is mainly due to the consolidation of the Netinera Group's operations in 2013, while Busitalia - Sita Nord's results are similar to last year's owing to technical work carried out on its buses and driver training.

Finally, consumption by motor cars and other motor vehicles used in the course of the Group's work was stable overall.

The Ferrovie dello Stato Italiane Group companies are also engaged in promoting the use of renewable energy, specifying this in calls for tenders for the supply of electricity (for example in 2013 Grandi Stazioni also bought and used 20% of its supply from certified renewable sources, equal to about 11,400 MWh). During 2013 a PV plant started up at Turin Porta Susa High-Speed Station (receiving an award as a specimen of ecological architecture), which produced about 330 MWh.

Another operational PV plant at the Rome Scalo San Lorenzo depot produced about 600 MWh during the year, over 46% of which consumed by FS Logistica, the company that uses and manages the freight facility.

## » DIRECT CONSUMPTION OF ENERGY FROM PRIMARY SOURCES

	2011	2012	2013	Δ 2013/2012
<b>A. Direct consumption of energy from non-renewable primary sources</b>	<b>5,839,881</b>	<b>5,537,922</b>	<b>6,223,250</b>	<b>12.4%</b>
Diesel fuel	4,564,779	4,212,905	4,752,865	12.8%
Natural gas	1,214,436	1,278,757	1,426,414	11.5%
Gasoline	12,798	17,863	16,254	-9.0%
Coal	6,440	5,507	6,290	14.2%
LPG	3,589	7,904	7,738	-2.1%
Fuel oil	37,838	14,987	13,689	-8.7%
<b>B. Direct consumption of energy from renewable primary sources</b>	<b>1,103</b>	<b>997</b>	<b>2,212</b>	<b>121.8%</b>
PV plant energy self-consumed	1,103	997	2,212	121.8%
<b>Total direct consumption of energy from primary energy sources (A+B)</b>	<b>5,840,984</b>	<b>5,538,919</b>	<b>6,225,462</b>	<b>12.4%</b>

Values in GigaJoule

## » INTERMEDIATE ENERGY CONSUMPTION

	2011	2012	2013	Δ 2013/2012
<b>Indirect consumption of primary energy for the production of intermediate energy</b>	<b>32,041,537</b>	<b>32,130,799</b>	<b>33,459,576</b>	<b>4.1%</b>
<b>Direct consumption of intermediate energy</b>	<b>16,751,495</b>	<b>16,087,582</b>	<b>16,941,076</b>	<b>5.3%</b>
<b>Electricity</b>	<b>16,742,349</b>	<b>16,066,547</b>	<b>16,920,335</b>	<b>5.3%</b>
for rail traction	14,709,835	13,917,370	14,713,336	5.7%
for other uses	2,032,515	2,149,177	2,206,999	2.7%
<b>Heat</b>	<b>9,145</b>	<b>21,035</b>	<b>20,741</b>	<b>-1.4%</b>
for heating	9,145	21,035	20,741	

Values in GigaJoule

## 6.2 Emissions

GRI EN7 | EN16 | EN17 | EN18 | EN19 | EN20 | EN26 | EN29 | PR1

In 2013 the Ferrovie dello Stato Italiane Group's total emissions of greenhouse gases rose by 4.7% as a result of the Netinera Group's falling within the scope of reporting and, to a lesser extent, owing to higher electricity consumption due to more train services.



## » EMISSIONS OF GREENHOUSE GASES<sup>1</sup>

	2011	2012	2013	Δ 2013/2012
<b>A. Direct emissions of greenhouse gases</b>	<b>410,828</b>	<b>386,664</b>	<b>434,987</b>	<b>12.5%</b>
Diesel fuel	336,711	310,657	350,506	12.8%
Natural gas	69,519	72,585	81,211	11.9%
Gasoline	911	1,271	1,156	-9.0%
Coal	592	505	578	14.5%
LPG	233	513	502	-2.1%
Fuel oil	2,863	1,133	1,033	-8.9%
<b>B. Indirect emissions of greenhouse gases</b>	<b>1,920,387</b>	<b>1,797,756</b>	<b>1,859,727</b>	<b>3.4%</b>
Electricity	1,919,864	1,796,562	1,858,546	3.5%
Heat	524	1,194	1,181	-1.1%
<b>Emissions of greenhouse gases (A+B)</b>	<b>2,331,215</b>	<b>2,184,420</b>	<b>2,294,714</b>	<b>5.0%</b>

Values in tCO<sub>2</sub>

1. The emissions were calculated by using the coefficients specified by the "2006 Guidelines for National Greenhouse Gas Inventories" issued by the IPCC (Intergovernmental Panel on Climate Change) and the ISPRA "National Inventory Report 2014"

## » SPECIFIC EMISSIONS OF CO<sub>2</sub> FOR RAIL TRACTION (TRENITALIA)





In particular, specific CO<sub>2</sub> emissions for rail traction from passenger services rose by 2.7% over 2012, due to the combined effect of an increase in specific consumption and in the amount of renewable energy in the electricity mix. As a whole, the trend was in line with the strategy in the railway sector, as reported in the text.

“A Strategy in the European railway sector for 2030 and beyond” was approved and adopted by the members of the UIC and CER in 2010 to set out a uniform approach to environment and sustainability in the European railway sector. The Strategy lays down the targets up to 2030 and a vision as of 2050 on some priority environmental themes, defining a reference framework for individual railway companies’ policies and lines of action.  
At the moment the European railway sector is in line with CO<sub>2</sub> and energy targets and if previous trends also continue in the years to come both the passenger and the freight sectors will reach their individual targets.

TARGET	BY 2020	BY 2030	BY 2050
<b>Emissions of CO<sub>2</sub></b> <i>passenger/km; t/km</i>	-30% compared to the base year 1990	-50% compared to the base year 1990	Zero emissions
<b>Energy efficiency</b> <i>passenger/km; t/km</i>		-30% compared to the base year 1990	-50% compared to the base year 1990
<b>Emissions of exhaust gases</b> <i>absolute level of NO<sub>x</sub> and PM<sub>10</sub></i>		-40% compared to the base year 1990	Zero emissions of exhaust gases

The result of the efforts that the Group makes in promoting and carrying out measures to mitigate its impact on the environment is plainly seen in the trend of the CO<sub>2</sub> emissions from industrial plants subject to the ETS (Emission Trading System) Directive<sup>92</sup>: these emissions are 6% lower than the previous year not only owing to a milder winter but also to the adoption of effective management systems, technological measures, greater care with the plant maintenance process and a vigorous awareness and educational campaign regarding the rational use of energy.

Indirect emissions of SO<sub>2</sub>, NO<sub>x</sub> e PM<sub>10</sub> rose overall, in spite of the fact that in 2013 the Ferrovie dello Stato Italiane Group continued with the efforts it is making in the campaign for the replacement of diesel fuel and fuel oil powered thermal power plants by natural gas plants and in the gradual rationalisation of diesel fuel powered rail traffic, as a result of the increasingly high amount of electricity produced from coal (in particular SO<sub>2</sub> and NO<sub>x</sub>), while direct emissions rose as a result of the inclusion of the Netinera group in the scope of operations.

92. The third phase in the implementation of the ETS System, which is to last for eight years, began on 1 January 2013. Even stricter national limits on emissions have been set for each sector in this phase. In fact, Italy has issued a National Allocation Plan (*Piano Nazionale di Assegnazione*) which establishes the number of quotas for each plant, setting a maximum annual emissions limit, which will fall gradually over a period of time.

## » OTHER SIGNIFICANT EMISSIONS INTO THE ATMOSPHERE<sup>1-2</sup>

	2011	2012	2013	Δ 2013/2012
<b>Total indirect emissions</b>				
SO <sub>2</sub>	1,069.5	1,024.9	1,362.5	32.9%
NO <sub>x</sub>	1,220.3	1,170.2	1,377.5	17.7%
PM <sub>10</sub>	44.9	43.0	45.3	5.2%
<b>Total direct emissions</b>				
SO <sub>2</sub>	357.5	379.7	364.0	-4.1%
NO <sub>x</sub>	5,002.9	4,690.6	5,275.8	12.5%
PM <sub>10</sub>	149.2	137.4	154.7	12.6%
<b>Total emissions</b>				
SO <sub>2</sub>	1,427.0	1,404.6	1,726.5	22.9%
NO <sub>x</sub>	6,223.1	5,860.8	6,653.2	13.5%
PM <sub>10</sub>	194.1	180.5	200.0	10.8%

Values in t

1. The direct emissions were calculated by using the transformation coefficients under the "EMEP/EEA air Guidebook 2009", while indirect emissions were calculated by using the coefficients under the Enel "2012 Environmental Report"
2. Other emissions that are not significant are SF<sub>6</sub>, used as a dielectric in electric sub-station HT switches and HFC, used as a refrigerant gas in air-conditioning plants. The numbers of air-conditioning systems that use HCFC are limited and falling continuously; the risk of ozone-harming gas leaks has been assessed and is not significant for the purposes of this Report

In addition to reducing its own impact on the environment, the Ferrovie dello Stato Italiane Group can do much to bring a sustainable development model into being in the transport sector. In Italy road traffic accounts for more than 80% of greenhouse gas emissions, air and sea traffic about 9% each and railway traffic only 2%. The environmental advantage of rail traffic is more appreciable in Italy than in the rest of Europe owing to the substantial portion of electrified track: over 71% compared with the European average of 52%. In Italy, as about 90% of trains are electrically powered, we also benefit from the average national mix of electricity used on the network, almost 30% of which comes from renewable sources.

The Group companies, therefore, are engaged in making the general public aware of the benefit to the environment brought by train travel. For example, for this purpose Trenitalia has two tools on its website *trenitalia.com*, *Ecopassenger* and *EcoTransitIT*, which meas-

ure the environmental impact of a journey for persons and goods in terms of energy consumption and polluting and climate-changing emissions into the atmosphere. These tools compare the effects of the various methods of passenger (train, air and road) and cargo (train, air, truck and sea) transport on the environment. In order to arouse greater awareness of the environment, especially among young people, the Ferrovie dello Stato Italiane and Legambiente Green Train, a vast atmospheric and acoustic pollution survey campaign, returned on the tracks in 2013. From 7 March to 12 April, in each of the eight places (Bari, Reggio Calabria, Salerno, Rome, Florence, Bologna, Milan, Turin) at which the train stopped, monitoring confirmed and highlighted the main problem in most of our towns and cities: the unsustainability of private road traffic and thus the need to encourage the use of public transport, bicycles and other innovative solutions for cutting down traffic (i.e. car sharing, car-pooling, telework).

A new proposal was launched in Milan in December 2013: Car Sharing Enjoy, managed by ENI, in partnership with Trenitalia and FIAT, with which the Group sets itself the objective of creating a sophisticated sustainable mobility system in which the *Frecce* trains are the link between the great cities and a shared car is a valid solution for the first and last mile. This service combines the environmental virtues of the train with those of Car Sharing and puts as many as 650 (Euro 5) Fiat 500s at travellers' disposal to move about the town.

Road transport also contributed to the reduction of atmospheric emissions: the operations for the tender for the supply of low emission category Euro 5 or 6 vehicles in the place of the old generation vehicles (Euro 0-2) were completed. Furthermore, the process of the installation of exhaust gas treatment and control filters on buses which began in 2012 continued in 2013, enabling Euro 2/3 to Euro 5 vehicles to be approved (only as regards the emission of particulates).

## Mobility Management

The main Mobility Management initiatives for Group employees were:

- Home-to-work Travel Plans (*Piani Spostamenti Casa-Lavoro*) were prepared or updated in the metropolitan areas in which Group Mobility Managers have been appointed;
- information was provided on the Group's intranet site to help employees to commute (including an infomobility page which gives public transport news in real time for the main Group offices);
- a pilot car-pooling scheme was started at the Ferservizi head office, whereby employees who pool their cars for journeys between home and work are given a free parking space;
- the number of bicycle parking spaces for those working in the Rome head office building (Villa Patrizi) was increased by 40% and an arrangement was made for the purchase of folding bicycles for employees at a special price;
- an agreement was signed by the Ferrovie dello Stato Italiane Group and the National Consortium of Car Sharing Operators (*Consorzio Nazionale di Gestori di Car Sharing*) for Group employees to buy the annual subscription at a reduced price;
- an RFI Mobility Managers educational and experience-sharing day was arranged.



## 6.3 Land

GRI 4.11 | 4.16 | EN1 | EN2 | EN3 | EN4 | EN7 | EN11 | EN12 | EN13 | EN14 | EN15 | EN22 | EN25 | EN26 | EN30 | EC8 | SO1 | SO9 | SO10 | PR1

### Respecting the Land: Planning

Planning and carrying out investments in infrastructure having the aim of minimising impact on the land are a priority for RFI and Italferr. The main instruments used are the Environmental Impact Assessment (VIA, *Valutazione di Impatto Ambientale*), the Services Conference (*Conferenza dei Servizi*) and the special rules for priority works (with the entry into force of the so-called “Objective Law” [*Legge Obiettivo*, e.g. the Italian law governing measures on infrastructures] and related implementing decree).

Specifically, Italferr’s approach takes the form of preparing environmental pre-feasibility studies for projects which:

- consider the compatibility of the project with the requirements of any general or sector landscape, territorial or town plans;
- determine the foreseeable effects of the realisation of the project and its operations on the components of the environment and on public health;
- decide the measures to take to mitigate environmental impact and any necessary restoration, regeneration or improvement of the environment and the landscape.

An environmental impact study is drawn up in the preliminary design phase for key works in the sense of the Objective Law. The aim of ensuring that the work fits into the environment and the land to a high standard is also pursued in the designs for works for which an environmental impact study is not legally obligatory: specialist design documents are produced such as environmental pre-feasibility studies, landscape reports, studies on the assessment of the implications of the work for the environment and site designs that take the environment into account. The environmental design of the construction site plays a decisive role in interacting with the surroundings and their inhabitants.

In this regard, Italferr prepares specific design documents (Environmental Design of the Construction Site [*Progetto Ambientale della Cantierizzazione*] and Environmental Monitoring Plan [*Progetto di Monitoraggio Ambientale*]) which establish the important environmental aspects related to site work and the mitigation and monitoring measures necessary to protect the environment around the site.

An Environmental Monitoring Plan sets down the important factors to keep under control, the measurement points, the parameters and the frequency of the monitoring carried out before work starts, during work and after work. Monitoring the state of the environment, conducted in relation to the various components of the environment that have been selected, enables Italferr to verify whether the actual impact on the environment is as forecast, to assess the efficacy of the mitigation systems adopted and to detect any possible environmental emergencies promptly and manage them without loss of time. For all projects with a high degree of complexity, in order to interact more satisfactorily with the surrounding territory, since 2009 Italferr has been including the Social Context (*Ambiente Sociale*) among the components of the environment that it monitors. This is done to ascertain how the project is perceived by the surrounding population both while being constructed and when operational. A large-scale work affects not only physical resources, but also social, economic and territorial resources and is grafted onto a social and cultural fabric that conditions people’s futures, family plans and social aggregations and may have an influence on power structures both in the immediate locality and at national level.

The data acquired during the measuring campaigns are handled through an appropriate EPMGIS (Environment and Project Monitoring Geographic Information System; *SIGMAP, Sistema Informativo Geografico Monitoraggio Ambiente e Progetti*) Database, which has become an established and fundamental tool for data management and consultation.

Environmental design also includes specific research into finding sites for the procurement of inert materials for use in constructing the infrastructure and for the disposal of the debris and checking the regional register of contaminated sites that might interfere with the work. Should design decisions make it necessary, this study is supplemented by Plans for the Management and Reuse of Excavated Earth and Rock (*Piani di Gestione delle Terre e Rocce da Scavo/Piani di Utilizzo*) which describe the works envisaged, provide information regarding the surveys conducted, explain how the debris have been characterised during the design/construction phase and state the amounts involved and how they are to be managed.



In order to ensure that works of exceptional engineering complexity such as railway infrastructure fit suitably into the environment, in the approach to territorial problems there must be a systematic dialogue with all the players involved in realisation. In these cases, with Italferr's technical support, RFI involves local communities by arranging technical discussions or Services Conferences with the authority to guide design decisions. The frequent need to integrate the works in the urban fabric has led to seeing new works not only as responses to railway transport requirements but as factors for the aggregation of urban functions. Therefore the collaboration of the municipal authorities concerned is invaluable precisely because this gives the opportunity for combining the urban area with railway transport, for the transformation of towns and cities and the regeneration of whole districts. For Italferr, environment communication policies are the instruments for providing a clear and complete picture of the favourable effects of design decisions. Databases and Websites have been conceived and created in collaboration with the Environment Ministry, various Local Bodies and Authorities with this in mind, constantly informing the public about the state of the environmental quality of the area involved in construction, the works related to the project which mitigate or compensate for environmental impact and the environmental monitoring carried out.

A theme-based Environmental Reclamation section of the SIGMAP Database, which collects the information acquired during the measuring campaigns, has been opened so that all the activities concerned in the reclamation procedures in progress up to now can be planned and checked constantly. Among other things, a new "Design" section was added to the System in 2013, which collects useful data and information for work on new projects. A Cartographical Portal has been created so that local geographic data can be centralised, theme maps produced by specialist Italferr units can be made available to all and certain data can be stored. Through this portal, geographic data can be retrieved and studied and cartographical data can be downloaded. This information is also available to the public in a suitably rearranged form: local Inhabitants and various Bodies and Authorities have access to information on the state of the environmental quality of the area involved in construction, the monitoring activities conducted before, during and after the construction works and the works related to the project which mitigate or compensate for environmental impact. These Systems are also a great help to the ARPA (*Agenzia Regionale per la Protezione dell'Ambiente*, Regional Environment Protection Agency) and to Environment Observatories (*Osservatori Ambientali*) when they keep a watch on the construction phase.



The available websites concern the following railway projects<sup>93</sup>:

- High Speed/High Capacity Padua-Mestre line;
- Florence High Speed junction;
- Palermo junction;
- Terzo Valico dei Giovi line, launched online in 2013.

Other reasons for the creation of the Environment Observatory Portal – at the web address: [osservatoriambientali.it](http://osservatoriambientali.it) – were:

- to spread information on a wide scale on the activities of the Environment Observatories on the High-Speed/High-Capacity lines: Turin-Novara-Milan, Milan-Bologna, Bologna-Florence, Rome-Naples, Padua-Mestre and the Bologna and Florence junctions;
- to circulate monitoring data among Environment Observatory operators in as homogeneous a form as possible.

This Portal integrates with the information websites created by Italferr at the request of the Environment Observatories on the Padua-Mestre line and of the Florence junction, and the Rome Tiburtina, Bologna High-Speed and Florence High-Speed stations' WebInfoPoints set up by RFI, which are among the web

projects that give local communities information about large-scale railway works.

Italferr has also had an online Environment Regulatory System (*Presidio Normativo Ambientale*) since 2009, on which summarised factsheets regarding the main environment regulations for the sites of infrastructure works and their design and construction may be consulted.

Finally, we should mention the work of constantly keeping up to date the focus on “Environment and Sustainability” section of Italferr’s website, which was created in order to draw attention to Italferr’s new environmental design approach in terms of another way of interpreting “traditional” themes and issues through a broader and more integrated view of the Environment which goes beyond mere environmental impact and determines an actual environmental balance sheet of the work, pinpointing not only what the project takes away from the milieu but the allied benefits that it brings with it.

If participation by both institutional and non-institutional stakeholders in decisions regarding the development of infrastructure is encouraged as early as the design phase, interaction with the territory involved is enhanced and its specific needs are focused on.

93. The links are available on the website: [osservatoriambientali.it](http://osservatoriambientali.it).

## Respecting the Land: Construction of New Infrastructures

The construction phase of infrastructural works is an especially critical and complex time for Italferr owing to the possible environmental repercussions on the surrounding land. Concern for the environment takes the form of the Contractors' adoption of Environmental Management Systems that conform to the requirements of the UNI EN ISO 14001 standard. Italferr obliges construction companies to design a site activities Environmental Management System and to put it into effect throughout the duration of the works. The System must provide the company and environment protection agencies with objective proof of the environmental control exercised during the work. The Systems also require the contractor to draw up an Initial Environmental Analysis (*Analisi Ambientale Iniziale*) of the site activities before work begins in order to identify the important environmental issues that have to be managed during construction and lay down the operational methods for the proper environmental supervision of the site. Environmental control in work sites also includes periodic inspections and visits by a team of Italferr environment experts whose duty it is to see that the contractors manage the site correctly from the point of view of the environment.

During the construction and operation of railway works, therefore, concern for the environment means a constant activity of environmental supervision of the sites by means of periodic inspections and visits, verification that legislation is being complied with, audits of Environmental Management Systems of the work sites and environmental monitoring activities: monitoring is a further invaluable instrument for controlling any modifications that have had to be made during construction.

By monitoring the state of the environment:

- it can be seen whether forecasts of impact are fulfilled;
- the efficacy of the mitigation systems put in hand can be checked;
- the site is sure to be correctly managed from the point of view of the environment;
- any environmental emergencies are detected and managed promptly.



This paragraph has presented the main environmental issues related to the work done on Italferr's sites for the construction of new railway infrastructure<sup>94</sup>. Only the figures for the reporting year are given, since performance over the years is not a guide to the degree of sustainability of the approach to site work: therefore the data provided are those for the types of site works, the stages that they have reached and the number of sites open in the reporting year.

94. The data presented refer to the reference sample, which covers over 50% of the main sites; in particular, the following work sites are included: Bologna junction, Catania Ognina-Catania C.le, Genoa junction, Milan-Mortara line, Ortona northern second line, Padua-Mestre section, Palermo junction, Spoleto-Campello section, Castelplanio-Montecarotto section, Cattolica tunnel, Milan-Genoa line, Rome Tiburtina High Speed station, ACC-M Felizzano, ACC Milan Martesana, ACEI S. Donà and S. Stino, Trento station, ACS Padova C.M., Turin Stura, suppression of PL Chiusa S. Michele, Solignano-Osteriazza section, Treviglio-Brescia section.



## » RAW MATERIALS

	2013
Earth - procurement	1,995,307,300
Earth - reuse	741,725,280
Concrete	1,677,442,440
Inert material	1,115,965,960
Steel for permanent way	3,894,370
Steel for technological railway systems	50,129,600
Gravel	98,673,660
Prestressed concrete sleepers	14,388,800
Iron	12,786,970
Aluminium	137,000
Cast iron	105,450
Copper	61,000
Lubricants	47,847
Technical gases	16,739
Welding electrodes	4,710
Fluorescent lamps	1,620
Batteries for industrial use	1,225
Paints	1,100

Values in kg

## » WASTE - PRODUCTION

	2013
Special non-hazardous waste	741,188
Special hazardous waste	10,476
- of which asbestos	2

Values in t

## » WASTE - DESTINATION

	2013
Non-hazardous special waste for recycling	577,079
Non-hazardous special waste for disposal	312,307
Special hazardous waste for recycling	2,813
Special hazardous waste for disposal	7,521

Values in t

In designing and constructing infrastructure, Italferr and RFI carried out various initiatives to improve energy efficiency and use resources increasingly rationally, preferring to use materials that are to hand in the area surrounding the work, reuse excavation material to a greater extent and, as far as possible, transport material by rail in order to contribute to reducing greenhouse gas emissions.

Using the method that Italferr has refined for the calculation of the Carbon Footprint in designing and constructing railway infrastructure, for example, a design solution can be obtained with an eye to sustainable development in that the designer can work out solutions as the project develops which generate lower greenhouse gas emissions while providing the same level of performance.

## » WATER USED

	2013
Water for civil use from aqueduct	106,384
Water for industrial use from aqueduct	11,305
Water for industrial use from water bodies	436,013
Water for industrial use from groundwater	4,450

Values in m<sup>3</sup>

## » DISCHARGE OF SEWAGE

	2013
Industrial wastewater into sewer	26,156
of which for treatment	19,374
Industrial wastewater for other uses	526,936
- of which for treatment	526,936
Domestic wastewater into sewer	78,823
Domestic wastewater for other uses	15,350

Values in m<sup>3</sup>



Italferr has also paid particular attention to energy consumption in site management by using timers and twilight sensors, energy saving bulbs and independent motion sensor light switches which only put the lighting on when staff are present in the area.

## » CONSUMPTION OF PRIMARY ENERGY

	2013
Electricity	31,640
Diesel fuel for motor vehicles and working vehicles	344,352
Gasoline for motor vehicles and working vehicles	642
Natural gas for heating	27
<b>Total</b>	<b>376,661</b>

Values in GigaJoule

Below are reported the expenditure items connected to the management of significant environmental aspects, as well as of the environmental monitoring activities carried out.

## » ENVIRONMENTAL COSTS

	2013
Waste treatment and disposal	2,532,168
Environmental monitoring	2,384,798
Environmental reclamation and restoration	1,928,029
Wastewater treatment and disposal	239,136
Noise pollution and vibrations	61,000

Values in Euros

In constructing and developing the Italian railway infrastructure, the Ferrovie dello Stato Italiane Group is committed to working with respect for an environment of high natural, historical and artistic value which is also one of the country's main economic resources.



## Protection of the Land: Biodiversity

The growth of transport infrastructure has a delicate part to play with respect to biodiversity, since it can cause the loss of habitats, break up ecosystems, increase the mortality rate of some species and have other negative consequences on biological diversity.

To make infrastructure growth sustainable means, among other things:

- prevention: refraining from building unnecessary infrastructure and, above all, not touching areas in which there are protected zones;
- mitigation: reducing impacts to the minimum, where

prevention is not possible, by taking the appropriate measures (underpasses, overpasses, enclosure);

- compensation: recovering the overall biodiversity value that has been lost owing to the creation of the infrastructure by ecosystem restorations, re-creating alternative environments elsewhere.

The Ferrovie dello Stato Italiane Group is aware of the fragility of the ecosystems in which it does its work and has given the highest priority to the issue for this reason. The table below summarises the main data of the projects developed by Italferr in 2013.



	USE OF THE SOIL IN PROTECTED AREAS OR AREAS WITH A HIGH DEGREE OF BIODIVERSITY	ENVIRONMENTAL IMPACTS IN PROTECTED AREAS OR AREAS WITH A HIGH DEGREE OF BIODIVERSITY	PROTECTED OR RESTORED HABITATS	BIODIVERSITY STRATEGIES AND PROTECTION PLANS	PROTECTED SPECIES IN AREAS OF OPERATIONS
<b>Catania- Palermo Line</b>  <b>Catenanuova- Raddusa Agira Section</b>	The "Monte Chiapparo" SCI (Site of Community Importance) ITA060014 has an area of 1,877 hectares. The railway line passes about 200 m away and at no point interferes with the protected area. The sites near the SCI are all more than 150 m from the boundary of the Nature 2000 Site. A site road crosses the "Monte Chiapparo" SCI from north to south: it is an asphalted road with uneven sections that will only be used in order to reach provincial road SP21 when the River Dittaino is in flood.	No impact from the construction of the work emerges from the studies conducted in the area between the site and the protected areas.	The main objective is to create a favourable habitat for the bird life in the area by using species of trees in which birds can nest, bushes bearing berries and fruit and new ecological connections which will strengthen and assure the survival of the role played by the River Dittaino in terms of the ecological continuity among the different SCIs that have been found, to which the Monte Chiapparo Nature 2000 Site belongs. Therefore: <ul style="list-style-type: none"> <li>• the uses to which the site areas were put before work started will be restored;</li> <li>• ecological continuity will be maintained for the species of interest for the purposes of conservation in the "Monte Chiapparo" SCI.</li> </ul>	An Environmental Impact Assessment procedure is in progress, with the participation of the public.	Grillio hawk ( <i>Falco naumanni</i> )  Calandra lark ( <i>Melanocorypha calandra</i> )  Stonechat ( <i>Saxicola torquatus</i> )  Lanario hawk ( <i>Falco bairmicus</i> )  Bee-eater ( <i>Merops apiaster Linnaeus</i> )



» continued

	USE OF THE SOIL IN PROTECTED AREAS OR AREAS WITH A HIGH DEGREE OF BIODIVERSITY	ENVIRONMENTAL IMPACTS IN PROTECTED AREAS OR AREAS WITH A HIGH DEGREE OF BIODIVERSITY	PROTECTED OR RESTORED HABITATS	BIODIVERSITY STRATEGIES AND PROTECTION PLANS	PROTECTED SPECIES IN AREAS OF OPERATIONS
<b>Modernisation of Potenza-Foggia Line</b>  <b>Sub-project 2: electrification, rectification of routes, suppression of level crossings and tunnel alterations</b>	<p>The existing line passes through the Valle del Cervaro Bosco dell'Incoronata (IT9110032) and the Valle Ofanto Lago Capacciotti (IT9120011) SCIs. The Valle del Cervaro Bosco dell'Incoronata SCI is not directly affected by any new work. There are plans for some operational sites and technical areas in the Valle Ofanto Lago di Capacciotti SCI. After an examination of the intended use of the soils in the two SCIs, it can be stated that the planned site areas do not entail any removal of vegetation, since they are in sowable land; therefore, the possibility of interference with vegetative nuclei and vegetative habitats may be ruled out.</p>	<p>No impact from the construction of the work emerges from the studies conducted in the protected areas.</p>	<p>As these are agricultural areas, the possibility of interference with spontaneous vegetative nuclei may be ruled out.</p>	<p>An Environmental Impact Study (Studio di Impatto Ambientale) will be prepared and subjected to an Environmental Impact Assessment, including an assessment of environmental effects and public participation in the procedure, during the final design phase.</p>	<p>There are no protected species in the area.</p>

## Protecting the Land: Archaeology

In designing railway infrastructure in countries that abound in vestiges of the past, like Italy, archaeology is a fundamental aspect of environmental impact processes. The archaeological remains that are known at the start are considered basic data which are already to be taken into account in the design phase. From their tried and tested innovative experiences in constructing large-scale works, Italferr engineers have worked out a procedure named VIARCH (*Valutazione Impatto Archeologico*, Archaeological Impact Assessment), designed on the same lines as an Environmental Impact Assessment (VIA, *Valutazione di Impatto Ambientale*), to detect the interferences of civil works with the heritage of the past from the first design phases. This assessment involves the preparation of an Archaeological Study (*Studio Archeologico*) to establish the degree of risk for the ancient heritage, which may include:

- an analysis of information in libraries and archives;
- an analysis of present-day and historical maps;
- a toponomastic analysis;
- an aerial photography analysis;
- reconnaissance of the area involved in the railway project.

The findings are transmitted to the Supervisor (*Soprintendente*) competent for the area, which, if it considers it appropriate to do so, opens a prior investigation of archaeological interest procedure, which is divided into two main phases:

- a phase supplementary to the preliminary design in which core sampling, geophysical and geochemical surveys and archaeological sampling are carried out to ensure that sufficient samples are taken from the area involved in the work;

- a phase supplementary to the final design and working drawings and specifications phase, in which extensive surveys and excavations take place.

The Supervision Office (*Soprintendenza*) expresses a reasoned opinion in each of the two design phases after it has concluded its findings.

In 2013 archaeological studies were carried out into the following projects in order to obtain opinions from the competent local Archaeological Supervision Offices (*Soprintendenze Archeologiche*): the quadruplication of the Rho-Gallarate line; the Oderzo PRA (*Piano Regolatore Ambientale*, Environmental Plan); the Caldonazzo and Roncegno Stations PRG (*Piano Regolatore Generale*, Town-planning Schemes), Genoa junction: new Voltri Brignole ACC (*Apparato Centrale Computerizzato*, Centralised Computer Centre) S. Pier d'Arena building, technological improvements between Chiasso and Monza, Bologna RMW, Bologna RMW turntable, Foligno-Perugia-Ellera section, technological improvements between Campoleone and Priverno, technological improvements of the Naples junction, Naples Centrale ACC, safety works in tunnels between Rome and Naples and Monte del Vesuvio line, Naples RMW, doubling the Termoli-Lesina line; the electrification of the Potenza-Foggia line, Lecce ACC, Bari Centrale ACC, lowering the track level and piping of Reggio Calabria Station, the electrification of the Ionian route in Calabria, Lot 04 Metaponto-Sibari, Lecce ACCM, laying Catania Centrale Station underground, doubling the Zurria-Acquicella line, Catenanuova-Raddusa section, Roccapalumba-Marianopoli section. During the year, either directly, through special instructions in connection with working drawings and specifications for work which a contractor had already been appointed to carry out or through projects followed directly by RFI, Italferr also planned and conducted the following archaeological surveys/archaeological excavations and specialist studies: Sesto Fiorentino PRA, the Rome junction – 4<sup>th</sup> Contract for Serenissima site compensatory works, technological improvements of the Rom junction, the minimal link road with the Afragola High-Speed station, Naples-Bari route, Cancellor-Frasso section, Naples-Bari route, Naples-Cancellor section, Naples-Villaliterno route, works in Naples Casoria and Sant'Antimo, Naples-Battipaglia line, the suppression of the level crossing at Pompei and Pontecagnano, doubling of the Cervaro-Bovino line, km 5+264, Metaponto-Sibari-Sant'Antonello crossroad line, Bari junction southern section, raising speed on the Catania-Syracuse line. Constant support is also given to the Works Management (*Direzione Lavori*)/Supervision Authority (*Alta Sorveglianza*) with regard to work in progress in which archaeological investigations are conducted by the General Contractor or Contractor, carrying out periodic checks of the stage reached in these activities, establishing the best way to manage the excavations and handling relations with the Archaeological Supervision Office. In the course of the first half-year, these activities were carried out with specific reference to the doubling of the Cervaro-Bovino section and the Bari S.Andrea-Bitetto section.



## 6.4 Waste

GRI EN22 | EN24 | EN26

The indicators show a rising trend in the production of waste, which is explained if we analyse the data for the two companies, RFI and Trenitalia, which contribute most to the Group's total value. RFI produces about 56% of all the Group's special waste. This trend has been stable over the years mainly due to the constant volumes of its main activity of infrastructure network maintenance. In 2013 Trenitalia produced an amount of waste equal to about 41% of the total, showing a considerable increase (+87%) compared to 2012. The reason is principally that more special non-hazardous waste is produced as a result of the goods wagon demolition campaign (waste consisting of disused ve-

hicles). Net of the abovementioned special waste, there was a considerable reduction (-24%) in waste produced from maintenance activities, in line with the trend in the previous two-year period (a decrease of about 26% was recorded in non-hazardous special waste 2012). The decrease is due to the rationalisation and improvement of waste management, carried on, implemented and monitored by the Group's Integrated Management System.

The considerable amount of demolition work carried out by Trenitalia in 2013 is the reason for the quantity of special recycling waste because it includes ferrous materials from demolished goods wagons.

### » WASTE PRODUCED BY THE FERROVIE DELLO STATO ITALIANE GROUP

	2011	2012	2013
Waste treated as urban waste	n.a.	1,920	2,404
of which for recycling	n.a.	429	1,177
Special non-hazardous waste	190,584	136,076	180,336
Hazardous special waste	30,953	40,413	40,689
<b>Total waste produced</b>	<b>221,536</b>	<b>178,409</b>	<b>223,429</b>

Values in t

### » WASTE SENT FOR FINAL DESTINATION BY THE FERROVIE DELLO STATO ITALIANE GROUP

	2011	2012	2013
<b>Total special waste</b>	<b>t 219,428</b>	<b>176,400</b>	<b>222,469</b>
of which for recovery	92%	88%	92%



The disposal of material containing asbestos (MCA) is now a residual activity also because substantial amounts were disposed of in past years. The main Group companies, however, have in any case done a considerable amount of work on tracing, mapping and making safe structures containing asbestos and vitreous artificial fibres in properties. The procedure agreed with *ENEA*, (*Ente Nazionale Energia Atomica*, National Atomic Energy Agency), remains in force for rolling stock: the MCA components are handled during cyclical maintenance. Infrastructure containing asbestos-based materials is monitored in accordance with Ministerial Decree of 6 September 1994.

In the Municipalities that run a waste recycling system, Group companies improved their systems for the collection of waste from industrial activities, offices and from the activities of clients and suppliers. For example, there was a reduction of over 55% in unsorted waste in Ferservizi's Operational Offices and the amount of sorted waste was 60% out of the total waste produced, while the Rome Head Office was given the "Triple R"<sup>95</sup> rating by AMA, the local waste management company. FS Logistica signed an Experimental Memorandum of Understanding with AMA SpA regarding a Big Users' Ecological Rating (*Rating Ecologico Grandi Utenze*) for the management of sorted cellulose waste and multi-material fraction at the Rome Scalo San Lorenzo depot. Grandi Stazioni also signed a collaboration memorandum with AMA SpA for its Rome offices in order to improve the quality of its recycling waste collection in the framework of the "Big Users Programme" (*Progetto Grandi Utenze*). Activities with these purposes also continue in the regenerated stations at Milan Centrale, Naples Centrale, Turin Porta Nuova and Rome Termini, as well as in the other stations in the network of Grandi Stazioni, taking

special care with the collection of waste for recycling from shops (three-compartment waste trolleys are used and, where necessary, a door-to-door collection service was started).

Waste education campaigns were conducted during the year for both employees and, in some cases, for personnel belonging to other companies.

The Group companies are also conscious of the importance of monitoring and, if possible, reducing the quantity of waste from other organisations, whether contractors, suppliers or clients, in sites that are the property of the Ferrovie dello Stato Italiane Group companies. The figures we present are the result of growing awareness, which results in a degree of control, rising each year, over the behaviour of external companies, as stipulated in the environment policies that have been introduced into tenders and contracts.

## » WASTE PRODUCED BY THIRD PARTIES ON BEHALF OF THE FERROVIE DELLO STATO ITALIANE GROUP<sup>1</sup>

		2013
Waste treated as urban waste <sup>2</sup>	t	19,720
of which for recycling		13%
Special non-hazardous waste	t	7,165
of which for recovery		92%
Special hazardous waste	t	187
of which for recovery		20%

1. Excluding waste produced at the sites of new railway lines that is dealt with in the paragraph on "Land"

2. Including waste collected at the main railway stations

95. An award given in accordance with arrangements in the "Big Users Programme" if all the recycling waste phases from communication to disposal have been conducted correctly.



According to the Basel Convention, Trenitalia and TX Logistik transport hazardous waste from and to foreign countries on behalf of third parties. The table below reports the volumes of waste monitored on the basis of the Convention.

## » HAZARDOUS WASTE ACCORDING TO THE BASEL CONVENTION TRANSPORTED ON BEHALF OF THIRD PARTIES

	2011	2012	2013
Waste for recycling	437,423	359,106	322,044
Waste for disposal	118,859	97,275	64,485

Values in t

Special waste is also transported in our country; below are reported the volumes transported by Trenitalia on behalf of the Group companies and on behalf of third parties.

## » WASTE TRANSPORTED IN ITALY

		2011	2012	2013
Non-hazardous waste	t	237,459	139,158	145,899
of which waste transported on behalf of third parties		100%	100%	100%
Hazardous waste	t	66,975	58,307	25,543
of which waste transported on behalf of third parties		96%	91%	83%

Finally, it should be noted that SISTRI (*Sistema di Controllo della Tracciabilità dei Rifiuti*), the waste traceability system, came into effect on 1 October 2013 for organisations and undertakings that collect or transport special hazardous waste in the course of their business and the original producers of special hazardous waste have also been obliged to use this system since 3 March 2014. All the major operating companies in the Ferrovie dello Stato Italiane Group are registered with the SISTRI system; Trenitalia in particular is working with the Environment Ministry on the resolution of some problems arising from the application of SISTRI to intermodal transport and its interoperability with the railway tracking systems that are already being used.

## 6.5 Noise

GRI EN26 | EN30

The design, control and construction of the new High-Speed/High-Capacity lines have been among the most challenging activities entrusted to Italferr, but we should not underestimate the importance of the enlargement and development of the main urban railway junctions and traditional lines, with the related monitoring of environmental impact and the works carried out to mitigate the effects of these projects; equally important are this company's activities in the design and execution of noise abatement measures.

The following solutions are adopted to abate noise from fixed installations and construction sites:

- the noisiest machinery is encapsulated providing that it can still be operated and maintained;
- acoustic screens (sound absorbent barriers or outside walls);

- staggering the hours of functioning of the noisiest machinery and using it in daylight hours when production requirements so allow.

The degree of abatement obtainable varies from case to case according to a large number of variables (positions of the source of the noise and of its receivers, terrain, whether there are any obstacles to the spreading of the noise, etc.) and may reach 10-15 dB(A).

No new sound barriers were erected during 2013 because no new infrastructure was completed. Feasibility or environmental impact studies were carried out and preliminary or final designs for almost 50 km of sound barriers were completed (20,000 m of sound barriers along the Milan to Genoa line alone in 2013).

The table below summarises the results of Italferr's work on the design and erection of railway sound barriers on newly constructed lines.

	2011	2012	2013
Sound barriers designed	30,600	77,200	49,320
Sound barriers erected	4,010	1,714	0

*Values in metres*



In investing substantial resources in works for the improvement of the existing network (new traffic technologies, electrification, doubling track, regeneration of stations, extraordinary maintenance, etc.) and in new infrastructure (new lines and equipment for passenger and cargo traffic, including intermodal traffic), RFI too makes its decisions with an eye to minimising noise.

In accordance with its statutory duties with regard to this matter as Infrastructure Manager (Legislative Decree no. 194/2005), in 2013 RFI completed the acoustic mapping and the work envisaged in the plan of action for the main railway axes (with more than 30,000 transits a year) both inside and outside built-up areas with more than 100,000 inhabitants, involving a total of about 4,000 km of railway lines, three-quarters inside and one-quarter outside these areas.



So that the present acoustic simulation system can be integrated with the sound barrier design system, RFI is continuing with the development of the *INAC 3D* (*Inquinamento Acustico 3D*, Noise Pollution 3D) program, which it expects to conclude in the first half of 2014. This software development consists in integrating the present acoustic simulation system and the INAC sound barrier system in a modular CAD-based program with a simple, intuitive user interface.

Additionally, RFI concluded the measuring campaign conducted in connection with trying out a system for the abatement of noise by installing rail dampers. These experiments were carried out on the Verona-Brenner line in the Province of Bolzano: the results this system obtained in terms of noise abatement showed that its efficacy was limited. The reduction in the noise caused by passing cargo and passenger trains measured on the sections fitted with rail dampers was lower than 1 dB(A).

RFI has been engaged since 2004 in noise abatement on already operating railway infrastructure, as approved

by the State-Regional Governments Unified Conference (*Conferenza Unificata Stato-Regioni*) and envisaged in the national Noise Abatement Plan (*Piano di Risana-mento Acustico*), which has a duration of fifteen years and which, at an updated total cost of about Euro 8.3 billion, provides for the construction of about 3,650 km of sound barriers along the railway lines throughout Italy and about 3,260 cases of direct action for isolated or sensitive receivers.

The Plan provides for 428 installations in the first four years: this is the progress made up to the end of 2013:

- 50 installations at an advanced stage of progress or completed;
- 312 installations on which work has started, of which:
  - 88% design completed;
  - 10% design in course;
  - 2% design started;
- another 66 installations scheduled, of which:
  - 31 postponed by the Regional Governments;
  - 35 pending because they are included in other programmes/projects.

The table below summarises the results from the RFI operations (cumulative results per year):

	2011	2012	2013
Sound barriers being approved	354,500	345,800	335,686
Sound barriers being erected	36,350	54,430	54,430

*Values in metres*

Overall, Italferr's and RFI's acoustic impact measures have led to the installation of almost 354 km of sound barriers and a large number of installations for isolated receivers.

	2011	2012	2013
Total infrastructure noise pollution abatement installations (total cumulative length per year on traditional and High Speed lines in metres)	352,000	353,714	353,714

*Values in metres*

Trenitalia has also constantly monitored acoustic pollution caused by its operations and has taken action in the noisiest areas (e.g. in the Milan Martesana depot, the Lecce Workshop and the Lecce Surbo Cargo depot, the Trento Workshop, the Naples High Speed Workshop and other Workshops). A Plan for the reduction and abatement of noise at the Milan Martesana depot was sent to the Environment Ministry, the Lombardy Regional Government and Milan City Council during the year. No complaints of environmental impact in the form of vibrations from maintenance workshops were made (rolling stock is shunted at low speed) and the new ETR600 and ETR610 rolling stock has been fitted with appliances that muffle the noise and vibrations produced while they are moving.



## 6.6 Other Impacts

GRI EN8 | EN9 | EN10 | EN21 | EN23 | EN26 | EN30 | PR1

### Management of Potentially Contaminated Sites

The purpose of making a census of potentially contaminated sites is, from the time of the Preliminary Design, to single out all the areas affected by the proposed works in which there is a possibility of the soil, sub-soil and waters being contaminated. An environmental characterisation survey programme is prepared for areas at risk that have been found in this way in order to ascertain whether there are in fact any contaminant agents.

The information acquired is collected in the SIGMAP database, in which there is a section on Environment Reclamations which can be consulted for checking and scheduling reclamation processes that have already started.

Monitoring, environmental characterisation and reclamation work continued in 2013 in connection with the enlargement of infrastructure at the Genoa junction, the Brescia junction, the Bologna Central High-Speed station, Grosseto Station, the Domodossola depot, the Milan Segrate shunting depot, the section from Settignano to Catanzaro Lido and the rail link between the Port of Taranto and the national network.

Trenitalia went on with the work of reclaiming its contaminated sites and making them safe. Procedures for making two sites (Foligno and Voghera) safe were put in hand in 2013: these join the fifteen sites already reclaimed in previous years. As a preventive measure that is also one of the objectives in the Environmental Management System, 21 leak tests on underground tanks containing hazardous substances were conducted and disused tanks were removed in some cases.

RFI also carried out a preliminary survey campaign in sites to be disposed of or exploited and various reclamation procedures started as a result. In many cases RFI owns the land to be reclaimed but the source of pollution is in manufacturing sites neighbouring the areas of the railway line. 126 sites were reclaimed. Costs incurred in 2013 amounted to about Euro 4 million.

There was no record in 2013 of the dumping of any significant amounts of polluting substances in connection with work done by the Ferrovie dello Stato Italiane Group companies.



## Water

The Ferrovie dello Stato Italiane Group pays particular attention both to limiting the consumption of water and to developing techniques for the optimisation of waste water treatment.

The main Group companies take various measures to cut down waste and optimise consumption by recovering or reusing water. In the Trenitalia rolling stock maintenance workshops, for example, closed circuit washing plants are used and where possible consideration will be given to the inclusion of the construction of water collection and recycling equipment in new investment projects.

In 2013 no substantial amounts of water were taken from sources in protected areas by Group companies (a substantial amount would be more than 5% of the total volume of water in an area).



## » WATER USED ACCORDING TO USE AND SOURCE

		2011	2012	2013
Industrial use	m <sup>3</sup>	3,667,310	3,337,002	3,566,788
of which from aqueducts		44.1%	42.7%	37.6%
of which from groundwater <sup>1</sup>		54.7%	56.1%	61.0%
of which from water bodies		1.3%	1.2%	1.4%
Civil use	m <sup>3</sup>	25,314,533	22,889,278	21,223,088
of which from aqueducts		44.2%	45.9%	40.7%
of which from groundwater <sup>1</sup>		55.8%	54.1%	59.3%
<b>Total water used</b>	<b>m<sup>3</sup></b>	<b>28,981,843</b>	<b>26,226,280</b>	<b>24,789,876</b>

1. Water taken from water layers or springs

The table showing the amount of water drawn shows a significant predominance of water for civil uses (offices, toilets, showers in workshops, drinking fountains at stations, etc.) out of total consumption.

One of the most important aspects regarding water drawn for civil uses is the management of biological risk. The drinking water supply for passenger carriages, for example, has to satisfy bacteriological safety and acceptability conditions: the utmost care is taken with the quality of the water drawn, the management and maintenance of the water system as a whole and the methods used for filling up.

Therefore, routine checks are scheduled which are aimed at provide information on water quality and the effectiveness of water treatment. Reclamation operations are also carried out on trains on the entire water system (tanks, pipes, etc.), descaling and disinfection treatments.

The waste water from the Group's utilisation at stations and offices is mainly classified as domestic waste water. This is discharged into the municipal drains in compliance with the requirements of Legislative Decree 152/2006. The water used to wash trains in the yards of workshops, on the other hand, is considered industrial waste water and is thus suitably treated before being discharged into the drains.

## » WASTE WATER DISCHARGES

		2011	2012	2013
Wastewater discharged into the drains	m <sup>3</sup>	26,458,689	22,169,602	21,113,318
of which treated previously		2.8%	4.7%	5.3%
Wastewater discharged elsewhere	m <sup>3</sup>	257,462	262,629	398,237
of which treated previously		85.7%	81.6%	84.6%

There are plants for the collection and chemical/physical treatment of wastewater from Group companies' industrial activities in the main workshops. The discharged water treatment process is conducted by specialised firms who ensure that statutory limits are observed.

## Electromagnetic Fields

Ferrovie dello Stato Italiane, through its main operating companies and in collaboration with expert national organisations such as the Health Institute (*Istituto Superiore di Sanità*), ANPA and ENEL (the national electricity company), has been giving an effective contribution since the early 1980s to the assessment of the interaction between the environment and electromagnetic fields produced by the railways. A number of surveys have been conducted to verify observance of the maximum electromagnetic field (EMF) laid down in regulations both in moving trains and in neighbouring areas of elements of infrastructure that generate radiation.

Specifically, the railway installations that generate electromagnetic fields with a frequency that is significant for the purposes of current regulations are:

- power lines, which are taken to include electricity cables, sub-stations and transformation cabins;
- electric traction contact lines;
- telecommunications and radio broadcasting equipment used for service needs;
- MT and LT equipment for lighting and other services in fixed installations.

Trenitalia measures the EMFs on its rolling stock as a part of its Risk Assessment procedures pursuant to Legislative Decree 81/2008. One of the latest surveys conducted on the *Frecciarossa* trains by the Piedmont ARPA in March 2013 showed that all the measurements were well within the exposure limit levels and, where applicable, within action limit levels, and that they met the quality targets set by European and Italian regulations (President of the Council of Ministers' Decree of 8 July 2003). Measurements carried out with broadband probes showed a maximum electromagnetic field level of 1.5 V/m, which is thus lower than the 20 V/m (exposure

limit) level and the 6 V/m (quality target) set in the President of the Council of Ministers' Decree of 8 July 2003. The latest measurements of exposure to low-frequency magnetic fields on the basis of variability in time, spatial distribution and frequency composition showed levels that were well under the limits specified in the European Recommendation (from 25 to 100 µT in the frequency interval on board) and also under the new levels suggested by the International Commission for Non-Ionizing Radiation Protection (ICNIRP) in 2010 (200 µT the entire interval). The limits, action levels and maximum target levels laid down in Italian regulations were not exceeded either: the peak level was 1.38 µT, well within the quality target.

RFI continuously monitors the currents circulating in its HT lines and informs the competent ARPA agencies of the 50Hz electromagnetic fields generated by its power lines. Trials in the cabs of moving trains and outside stationary locomotives in maintenance workshops provide a picture of workers' exposure to electromagnetic fields that conforms to regulatory requirements. The measurements are confirmed by ACCREDIA, the national agency responsible for this type of certification.





# **Annexes** **Company Factsheets**

Corporate identity

Corporate governance

Economic responsibility

Product responsibility

Social responsibility

Environmental responsibility

# Ferrovie dello Stato Italiane SpA

## Environment - Highlights

### »» FINAL ENERGY CONSUMPTION

		2011	2012	2013
Diesel fuel	<i>t</i>	–	74	63
Electricity	<i>MWh</i>	6,975	6,729	6,608
Natural gas	<i>Sm³</i>	283,520	322,590	356,990

### »» TOTAL EMISSIONS OF CO<sub>2</sub>

		2011	2012	2013
CO <sub>2</sub>	<i>t</i>	3,515	3,646	3,579

### »» WATER

		2011	2012	2013
Water taken for civil use	<i>m³</i>	147,270	136,635	135,267

#### Comment on the trend

The figures in the table mainly refer to water used at the Villa Patrizi Head Office in Rome, where the central departments of the main companies in the Ferrovie dello Stato Italiane Group operate. The downward trend may be attributable to the large number of initiatives carried out to heighten the awareness of head office personnel, but it will be necessary to take action with respect to the building services in order to obtain greater savings.



## » WASTE

		2011	2012	2013
Special hazardous waste	<i>t</i>	-	-	1.02
Special non-hazardous waste	<i>t</i>	-	-	2.96
Special waste for recycling		-	-	100%

### Comment on the trend

The figures in the table mainly refer to waste produced by the Villa Patrizi Head Office in Rome, where the central departments of the main companies in the Ferrovie dello Stato Italiane Group operate. The local data were first recorded in 2013.

### WHAT WE HAVE DONE

The Company obtained the certification of its Environmental Management System (EMS) according to the standard ISO 14001.

All the environmental aspects directly connected with office activities and all the Group companies' main coordination and control processes fell within the scope of certification.

### WHAT WE WANT TO DO

The refurbishment of the Villa Patrizi Head Office will start in 2014. Among other things, about 2,000 air-conditioners will be replaced by a single more modern and more efficient system.

The Parent Company intends to review and update its Governance Model in order to coordinate EMS strategies for the Group operating companies.

Documentary audits will be conducted on five operating companies in order to check that Group companies' EMS Governance Model Guidelines correspond to their System documents.

There are also plans to start a project for the refinement of the Group companies' monitoring and reporting systems in order to obtain increasingly reliable information and foster activities that reduce environmental impact.

The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.



## Environment - Highlights

## » FINAL ENERGY CONSUMPTION

		2011	2012	2013
Diesel fuel <sup>1</sup>	<i>t</i>	27,591	28,705	25,767
Electricity <sup>2</sup>	<i>MWh</i>	403,736	427,279	438,670
Natural gas	<i>Sm<sup>3</sup></i>	11,102,154	10,442,158	11,245,245

1. The item includes diesel fuel for the shipping operations of the subsidiary Blufferies.

2. The item includes the electricity produced and self-consumed by PV plants.

It does not include HT electricity (EE AT) consumed by the railway companies operating in the Italian railway network.

**Comment on the trend**

The replacement of diesel fuel powered thermal plants for workplace heating by methane gas or heat pump burners continued, so that there was a 7% reduction in the use of diesel fuel for heating. A lighting audit was carried out which was aimed at the replacement of lighting equipment at stations (platforms, subways, passenger facilities and lighting towers) with LED technology and the introduction of suitable remote control and remote management systems. Less natural gas was consumed as a result of the replacement of LPG powered plants by methane gas plants.



## » TOTAL EMISSIONS OF CO<sub>2</sub>

		2011	2012	2013
CO <sub>2</sub>	t	282,777	291,785	284,973

## » WATER

		2011	2012	2013
Water taken for civil use	m <sup>3</sup>	19,806,644	17,620,433	16,734,766

### Comment on the trend

Water consumption was reduced by rationalising assets and utilisation points, leading to a gradual decrease in the amount RFI drew from aqueducts, which decreased by 20% in 2013. No water is taken for industrial use.

## » WASTE

		2011	2012	2013
Special hazardous waste	t	28,154.0	32,755.8	34,455.5
Special non-hazardous waste	t	121,080.2	92,218.5	91,927.2
Special waste for recycling		94%	97%	97%

### Comment on the trend

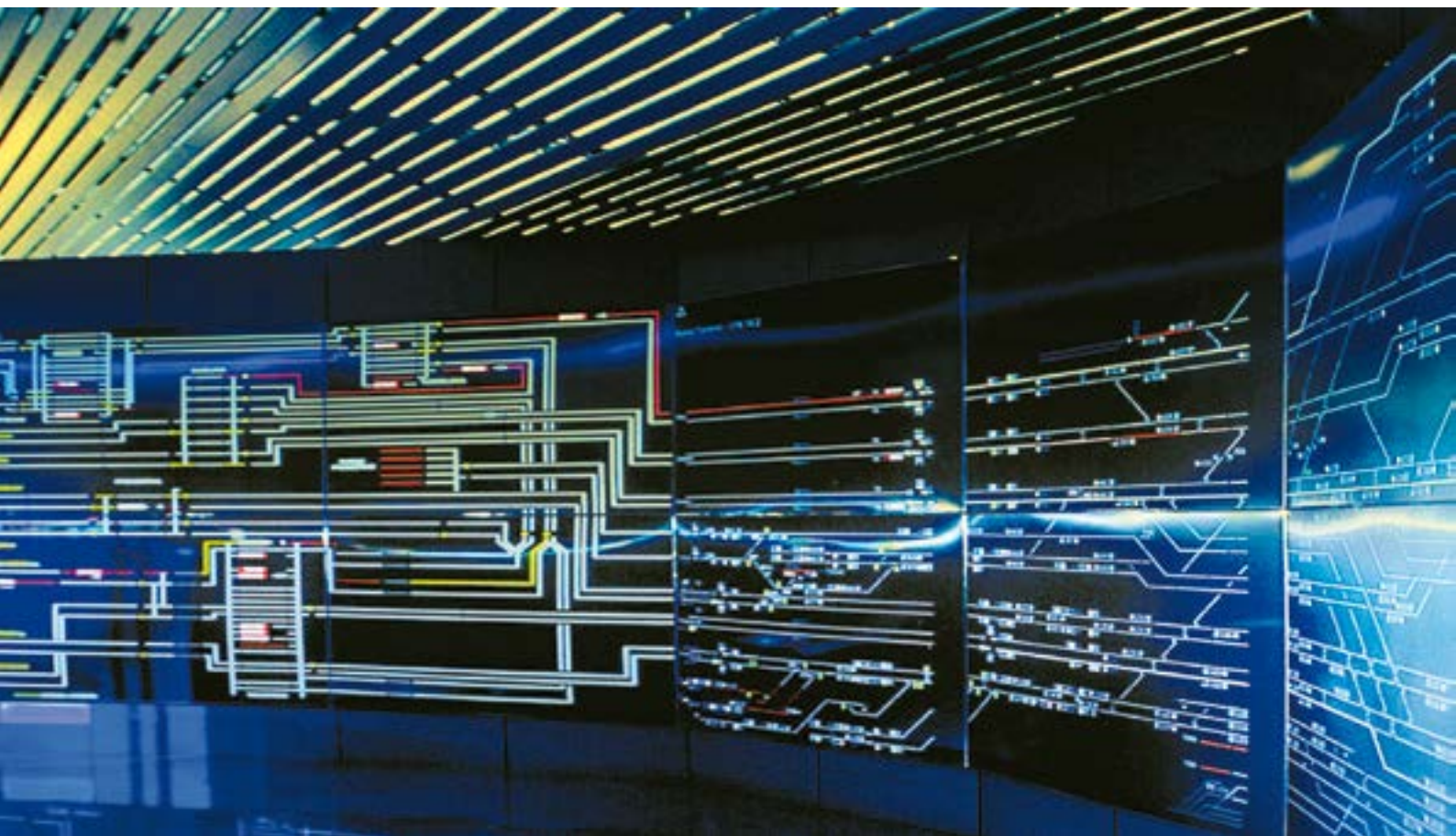
In compliance with the relevant Community regulations, certain technical and contractual specifications were drawn up to reduce the production of waste. Out of the volumes of waste produced, in recent years the quantity of waste for recycling has been increased. In 2013 the amount of hazardous and non-hazardous waste for recycling accounted for about 97% of the total waste produced. The amount of special non-hazardous waste in 2011 was affected by exceptional demolition campaigns with the consequent recycling of rolling stock that was no longer suitable for commercial purposes.

The recycling waste percentage trend is directly related to the type of special non-hazardous waste disposed of.

The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.

The data reported above include the figures stated by the subsidiary Terminali Italia, which falls within the scope of the 2013 Sustainability Report.





#### WHAT WE HAVE DONE

As regards electricity saving and its production from renewable sources, two big PV plants started up in 2013: the first plant in Mestre, with a capacity of 14.3 kW, which produced about 7,700 kWh, with an estimated saving in terms of emissions into the atmosphere equal to 3 tCO<sub>2</sub>; the second plant at Turin Porta Susa station, with a capacity of 522.8 kW, which produced about 330,000 kWh, with an estimated saving in terms of emissions into the atmosphere equal to 130 tCO<sub>2</sub>.

A lighting audit was also carried out which was aimed at assessing and gathering specific data for the replacement of lighting equipment at stations (platforms, subways, passenger facilities and lighting towers) with LED technology and the introduction of suitable remote control and remote management systems, in relation to which a saving of about 65% per station was estimated.

As to the reduction of emissions of CO<sub>2</sub>, the replacement of diesel fuel powered thermal plants for workplace heating by methane gas or heat pump burners continued (with a 7% reduction in the use of diesel fuel for heating).

In carrying out maintenance work, as one of the initiatives for the reduction in the consumption of raw materials it is planned to reuse discarded materials and to utilise environmentally compatible materials; the use of wooden sleepers with eco-treated material (+52%) rather than cement sleepers increased.

In compliance with the relevant Community regulations, certain technical and contractual specifications regarding reductions in the production of waste were drawn up. Out of the volumes of waste produced, the quantity of recycling waste increased.

Water consumption and discharges were reduced in 2013 by rationalising assets and utilisation points, leading to a gradual decrease in the amount drawn from aqueducts.

A rail-damper measuring campaign was completed in 2013 in connection with trying out a system for the abatement of noise on the Verona-Brenner railway line. Furthermore, activities were completed in relation to the formalities required by Legislative Decree no. 194 of 19 August 2005.

Finally, removal, reclamation and disposal activities continued on railway sites contaminated by materials containing asbestos and preliminary surveys of sites to be reclaimed also continued.



#### WHAT WE WANT TO DO

As regards energy saving, a programme will be started in 2014 for the gradual adoption of LED technology for lighting in more than 400 stations, optimising the functioning cycles of the appliances by remote control and remote management. It is also planned to:

- begin experiments with flywheel batteries (as an alternative to lead batteries);
- extend the use of LED technology to railway signals;
- start gradually replacing copper contact line conductors with copper and silver alloy conductors in order to improve conductivity and resistance to wear, thus reducing consumption and the dispersion of energy.

In order to cut down emissions of CO<sub>2</sub>, a study will be completed into the introduction of anti-particle filters in maintenance vehicles and control and regulation cycles for air-conditioning and heating plants in stations will be adopted.

It is planned to introduce the ISO 14001 certification requirement for suppliers of materials operating in the sectors in which environmental impact is most substantial (e.g. prestressed vibrated concrete sleepers, track). In the technologies sector, special techniques will be adopted for the use of the most environment-friendly substances and materials.

The use of materials classified as “used but serviceable” will be further extended with the aim of cutting down recourse to the procurement of new raw materials.

A computerised system called *EcosWeb*, which manages incoming and outgoing registers, will be used for all RFI units that produce waste (both hazardous and non-hazardous), and a Cloud web called *GreenNebula* will be provided for the management of authorisations.

As regards noise pollution, it is planned to complete the *INAC 3D* software, which will integrate the present acoustic simulation system with the sound barrier design system.

An updated noise abatement plan will be presented, which will be prepared by RFI pursuant to the Environment Ministry's Decree of 29 November 2000, on the basis of observations, opinions and requests from the public and private bodies involved in the question of railway infrastructure sound emissions.

Work will continue on contaminated sites on which reclamation projects are in progress or are to be started.



# Trenitalia

## Environment - Highlights

### »» FINAL ENERGY CONSUMPTION

		2011	2012	2013
Diesel fuel	<i>t</i>	65,464	57,020	55,158
Total electricity	<i>MWh</i>	4,163,021	3,951,186	4,150,215
of which for traction	<i>MWh</i>	4,086,065	3,865,936	4,067,201
of which for other uses	<i>MWh</i>	76,956	85,250	83,014
Natural gas	<i>Sm<sup>3</sup></i>	17,259,091	20,132,634	21,465,122

#### Comment on the trend

Diesel fuel consumption fell owing to less diesel locomotive traffic and less need for shunting to break up trains in workshops because more maintenance was done on whole trains.

Between 2011 and 2012 there was less train traffic, above all in Universal Services, which led to a downward trend in the consumption of electricity, most of which is used by electric locomotives. During the two years 2012 and 2013, on the other hand, the increase in services led to a rise in consumption.

The natural gas consumption trend is due to the conversion of diesel fuel powered to methane powered plants, which has led to a fall in the consumption of diesel fuel for heating and, overall, a lower impact on the environment.

### »» TOTAL EMISSIONS OF CO<sub>2</sub>\*

		2011	2012	2013
CO <sub>2</sub>	<i>t</i>	1,958,099	1,810,164	1,856,441

\* The item includes the amount of HT electricity for traction

## » WATER

		2011	2012	2013
Water taken for industrial use	m <sup>3</sup>	3,639,115	3,298,451	3,507,681
Water taken for civil use	m <sup>3</sup>	1,500,110	1,655,366	1,361,024

### Comment on the trend

Great attention is paid to water consumption. Rationalisation measures are adopted constantly and efforts are made to raise personnel awareness of the question. As a result of the action that was taken, between 2012 and 2013 less water was drawn for civil uses, offset however by the use of more water for industrial washing, necessary to keep trains in a decorous condition. The trend for the two years 2011-2012 must be interpreted in the light of the recording and estimating methods, which were still being refined at the time.

## » WASTE

		2011	2012	2013
Special hazardous waste	t	2,561.3	7,532.3	5,993.3
Special non-hazardous waste	t	68,835.1	43,460.8	87,754.9
Special waste for recycling		89%	67%	85%

### Comment on the trend

The trend in the amount of special hazardous waste recorded between 2011 and 2012 is due to the decommissioning of equipment and other materials stored in the engineering plants after industrial activities had been reorganised and to greater sensitivity to waste management in places of production.

The fall in 2013, on the other hand, is due to the rationalisation of consumption, the improvement in waste management and, to a lesser extent, to the decrease in the Construction Division work of the subsidiary Serfer.

The high special non-hazardous waste figures for 2013 and 2011 are due to exceptional demolition campaigns and the consequent recycling of rolling stock that is no longer suitable for commercial purposes.

The percentage trend of waste for recycling is directly affected by the type of special non-hazardous waste disposed of.

The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.

The data reported above include the figures stated by the subsidiary Terminali Italia, which falls within the scope of the 2013 Sustainability Report.

#### WHAT WE HAVE DONE

Work continued on the Green Industrial Plant Project, with the installation of PV plants and the improvement of energy efficiency in four big workshops, and on the conduct of the tender procedure for the supply of electricity and gas from a single operator.

A Plant Monitoring Project (*Progetto Monitoraggio Impianti*) was completed with work beginning on the installation of the first smart metering systems in five workshops.

Energy diagnoses were carried out in 15 plants.

22,000 White Certificates (*Titoli di Efficienza Energetica*) were obtained as a result of the energy efficiency measures taken in recent years.

A reduction of 6% was achieved in emissions of CO<sub>2</sub>, for the fixed installations subject to the ETS (Emission Trading System) compared to 2012.

The new *Car Sharing Enjoy* service, operated by ENI, in partnership with Trenitalia, was launched in Milan to promote intermodal travel with a low environmental impact using the train and a shared car.

An agreement was signed for the promotion of train + bike sharing intermodal travel in Milan and Verona.

Raw material consumption targets were attained thanks to the adoption of monitoring systems and restraints. Environmental requirements were included in calls for tenders for the award of cleaning services on trains (e.g. environment-friendly products and consumables).

Recycling schemes were extended to almost all the local units.

The targets for the reduction of special waste for disposal were attained in most cases.

Feasibility studies on the recovery of rainwater and discharge water for industrial use began.

Work continued on the improvement of the Group's Integrated Management System (Quality, Environment and Health and Safety at Work).

Working hours were changed in some plants in order to reduce noise impact in neighbouring inhabited areas.



#### WHAT WE WANT TO DO

The Plant Monitoring Project will continue until 44 workshops are covered by smart metering.

Energy diagnoses will be carried out in ten further plants.

The procedures necessary to obtain White Certificates for five further plants will be put in hand.

Standards will be set as necessary to ensure a high degree of energy efficiency and will be applied in future to plant design, construction and operations.

An Energy Management System to the ISO 50001 standard will be put into effect at 10 pilot plants for the continuous improvement of energy performance.

Emissions from fixed installations will be further reduced.

The *Car Sharing Enjoy* service, managed by ENI in partnership with Trenitalia, will be extended to other towns and cities.

“Green” travel offers will be prepared, including accommodation in establishments that are careful of environmental sustainability together with means of transport between one place and another with zero direct emissions, such as trains, bike sharing and electric cars.

The consumption of raw materials will be further reduced, with particular attention to hazardous substances.

The Green Procurement plan will be extended to the procurement of goods and services.

The quantity of waste produced will be reduced and campaigns will be launched to enhance personnel’s awareness of how to manage waste correctly.

Experiments will begin on the recovery of rainwater and discharge water for industrial use.

The monitoring of noise levels from certain installations in built-up areas will continue.

Guidelines will be issued for:

- the disinfection of rolling stock using physical means instead of chemical substances;
- the reclamation and demolition of rolling stock in such a way as to recover as much material as possible.



## Environment - Highlights

### »» FINAL ENERGY CONSUMPTION

		2011	2012	2013
Diesel fuel	<i>t</i>	219	172	125
Electricity	<i>MWh</i>	2,806	1,747	1,517
Natural gas	<i>Sm<sup>3</sup></i>	112,307	110,656	69,375

#### Comment on the trend

The fall in the consumption of diesel fuel for traction is due to the rationalisation of the car fleet and limitations on its use while the decrease in the consumption of electricity and natural gas is due to the rationalisation of their use in offices.

### »» TOTAL EMISSIONS OF CO<sub>2</sub>

		2011	2012	2013
CO <sub>2</sub>	<i>t</i>	2,150	1,530	1,212

### »» WATER

		2011	2012	2013
Water taken for civil use	<i>m<sup>3</sup></i>	31,260	18,433	13,532

#### Comment on the trend

The main reason for the fall in water consumption is the rationalisation of its use in offices. No water is taken for industrial use.

## » WASTE

		2011	2012	2013
Special hazardous waste	t	0.0	0.0	3.9
Special non-hazardous waste	t	216.1	70.5	81.3
Special waste for recycling		100%	100%	95%

### Comment on the trend

The increase in special hazardous waste in 2013 (paint and panels) is due to extraordinary re-furbishment works in the Rome head office.

### WHAT WE HAVE DONE

Offices have been rationalised, including moving the Reggio Calabria office to another building.

### WHAT WE WANT TO DO

Designs for tender procedures will only be sent to the customer by transmittal through PDM and not in hard copy.

When the same document has to be annexed to different tender agreements (e.g. specifications), the file containing it will be signed digitally in order to avoid repeated scanning.

The Energy Saving project for the Group's Data Processing Centre will be completed: remote control opening/shutting down of workstations will be integrated with the closing down of the centre and of free cooling, the purpose of the latter being to optimise the use of air-conditioning in the winter.

The Energy Manager will go on with the work of reducing consumption following the Ferrovie dello Stato Italiane Group's environmental policies.

Office rationalisation will continue, involving some of the company's peripheral offices being moved to properties belonging to Group companies. This will also enable them to profit from the energy saving measures that have been taken.

The study that has already been started into the reduction and rationalisation of the number of printed copies of design documents will continue in order to limit paper consumption and cut costs.

The management of administrative and tax documents will be reviewed in order to consider if it is possible to reduce the number of hard copies handled, if not to stop handling hard copy documents altogether, by using digital signatures on paperwork and certified e-mail.

The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.

The data reported above include the figures stated by the subsidiary Terminali Italia, which falls within the scope of the 2013 Sustainability Report.



# Ferservizi

## Environment - Highlights

### »» FINAL ENERGY CONSUMPTION

		2011	2012	2013
Diesel fuel	<i>t</i>	475	437	401
Electricity	<i>MWh</i>	6,815	6,102	5,289
Natural gas	<i>Sm<sup>3</sup></i>	739,572	719,881	635,014

#### Comment on the trend

In 2013 electricity utilisation points were separated in some Ferrotel facilities and, where necessary, diesel fuel heating systems were replaced by new generation equipment.

### »» TOTAL EMISSIONS OF CO<sub>2</sub>

		2011	2012	2013
CO <sub>2</sub>	<i>t</i>	5,902	5,352	4,703

### »» WATER

		2011	2012	2013
Water taken for civil use	<i>m<sup>3</sup></i>	101,837	73,691	76,639

#### Comment on the trend

The increase in consumption is due to final settlement payments to the utility operator of some Ferrotel facilities.

## » WASTE

		2011	2012	2013
Special hazardous waste	t	10.9	14.5	8.5
Special non-hazardous waste	t	215.4	196.6	207.7
Special waste for recycling		15%	52%	84%

### Comment on the trend

The improvement in the waste separation trend is the result of recycling systems being successfully started in all the offices.

### WHAT WE HAVE DONE

In 2013 the Company obtained the certification of the Environmental Management System pursuant to ISO 14001, which was issued by DNV Italia Srl.

As regards energy saving, NBI Srl began a detailed design of the new air-conditioning system at Villa Patrizi in July 2013. The works necessary for connection to the municipal district heating systems were completed at the Verona office and electricity utilisation points at the Ferrotel at Porta Maggiore were separated. A preliminary feasibility study into obtaining White Certificates was also put in hand.

In the field of Green Procurement, participants in tenders for supplies (e.g. for IT technology, stationery, Global Service) to Ferservizi and the Group that satisfy environmental requirements will be considered more favourably.

As regards Mobility Management, until May 2013 there was an arrangement in being with ATAC, the Rome public transport company, whereby the use of public transport was encouraged; an arrangement was also concluded for the promotion of car sharing and the purchase of folding bicycles.

Waste recycling was introduced and is now standard practice in all offices. This enabled the Via Tripolitania office in Rome to be given the 3R award by AMA, the Rome municipal waste collection company.

Office printers were rationalised, having been replaced by shared multifunction machines, thus obtaining reduced consumption of paper (-60%), toners (-40%) and energy (-30%).

### WHAT WE WANT TO DO

Keeping the ISO 14001 certification of the Environmental Management System.

Implementation of the new air-conditioning system for the Villa Patrizi Head Office.

Connections with further municipal district heating systems in cases in which the local authorities have made the necessary technical arrangements.

New initiatives mostly regarding the offices and the Ferrotel facilities, such as further utility point separation and Energy Management projects (paying special attention to lighting and hot water for washing), the feasibility study for the acquisition of White Certificates.

Green Procurement: introduction of requirements in new tenders regarding the reduction in the consumption of raw materials: bidders who satisfy these requirements are considered more favourably.

Mobility Management: incentives for means of transport other than private cars.

Gradual extension of waste recycling systems to types of property other than offices (already covered by the system) and renewal of the Experimental Memorandum of Understanding with AMA SpA for the Big Users' Ecological Rating in relation to the office located in Rome at Via Tripolitania.

The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.

# Grandi Stazioni

## Environment - Highlights

### »» FINAL ENERGY CONSUMPTION

		2011	2012	2013
Diesel fuel	<i>t</i>	122	156	139
Fuel oil	<i>t</i>	176	176	182
Electricity	<i>MWh</i>	50,815	57,502	56,874
District heating	<i>MWht</i>	1,966	1,944	2,394
Natural gas	<i>Sm³</i>	4,386,733	4,224,001	4,787,160

#### Comment on the trend

There has been a noticeable increase in electricity and gas consumption during the last three years, mainly due to plants serving new regenerated station areas starting and coming into service. There are no significant trends for other sources of energy (diesel fuel, fuel oil, district heating) apart from natural fluctuations owing to variations in weather conditions.

### »» TOTAL EMISSIONS OF CO<sub>2</sub>

		2011	2012	2013
CO <sub>2</sub>	<i>t</i>	31,502	30,015	29,614

### »» WATER

		2011	2012	2013
Water taken for civil use	<i>m³</i>	2,493,577	2,629,028	2,101,433

#### Comment on the trend

Total water consumption dropped as a result of action taken to rationalise plants and transfer users not belonging to the Group (utility point separation project).

## » WASTE

		2011	2012	2013
Waste that can be treated as urban waste	t	n.a.	15,000	18,048

### Comment on the trend

In 2013 the amount of waste that can be treated as urban waste was measured by detailed monitoring of daily protection in the most important stations.  
The new policy for estimating this figure was considered to be more representative than the method used in 2012, which was based on daily passenger flow assumptions.

### WHAT WE HAVE DONE

Energy was bought on the free market for the second year running, under a clause requiring 20% of the energy to come from certified renewable sources. Lighting systems were modernised or replaced in various ways, the most significant being LED lighting installed on the main concourse of Milan Central Station and the underground section of Florence Santa Maria Novella Station.

Day-to-day running of plants and power stations continued with a daily analysis of pollutant emissions and of the measures taken to regulate them. At the same time a complete census began of plants and appliances containing F-gas and ODSs and an audit of compliance with the obligations laid down in Presidential Decree 43/2012 started.

The process of refitting waste collection areas in stations was stepped up considerably: the first stations involved were Rome Termini and Naples Centrale. The system of collecting recycling waste in the spaces open to the public and from shops remained efficient constantly throughout the network. Recycling waste collection in Grandi Stazioni's offices in Rome, on the other hand, was enhanced under a new memorandum of collaboration with AMA.

Particular attention was paid to optimising and rationalising the use of water and substantial improvements in efficiency were obtained in terms of consumption and the reduction of leaks.

The modernisation of the purification plant at Venice S.L. Station was completed; performance and capacity were raised and the authorisation to discharge was renewed accordingly. Again as regards discharge, a start was made on the mapping of the drains of the Grandi Stazioni network stations and on the collection of discharge authorisation documents (Presidential Decree 59/2013).

### WHAT WE WANT TO DO

The Environmental Management System will be improved and made fully operational in order to achieve the objective of obtaining the ISO 14001 certification.

Projects for the production of efficient energy (e.g. cogeneration) and energy from renewable sources (e.g. solar panels) will be studied and put into effect.

It is intended to increase average plant performance by completing the construction of the new and more efficient Thermal Power Stations to replace the oldest plants, thus also reducing emissions into the atmosphere.

Centralised waste collection areas will be set up in the main stations so that the discarding and recycling processes can be controlled more satisfactorily and in order to improve the procedures for calculating the volumes of waste produced according to type.

It is intended to carry out a communication plan for the users of station complexes (spaces open to the public, shops and offices) in order to improve recycling performance and make users aware of the need to rationalise their consumption of water.

The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.

# Centostazioni

## Environment - Highlights

### »» FINAL ENERGY CONSUMPTION

		2011	2012	2013
Diesel fuel	<i>t</i>	367	270	320
Electricity	<i>MWh</i>	13,206	9,170	10,770
Natural gas	<i>Sm³</i>	1,184,793	1,082,001	1,185,195

#### Comment on the trend

The increase in consumption is due to the increase in the sizes of the areas occupied.

### »» TOTAL EMISSIONS OF CO<sub>2</sub>

		2011	2012	2013
CO <sub>2</sub>	<i>t</i>	9,220	6,896	7,721

### »» WATER

		2011	2012	2013
Water taken for civil use	<i>m³</i>	1,220,865	740,749	784,200

#### Comment on the trend

The increase is due to leaks in the water supply system: the monitoring system was optimised in order to detect anomalous consumption.



## » WASTE

	2011	2012	2013
Waste that can be treated as urban waste <i>t</i>	2,100	1,931	1,742

### Comment on the trend

The decrease is the result of the rationalisation of waste management, monitored by the Station Operations Control System.



The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.





#### WHAT WE HAVE DONE

Electricity consumption was monitored through periodic checks of the amounts consumed by each user through the *Trader* internet portal.

Work started in eleven stations of the network on replacing platform lights with LED technology units in the framework of the projects for compliance with the Technical Specifications for Railway Interoperability.

LED lights started to be installed in the concourse of Arezzo Station in the framework of the design for improvements to the whole Passenger Building.

One heating and air-conditioning plant (Rome Ostiense) was decommissioned and three (Benevento, Lodi, Pescara) were regenerated (transformation from diesel fuel to methane gas and overhaul of burners).

A plan of action on heating and air-conditioning plants was drawn up (decommissioning/regeneration) with the aim of optimising consumption and improving energy efficiency.

A census of disused air-conditioning plants was started. These are potentially harmful owing to their emissions into the atmosphere; a plan was drawn up for the recovery of the refrigerant gases they contain. An audit of compliance with the obligations laid down in Presidential Decree 43/2012 was put in hand.

Human resources management processes (leave/time off, travel on company business, training/attendance at courses, use of a company car, expense accounts) were computerised, so that forms on paper could be dispensed with and a further reduction in paper consumption compared to 2012 (-5%).

All the company cars were replaced, changing from petrol to diesel fuel, and personnel were encouraged to use trains, which entailed a 13% reduction in fuel consumption compared to 2012.

The quantities of waste from extraordinary maintenance work (e.g. station restyling and functional upgrading) were monitored and mapped.

In the framework of the Technical Specifications for Railway Interoperability, a plan was drawn up for the integration of the recycling waste bins in the spaces open to the public of fifteen stations in the network.

The computerised water consumption monitoring system in the network stations was optimised so that anomalous consumption or leaks in the water supply system can now be detected in real time.

In the framework of the "Station Operations Control System" Management Model:

- training sessions for a total of 495 hours for all Centostazioni's local personnel were held regarding the Integrated Management System and Global Service contractors were given instructions on how to manage the important environmental issues correctly;
- 300 internal audits were conducted in order to verify that Global Service contractors manage important environmental issues correctly.



#### WHAT WE WANT TO DO

Environmental criteria will be included in the tender for the supply of electricity (suppliers of electricity of which at least 20% comes from renewable sources will be favoured) and in the designs for technological plants at stations.

A plan for the replacement of lighting units in the station buildings and platforms of the network by LED appliances will be drawn up.

A plan for heating and air-conditioning plant optimisation will be carried out, involving the decommissioning of five plants (Imperia Oneglia, Piacenza, Lodi, Verbania, Taranto) and the regeneration/replacement of nine plants (Ventimiglia, Novara, Domodossola, Milan Porta Garibaldi, Desenzano, Formia, Orte, Perugia) using new innovative technology (condensation/biomass).

A plan will be implemented for the disposal of plants containing HCFC within the Centostazioni network.

Procurement/tender processes will be computerised with a reduction in the use of paper (toners, paper and printing energy costs).

The percentage of recycling waste collected in the offices and stations in the network will rise after organised collection and disposal systems come into action; with the new method the quantities produced according to type of waste will be accounted for.

Awareness, information and communication initiatives will be conducted for all users of stations and Passenger Buildings (Ferrovie dello Stato Italiane Group companies, Commercial Partners).

Consumption will be monitored systematically in order promptly to detect anomalies and leaks in the water supply system and to check the quality of the water for human consumption and use in all the water and air-conditioning installations in the Network's stations.

In the framework of the "Station Operations Control System" Management Model, all personnel will be trained and educated in the importance of the Integrated Management System, particularly personnel working on restyling sites.

The audit plan envisaged in the "Station Operations Control System" Management Model will be put into effect: 400 audits a year will be conducted at stations in the network.



# Busitalia - Sita Nord

## Environment - Highlights

### » FINAL ENERGY CONSUMPTION

		2011	2012	2013
Diesel fuel	<i>t</i>	11,336	10,524	10,500
Electricity	<i>MWh</i>	1,192	1,147	1,167
Natural gas	<i>Sm<sup>3</sup></i>	364,645	284,735	281,461

#### Comment on the trend

In 2011 the public sector client started cutting Local Public Transport services and in 2012 there was a drop in diesel fuel consumption compared with 2011 as a result of this reduction. In spite of further Local Public Transport cuts, consumption in 2013 was similar to 2012 owing to the increase in replacement and market services.

Consumption of natural gas in 2012 was lower than in 2011 owing both to fewer journeys and the reorganisation of company space in some depots, which led to a fall in the consumption of methane gas for heating. A slight downward trend in methane gas consumption compared with 2012 took place in 2013 as the result of the optimisation of consumption for heating.



## » TOTAL EMISSIONS OF CO<sub>2</sub>

		2011	2012	2013
CO <sub>2</sub>	<i>t</i>	36,833	34,087	34,007

## » WATER

		2011	2012	2013
Water taken for industrial use	<i>m<sup>3</sup></i>	14,772	20,507	19,703
Water taken for civil use	<i>m<sup>3</sup></i>	7,535	8,164	9,665

## » WASTE

		2011	2012	2013
Special hazardous waste	<i>t</i>	226.4	94.7	103.8
Special non-hazardous waste	<i>t</i>	198.3	106.3	256.1
Special waste for recycling		50%	29%	16%

### Comment on the trend

Various activities were started and completed in 2013 with the aim of obtaining an environmental certification for the Veneto Operational Office. In particular, in order to improve the governance of the waste management process, rules were laid down for the classification, storage and handling of waste at all the depots. The rising trend in 2013 compared with the previous year is due to more careful monitoring of the waste produced at all the headquarters sites and special activity related to the certification process. The substantial reduction in 2012 compared with 2011 had been attributable to the appointment of the new supplier of maintenance services to the Veneto Operational Office to manage waste disposal.

The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.

#### WHAT WE HAVE DONE

In 2013 the project that had begun in 2011 at the Tuscany and Veneto Operational Offices regarding the implementation of an Integrated Management System (Quality and Environment) took shape, in compliance with regulations UNI EN ISO 9001 and UNI EN ISO 14001.

Thirteen new Euro5/Euro 6 vehicles were bought in replacement of old generation buses (Euro 0/Euro 2). They are to be equipped with construction technologies and devices that ensure low consumption and polluting gas emissions that conform to regulations.

The use of new lubricant oils and protective liquids was extended to the entire bus fleet. These new substances lowered fuel consumption and ensured the constant and lasting performance of the emission control system.

The procedure began for the selection of a new maintenance program which will make bus maintenance more efficient. Specific maintenance schedules will enable work on all types of buses to be monitored more accurately, thus improving their performance, including their energy consumption performance.

The process of the installation of exhaust gas filters on buses, which began in 2012, continued in 2013. As a result of this, Euro 2 and 3 buses were approved as Euro 5 with respect to the emission of particles.

At the Florence and Padua depots the design of new industrial water purification systems began. These will reduce the consumption of chemical/physical treatment products and enable the treated water to be recycled in vehicle washing plants.

#### WHAT WE WANT TO DO

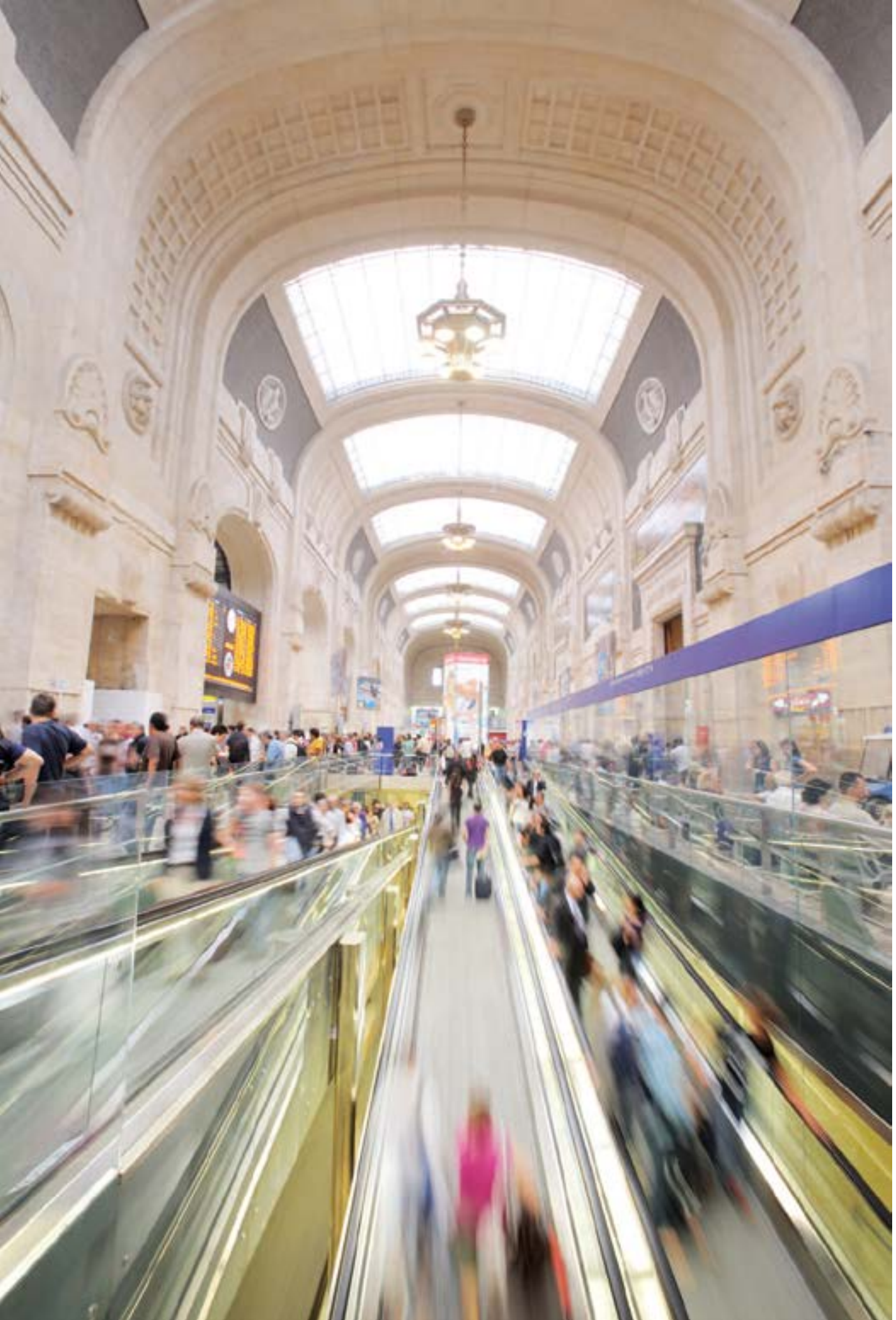
Procedures were started for a tender for the purchase of another sixteen buses for the Veneto Operational Office and 25 buses for the Tuscany Operational Office, under the Euro 6 category. The new vehicles will emit 99% fewer particles and 97% less nitrogen oxide than the old Euro 0 buses.

The industrial discharge water purification plants at the Florence and Padua depots will be replaced: this will reduce the consumption of chemical/physical treatment products and enable the treated water to be recycled in vehicle washing plants.

A new maintenance program will come into service, increasing the efficiency of bus maintenance and monitoring servicing more accurately according to type of bus.

The drainage system at the Padua and Rovigo depots will be upgraded to recycle collected rainwater.

A first rainwater collection and treatment plant was constructed near the fuelling areas in the Florence depot for the Tuscany Operational Office.



# FS Logistica

## Environment - Highlights

### »» FINAL ENERGY CONSUMPTION<sup>1</sup>

		2011	2012	2013
Diesel fuel	<i>t</i>	96	95	43
Electricity	<i>MWh</i>	2,393	2,343	2,261

1. The item includes the electricity produced and self-consumed by PV plants

#### Comment on the trend

Diesel fuel consumption trend was owed to the reorganisation of the company between 2012 and 2013 and the closing down of the Industrial Business Unit of FS Logistica which used diesel fuel for shunting.

### »» ENERGY PRODUCED BY FER

		2011	2012	2013
Energy from PV plants	<i>MWh</i>	663	637	597

### »» TOTAL EMISSIONS OF CO<sub>2</sub>

		2011	2012	2013
CO <sub>2</sub>	<i>t</i>	9,220	6,896	7,721

### »» WATER

		2011	2012	2013
Water taken for civil use	<i>m<sup>3</sup></i>	5,435	6,779	6,562

#### Comment on the trend

Most of the water drawn for civil use was for the Rome San Lorenzo depot. More had been used in 2012 than in 2011 owing to the refilling of the fire-fighting tanks, a non-recurring operation, and an increase in the number of storerooms let. No water is taken for industrial use.

## » WASTE

		2011	2012	2013
Special hazardous waste	<i>t</i>	0.0	15.4	2.5
Special non-hazardous waste	<i>t</i>	0.0	0.0	90.2
Special waste for recycling		-	0%	42%

### Comment on the trend

The quantity of special hazardous waste fell in 2013 owing to the closure of the Industrial Business Unit of FS Logistica, which produced this type of waste while assisting in loading and unloading goods and carrying out casual maintenance. As regards special non-hazardous waste, some cleaning work was done and some waste from services and office activities (paper, plastics, old furniture) in 2013 was disposed of following the company reorganisation and the closure of some local offices.

### WHAT WE HAVE DONE

2013 saw the implementation of the Environmental Management System for the Rome San Lorenzo office and work started on the certification pursuant to the international standard ISO 14001, which was obtained in January 2014.

Pursuing a policy of continuous improvement, an Experimental Memorandum of Understanding for a Big Users' Ecological Rating was signed with AMA SpA, in connection with the management of the collection of cellulose waste and the multi-material fraction at the Rome San Lorenzo depot. AMA was also awarded the service of collecting and recycling empty printing consumables.

### WHAT WE WANT TO DO

We intend to extend the environmental ISO 14001 certification to other operating sites of the company.

We intend to carry out feasibility studies for energy efficiency actions (renewable sources, more efficient lighting systems, etc.) at the Pomezia Local Unit.

The figures refer to environmental aspects for which the Company is directly responsible, on its own behalf or on behalf of the group companies.



# Netinera Group

## Environment - Highlights

### »» FINAL ENERGY CONSUMPTION

		2013
Diesel fuel	<i>t</i>	17,561
Total electricity	<i>MWh</i>	27,337
of which for traction	<i>MWh</i>	19,837
of which for other uses	<i>MWh</i>	7,500
Natural gas	<i>Sm³</i>	1,600,000

### »» TOTAL EMISSIONS OF CO<sub>2</sub>

		2013
CO <sub>2</sub>	<i>t</i>	71,710

### »» WATER

		2013
Water taken for industrial and civil uses	<i>m³</i>	20,000

### »» WASTE

		2013
Special hazardous waste	<i>t</i>	120
Special waste for recycling		100%





#### WHAT WE HAVE DONE

In the field of railway passenger traffic, the Netinera Group continued to work with an on-screen energy monitoring system (Traveltainer), whereby location and performance can be seen in real time with the aim of improving train drivers' style of driving, thus reducing energy consumption.

Experiments on a prototype installed on a diesel locomotive were completed in 2013 and the creation of a system for electric locomotives and trains.

A system based on an online browser (Bahnbook) was introduced in some of the companies in the Netinera group, which allows the driver to enter a driving profile to adopt during the journey. With this system, energy is saved by an improved driving style while the safety and punctuality of the service is preserved.

#### WHAT WE WANT TO DO

The remaining first production models will be fitted and equipped with the Traveltainer system in 2014 and the rest of the fleet will follow. At the same time the portal and system logic will be perfected and adapted to various operational circumstances.

The Bahnbook system will be introduced in all the railway companies and will be operational before the end of 2014.

More than 100 new (DMU) locomotives equipped with engines conforming to the Stage III(b) standard will be delivered before the end of 2014. These represent the state of the art in the European railway sector in terms of emissions.

It is planned to modernise service stations since the new vehicles will use AdBlue diesel exhaust fluids to reduce nitrogen oxide emissions from exhaust gases produced by the vehicles provided with diesel engines.







# FS Sistemi Urbani

## Environment - Highlights

### WHAT WE HAVE DONE

In accordance with the standard ISO 14001, the company implemented its own Environmental Management System (EMS) through the preparation of the related Manual and Procedures.

About sixty days were devoted to inspections in the most critical areas, followed by the eviction of illegal occupiers and the restoration of the sites; the first environment pre-characterisation surveys were conducted in the former freight depot areas in Milan.

### WHAT WE WANT TO DO

An EMS certification is expected to be obtained and it is planned gradually to extend the range of the utilisation of the corporate assets.

Steps will be taken to reduce electricity consumption and the quantity of raw materials procured for office use.

All the company's property will continue to be monitored in order to prevent any further difficulties from arising (e.g. illegal occupancy, flytipping, etc.), and action will be taken to increase the personnel's expertise in this matter; special training sessions will be held regarding the issues of the greatest significance for the environment, e.g. the management of risk from asbestos in particular.

There is no company factsheet reporting the values of the main environmental aspects as the data relating to direct effects arising from office activities are stated by Ferrovie dello Stato Italiane SpA, which is the owner of the company's headquarters.



## RELAZIONE DELLA SOCIETÀ DI REVISIONE SULLA REVISIONE LIMITATA DEL RAPPORTO DI SOSTENIBILITÀ 2013

All'Azionista di  
Ferrovie dello Stato Italiane SpA

- 1 Abbiamo effettuato la revisione limitata del rapporto di sostenibilità del Gruppo Ferrovie dello Stato Italiane (di seguito il "Gruppo") al 31 dicembre 2013 (di seguito il "Rapporto") effettuando le procedure di verifica sinteticamente descritte al paragrafo 3 della presente relazione. La responsabilità della redazione del Rapporto in conformità alle linee guida "Sustainability Reporting Guidelines" definite nel 2006 dal GRI - Global Reporting Initiative, come riportato nel paragrafo "Comunicare la Sostenibilità: nota metodologica" del Rapporto, compete agli Amministratori di Ferrovie dello Stato Italiane SpA, così come la definizione degli obiettivi in relazione alla performance di sostenibilità e alla rendicontazione dei risultati conseguiti. E' nostra la responsabilità della redazione della presente relazione in base al lavoro svolto.
- 2 Il nostro lavoro è stato svolto secondo i criteri per la revisione limitata indicati nel principio *International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000), emanato dall'*International Auditing and Assurance Standards Board*. Tale principio richiede il rispetto di principi etici applicabili (*Code of Ethics for Professional Accountants*), compresi quelli in materia di indipendenza, e che la pianificazione e lo svolgimento del nostro lavoro siano finalizzati ad acquisire una limitata sicurezza, rispetto a una revisione completa, che il Rapporto non contenga errori significativi. Un incarico di revisione limitata su un rapporto di sostenibilità consiste nell'effettuare colloqui, prevalentemente con il personale della società responsabile per la predisposizione delle informazioni presentate nel rapporto di sostenibilità, nell'analisi del rapporto di sostenibilità e in altre procedure volte all'acquisizione di evidenze probative ritenute utili.
- 3 Le procedure effettuate sul Rapporto sono riepilogate di seguito:
  - a) comparazione tra i dati e le informazioni di carattere economico e finanziario riportati nel Rapporto e i dati e le informazioni inclusi nel Bilancio Consolidato del Gruppo al 31 dicembre 2013;
  - b) incontri e discussioni con i delegati di Ferrovie dello Stato Italiane SpA, Rete Ferroviaria Italiana SpA, Centostazioni SpA, Trenitalia SpA selezionati in base a un'analisi del rischio basata su considerazioni qualitative e quantitative, al fine di raccogliere informazioni circa il sistema di reporting in essere per la predisposizione del Rapporto, nonché circa i processi che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni alla struttura responsabile della predisposizione del Rapporto;

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### PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: Ancona 60131 Via Sandro Totti 1 Tel. 0712132311 - Bari 70124 Via Don Luigi Guanella 17 Tel. 0805640211 - Bologna 40126 Via Angelo Finelli 8 Tel. 0516186211 - Brescia 25123 Via Borgo Pietro Wubner 23 Tel. 0303697501 - Catania 95129 Corso Italia 302 Tel. 0957532311 - Firenze 50121 Viale Gramsci 15 Tel. 0552482811 - Genova 16121 Piazza Dante 7 Tel. 01029041 - Napoli 80121 Piazza dei Martiri 58 Tel. 08136581 - Padova 35138 Via Vicenza 4 Tel. 049873481 - Palermo 90141 Via Marchese Ugo 60 Tel. 091349737 - Parma 43100 Viale Tanara 20/A Tel. 0521275911 - Roma 00154 Largo Fochetti 29 Tel. 06570251 - Torino 10122 Corso Palestro 10 Tel. 011556771 - Trento 38122 Via Garibaldi 73 Tel. 0461237004 - Treviso 31100 Viale Feliscent 90 Tel. 0422696911 - Trieste 34125 Via Cesare Battisti 18 Tel. 0403480781 - Udine 33100 Via Pascolle 43 Tel. 043225789 - Verona 37135 Via Francia 21/C Tel. 0458263001

- c) analisi di un limitato campione di documentazione di supporto alla predisposizione del Rapporto, per ottenere evidenza dei processi in atto e conferma dell'attendibilità e del corretto trattamento dei dati e delle informazioni acquisiti attraverso gli incontri e le discussioni;
- d) verifica dell'aggregazione e del consolidamento dei dati e delle informazioni, originati dalle Società del Gruppo e contenuti nel Rapporto;
- e) verifiche in sito presso la sede di Rete Ferroviaria Italiana SpA e la DTP Roma di Rete Ferroviaria Italiana SpA e la sede di Centostazioni SpA;
- f) analisi della completezza e della coerenza interna delle informazioni qualitative riportate nel Rapporto rispetto alle linee guida identificate nel paragrafo 1 della presente relazione;
- g) ottenimento della lettera di attestazione, sottoscritta dal Rappresentante legale di Ferrovie dello Stato Italiane SpA, sulla conformità del Rapporto alle linee guida indicate nel paragrafo 1, nonché sull'attendibilità e completezza delle informazioni e dei dati in esso contenuti.

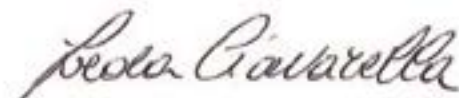
La revisione limitata ha comportato un'estensione di lavoro inferiore a quella di una revisione completa svolta secondo l'ISAE 3000 e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di una revisione completa.

Per quanto riguarda i dati e le informazioni relativi al Rapporto di Sostenibilità dell'esercizio precedente presentati ai fini comparativi, si fa riferimento alla relazione emessa da PricewaterhouseCoopers Advisory SpA in data 31 luglio 2013.

- 4 Sulla base di quanto svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il Rapporto di Sostenibilità del Gruppo Ferrovie dello Stato Italiane al 31 dicembre 2013 non sia stato redatto, in tutti gli aspetti significativi, in conformità alle "Sustainability Reporting Guidelines del GRI (Global Reporting Initiative) version G3.1" livello di applicazione A+, come riportato nel paragrafo "Comunicare la Sostenibilità: nota metodologica" del Rapporto.

Roma, 29 luglio 2014

PricewaterhouseCoopers SpA



Leda Ciavarella  
(Partner)





# Feedback Questionnaire

GRI 2.4 | 3.4

Dear reader,

this is the eighth edition of the Ferrovie dello Stato Italiane Group's Sustainability Report.

It is a publishing experience that we believe can be further enriched and perfected year by year, also thanks to the contributions from our stakeholders, who provide their own opinions and considerations.

This is why we ask you kindly to fill in the questionnaire that you will find in the Sustainability section of our website: [fsitaliane.it](http://fsitaliane.it).

If you have any enquiries about the 2013 Sustainability Report, on the other hand, you can send them by e-mail to [rapportostenibilita@fsitaliane.it](mailto:rapportostenibilita@fsitaliane.it) or via fax to the number +39 06.44102478..



GRI 2.4

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