

Sustainability Report 2019

CONSOLIDATED NON-FINANCIAL DISCLOSURE pursuant to Italian Legislative Decree no. 254/2016



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Letter to stakeholders

GRI 102-14

The 2019 Sustainability Report contains the information required by the Consolidated Non-Financial Disclosure pursuant to Italian Legislative Decree no. 254/2016 and confirms the desire to present the Group's approach and performance in a transparent and shared manner.

At the time this document was prepared, our country was facing a health emergency caused by the spread of COVID-19, with significant impacts also on the region managed by TPER and therefore on the overall organisation of activities and the service.

Therefore, in explaining the 2019 data we are aware of the significant variations that this situation has generated and is generating for the entire mobility sector, with overall effects that are not only economic in nature. Situations that were both unforeseen and highly consequential had to be addressed in managing the business and performing essential services. Due to the serious health emergency, the issue of individual's well-being has become a primary objective, to be safeguarded in terms of actions for the safety of our personnel, as well as in the context of providing essential transportation services for users.

TPER has addressed the issues related to the outbreak and subsequent spread of the COVID-19 virus, implementing safety measures aimed at containing the risk of contagion envisaged in the measures issued by the competent authorities. This emergency has also accelerated certain processes that had already begun during 2019, such as the activation of smart-working systems capable of supporting an optimal work-life balance for employees.

The serious pandemic that is still under way will certainly be the focus of the 2020 data in the non-financial statements, but it is important to emphasise that what has been reported over the years for sustainability issues, and therefore above all the results of the 2019 financial statements, constitute a solid basis for the Group's development path which, despite the necessary verifications and changes deriving from the pandemic, cannot be suspended.

The data presented in this document related to 2019 activities highlights a path of performance growth in the various areas to demonstrate the complexity of TPER's range of actions, and at the same time, a willingness to act in an ethical and responsible manner and to make an important contribution to a future of genuine sustainability, focusing on the effects of our activities on the environment and communities.

In fact, our social values are part of our identity, that is, the importance attributed to human relations and relations with the relevant institutions and the community, as well as respect for the rules, also understood as the principles to which TPER has decided to commit. For this reason, TPER confirmed its participation in the United Nations Global Compact in 2019 and obtained the renewal of the legality rating from the Anti-Trust Authority.

Our commitment takes into account the environmental value, i.e. the commitment to reducing emissions, the sustainable use of energy, and the definition of a new transport culture in support of a more balanced development of communities. For this reason, new investments were promoted and launched in 2019 to develop more sustainable transport, in line with the Sustainable Urban Mobility Plans (PUMS) for the Bologna and Ferrara areas.

In 2019, TPER confirmed the selection of 9 SDGs out of the 17 identified by the United Nations, to which it intends to contribute with its service and business activities. These issues, together with the material goals, were also considered in the planning phase, establishing specific assessment objectives based on sustainability issues.

Sustainable development is a highly topical issue worldwide, in a context of change that affects many fronts, but principally from an environmental point of view: considering the overall impact of transport in the use of fossil fuels and the reduction of CO2 production and other emissions, the collective and shared mobility guaranteed by TPER represents an ecological and convenient alternative to mobility needs.

We are, therefore, committed to defining and measuring TPER's environmental impact, without forgetting the industrial aspects. It is essential to maintain effectiveness, efficiency and economy in management, to act with innovative and structured tools, keep in mind future scenarios in terms of innovation and competitiveness and stay in the market with all the additional and challenging capabilities that a public company can and must bring.

In relation to the significant push for investments made by the Group in recent years, as also evidenced by the increase in depreciation and amortisation in the statutory financial statements in recent years, and with the aim of ensuring that priority investments in terms of sustainability are carried out, the process defined with the mobility agencies of Bologna and Ferrara was successfully completed in 2019 to extend the service contract in full compliance with the rules and with significant investment commitments focused on sustainability and innovation.

The 2019 Sustainability Report clearly shows the results achieved, not only at economic level, but also with regard to the projects developed, focus on the environment and the activities undertaken to improve services for the benefit of users and territories in which TPER operates.

The drafting of this document is not just a formal act associated with regulatory requirements, rather, it is a synthesis of TPER's commitment to integrate information on industrial and economic performance with the themes of social and environmental sustainability, with a view to responsible business management and reporting to all stakeholders regarding the tangible commitment undertaken over the years in the full and shared conviction that sustainability is a truly integral part of the company's growth path.

Chairperson of TPER

Giuseppina Gualtieri

TPER summary data

GRI 102-7

Operational indicators

		2019
The vehicles		
TPER Buses	Number	1,173
TPER partner buses in TPB - TPF	Number	220
TPER Trains	Number	17
Trains assigned for service management	Number	69
Traffic, network and infrastructures		
Road distance covered	Millions of km (TPER Group)	43.4
Distance travelled on the railway network	Millions of km	5.3
Seats managed	Number	52,495
Passengers - Customers		
Passengers - road	Millions	151.8
Passengers - train (FER-RFI network)	Millions	13.6
Passenger increase - total	% compared to 2018	1.9%
Passenger increase - total	% compared to 2017	22%
Permits	Number	45466
Other services		
Registered for the "Corrente" car-sharing service	Number	16,020

(1) Data provided by the Bologna city council - of which 1402 for those with reduced mobility

(2) +3.40% Bologna, +2.65% Ferrara, +27.2% railway

(3) Only two months of 2018

(4)

Economic-financial indicators

2019

Group turnover	Millions euros	of	311
Consolidated Net Profit	Millions euros	of	7
Group Value Added	Millions euros	of	171
Extended value	Millions euros	of	215
Investments	Millions euros	of	480

Social indicators

		2019
Staff		
Employees	Number	2868, of which 66 SST (not included in the analysis scope)
Number of hours of training	Number	82,000
The customer and the service		
Average customer satisfaction rating (Bologna urban bus)	Number	7.39
Average customer satisfaction rating (Imola urban bus)	Number	7.02
Average customer satisfaction rating (Ferrara urban bus)	Indicator	7
Average customer satisfaction index (trains)	Indicator	5.3

Environmental indicators

(Refers to the whole Group, including partners of the Bologna and Ferrara areas)

		2019
Journey in km with methane gas vehicles	Overall impact % of total	25%
Mileage km with electric and hybrid vehicles	Overall impact % of total	5%
Journeys in km with electric trains	Overall impact % of total	68%
Reduction in CO2 produced compared to the previous year	%	-0.16%

Reduction in particulate emissions compared to the previous year	%	-25.22%
Reduction in hydrocarbon emissions compared to the previous year	%	-11.35%
CO2 saved thanks to the use of LPT compared to the use of a private car	Tonnes	<ul style="list-style-type: none"> • 150,110 tonnes of CO2 in the Bologna area, of which 230,000 tonnes for the "Corrente" car-sharing service • 9,560 tonnes of CO2 in the Ferrara area • 18,111 tonnes of CO2 for regional rail transport service managed.

Significant events after the end of the year: COVID-19 emergency

GRI 102-15

Following the health emergency declared by the World Health Organisation in relation to the epidemiological developments from COVID-19 and the progressive contagion in Italy, TPER has addressed the issues related to the outbreak and subsequent spread of the COVID-19 virus, implementing safety measures aimed at containing the risk of contagion envisaged in the measures issued by the competent authorities.

Business continuity and scenario

The economic and operational impacts of the COVID-19 emergency on the Group’s activities are currently being determined. As part of the assessment of the correctness of the assumption of business continuity, the Directors have identified a number of factors for attention, linked to the restrictive measures and the resulting reduction in ticket revenues as well as their possible effects on the expected profitability for the current year and on the related cash flows.

Despite the current context that is extremely complex and uncertain, the Directors have assessed the significance of the circumstances linked to COVID-19 in relation to the company’s ability to fulfil its obligations. This assessment considered the following elements:

- The effects of government measures already taken to support local public transport;
- Other actions implemented and those that are expected to be carried out by national and supranational authorities to counter the health crisis and address the related economic and financial consequences;

- The availability of liquidity reserves or other forms of access to credit that would allow TPER Group to manage a period of lower passenger traffic in the next 12 months without jeopardising business continuity.

In light of the above considerations, the Directors considered the business continuity assumption appropriate and correct after verifying the Group's ability to meet its obligations in the foreseeable future and in particular over the next 12 months.

Operating decisions

With reference to services, a reduction in service has been implemented, continuously modulated in relation to the ordinances issued by the Emilia-Romagna Region over time, also taking into account the provisions of the Prime Ministerial Decrees limiting mobility of individuals.

The decision made, in agreement with the Region and the administrations of the territories served, was to continue to offer a service that was clearly higher than the actual demand for public transport. Therefore, an essential public service was guaranteed during the first phase, limited to the minority of the population permitted to move about for work or for strict necessity, thereby recording a drop in users of over 90% compared to a "normal" period, with service reduced by about 20%.

Health and safety of employees and customers

On the service level, since the first regional ordinance, vehicles were disinfected each time they returned to the depot, where they were ventilated and cleaned with specific chlorine-based products.

Particular attention is given to the driver's area (steering wheel, dashboard, seat, glove compartment) and to the parts of the passenger area that are most susceptible to contact, including push buttons, horizontal and vertical handrails, armrests, handles and holds, on-board validators and ticket machines. The floors are vacuumed and cleaned with water-based solutions with sanitising products. Furthermore, the periodic atomising process was intensified, with specific one-shot chlorine products for the entire bus.

Operational solutions and agile work

With regard to line personnel, similar to that which has been adopted by many other companies, on-board ticketing by the driver was suspended, where applicable, and the front door of the bus was closed, leaving access for passengers from the remaining doors. In addition, for greater protection of drivers, shifts were reorganised and spaces redefined: the area adjacent to the driving position was insulated, with spacing marked throughout the vehicle.

An individual kit was prepared and delivered to the driver, containing disposable latex gloves, hydro-alcoholic gel solution, sanitising wipes and protective masks.

From 4 May 2020, with the start of Phase 2, all passengers are required to wear a mask over the nose and mouth for the duration of the trip.

To avoid gatherings, at the bus stops or the main platforms of the stops in the bus network where there is normally a larger concentration of passenger flow for the urban service,

markings were placed on the ground at the main stops, indicating the correct spacing of people waiting for the vehicle.

On buses, there is a sign indicating the seats that cannot be used to allow greater distancing between passengers and one to direct the flows of passengers entering and exiting: continuing to keep the front door closed, in vehicles with at least three doors, an entrance and exit door is indicated, while for two-door vehicles, the entrance and exit of passengers from the vehicle is organised from a single door, with adequate communication on the ground and on board regarding the need to allow passengers to exit before entering the vehicle, respecting distances and orderly access.

Information is also posted on the bus and at the stops on the behavioural rules envisaged for using public transport and on the most important hygiene and safety rules, including the mandatory use of masks, properly worn for the duration of the trip.

With regard to technical and administrative personnel, the company has encouraged smart working by making it easier to come into the offices less frequently - although they are regularly sanitised - while keeping the operations necessary for performing the service and related activities unchanged: since the beginning of March, more than 220 positions became managed through smart working in a very short time, leveraging to the utmost the path the company had already begun at the start of the year for this method of working.

Communication with stakeholders

During the emergency, the priority was to implement the measures issued by health authorities, national decrees and ordinances, working closely with the Emilia-Romagna Region, the local prefectures and local authorities in the territories and with the constant involvement of workers' representatives.

In terms of information, all changes to services and useful information regarding the emergency were constantly updated and aggregated on the homepage of the company's website in a prominent banner (www.tper.it/noicisiamo), in order to guide the user to quickly find the information needed; a similar update takes place through the company's Facebook page, which is always very popular.

COVID-19: risk analysis and sustainability

There are several factors related to sustainability that can affect the risk of a pandemic outbreak: number of people travelling, progressive urbanisation, population density growth, deforestation, migrations driven by conflicts and emergencies as well as climate change and related biodiversity loss, in addition to changing disease transmission patterns.

In the circumstances described, the review and assessment of business risk profiles are also significantly affected. The impacts generated and incurred can be of a different nature. These include:

- Economic-financial and market scenarios
- Control model (e.g., cybersecurity and privacy deriving from potential changes in access to ICT systems to enable remote working)
- Human resource management policies and operating methods (smart working)
- Workers' health and safety
- Users' health and safety.

Organisations that have defined and applied adequate risk management systems and policies and models are able to contain, thanks to their good practices, the impacts of events such as the one in question.

For these reasons, TPER has also launched a strategy that integrates sustainability and the resulting appropriate policies in its business model, also with the objective of mitigating the impacts of the COVID-19 health risk and the probability of new and different health risks emerging in the future.

Presentation and note about the method

GRI 102-45 GRI 102-46 GRI 102-48 GRI 102-50 GRI 102-51 GRI 102-52 GRI 102-53 GRI 102-54

The Consolidated Non-Financial Disclosure (hereinafter also "DNF") of TPER - Trasporto Passeggeri Emilia Romagna S.p.A. and its subsidiaries (hereinafter also "TPER" or the "Group" or the "TPER Group") has been drawn up in accordance with articles 3 and 4 of Italian Legislative Decree no. 254/2016 (hereinafter also the "Decree"), implementing Directive 2014/95/EU, and contains information on environmental, social and personnel-related issues, respect for human rights and the fight against corruption, useful for guaranteeing an understanding of the activities carried out by the TPER Group, their progress, results and impacts.

As the issuer of a bond loan of 95 million euros, financial assets listed in 2017 on a regulated market in the European Union (Irish Stock Exchange), starting in 2017, TPER has the regulatory obligation to prepare the Non-Financial Disclosure, pursuant to Italian Legislative Decree no. 254/2016, taking into account the measurement parameters laid down by that Decree.

The Non-Financial Disclosure refers to the year 2019 and has been prepared according to the methods and principles laid down by the GRI Sustainability Reporting Standards ("In accordance - core" option) established in 2016 by the Global Reporting Initiative (GRI). Note that, with regard to the specific GRI 303 standard "Water and Effluents", the most recent version from 2018 was adopted.

The general principles applied for the preparation of the Non-Financial Disclosure are those established by the GRI Standards: relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability and clarity. The performance indicators used are those required by the reporting standards adopted, representative of the various areas of sustainability and consistent with the activity performed and the impacts produced by it. In particular, the choice of these indicators was made on the basis of the materiality analysis and the issues referred to in Italian Legislative Decree no. 254/2016.

For the purposes of drafting the Non-Financial Disclosure, the following sources were also considered:

- Regional Planning on sustainable mobility and air quality (PRIT, PAIR);
- Metropolitan City planning on urban strategies (PSM);
- Metropolitan City of Bologna and Province of Ferrara planning relating to sustainable urban mobility (PUMS);
- *"Social and environmental responsibility for public transport companies - Guidelines and indicators for the preparation of the Sustainability Report"*, published in 2019 by ASSTRA - Transport Association, the association of local public transport companies in Italy;
- Regulatory references governing the activities of local public transport companies.

The scope of reporting on the qualitative and quantitative data and information contained in TPER's Consolidated Non-Financial Disclosure refers to the performance of the Parent

Company TPER - Trasporto Passeggeri Emilia Romagna S.p.A. and its fully consolidated subsidiaries, as they stand in the TPER Group's consolidated financial statements closed as at 31 December 2019 and, specifically, the companies Dinazzano Po, Mafer, and SST.

With reference to environmental issues (energy and emissions), the data presented also include those referring to the operating partners of the bus service in the two areas of Bologna and Ferrara.

In order to allow a comparison of the data in time and the evaluation of the progress of TPER's activities, the comparative data relating to the two previous periods have been entered where available. Quantitative information for which estimates have been used is indicated in the various sections of the Non-Financial Disclosure.

The information and data on the extended value of TPER (direct, indirect, and induced) reported in the section "Analysis of the economic impact on the area" do not refer to specific indicators of the GRI Sustainability Reporting Standards, but rather are proprietary indicators defined through economic and statistical models, which are therefore not included in the scope of limited assurance activities.

Indications of any adjustments made to comparative data of previous years, along with the related reasons, are directly reported in the comments on the data.

The Non-Financial Disclosure contains a summary index of the information related to the various areas covered (GRI Content Index), so as to allow the traceability of indicators and other quantitative and qualitative information presented within the Non-Financial Disclosure.

Managers from the various Group functions were involved in the process of preparing the Non-Financial Disclosure. The validation of the issues reported and the identification of the contents are the result of a process of sharing with the Chairperson and all company departments.

This document has been approved by the TPER - Trasporto Passeggeri Emilia Romagna S.p.A. Board of Directors on 27 May 2019, pursuant to Italian Legislative Decree no. 254/2016, and has been audited by the appointed auditor PricewaterhouseCoopers S.p.A. in accordance with the principles and instructions given in ISAE3000 (International Standard on Assurance Engagement 3000 - Revised) of the International Auditing and Assurance Standard Board (IAASB). PricewaterhouseCoopers S.p.A. is also the company assigned to audit the Consolidated Financial Statements of the TPER Group.

The Non-Financial Disclosure is published on the TPER corporate website at the address www.tper.it, in the "Transparent Company" area. To request further information, please contact the following address: sostenibilita@tper.it.

TPER - Trasporto Passeggeri Emilia Romagna S.p.A. is a public capital company based in Bologna that provides local automotive and railway transport services and other related activities, both directly and through subsidiaries and investee companies, representing itself as a mobility company in broad terms, with the aim of developing public transport and boosting effective mobility in the areas in which it operates. Since September 2017, TPER has been set up as a Body of Public Interest, having issued bonds listed on regulated markets (Irish Stock Exchange).

TPER is one of the leading passenger transport operators in Italy and is the largest company in the Emilia-Romagna region in terms of numbers and volumes of service in the public passenger transport industry. The consolidated revenues of the Group - which employs 2,700 employees - were over 312 million euros in 2019. The TPER Group provides passenger transport every year for around 50 million kilometres, of which 44.2 million local public road transport and over 5.2 million in the railway sector. Consolidated shareholders' equity as at 31 December 2019 was 162 million euros.

The TPER Group covers various segments of the transport sector - the automotive sector, trolleybus and railway sector - and has become one of the few large-scale Italian companies to manage collective transport by road and rail, a service that is carried out in partnership with other entities through public-private consortia.

TPER manages local public road transport in the provincial areas of Bologna and Ferrara with other private companies and passenger transport in the regional railway sector, in partnership with Trenitalia. Activities are carried out thanks to specific service contracts that regulate assignments acquired following the awarding of tenders. In these areas, through its development plans, TPER aims to enhance the inter-modal approach with regards to local public transport.

As of May 2014, TPER also manages the parking service (roadside and parking lots), the issuing of permits, and car sharing. In October 2018 TPER initiated the CORRENTE service, that is, a free-flowing, car-sharing service with electric cars, accessible through a downloadable application from the Apple and Android stores. The service was expanded during 2019, replacing the previous car-sharing system, "Io Guido".

Furthermore, TPER handles and implements the most important mobility development initiatives in the metropolitan area of Bologna, such as the guided assisted public road transport system and the completion of the inter-modal trolleybus and rail service. For this reason, it is involved in activities of planning and contracting authority.

Profile and Identity

GRI 102-16

TPER's **vision** is to improve the quality of life and the environment, to the benefit of passengers and, more generally, of the area in which it operates.

Its **mission** is to encourage and expand the use of public transport services, presenting itself as a sustainable, competitive, innovative and transparent mobility company. Expanding its services across the region, responding effectively, efficiently and economically to users' needs.

To pursue its mission and achieve the objectives of sustainability and quality, TPER has framed its strategic positioning in an industrial perspective, by creating a company structured from the point of view of assets, resources and organisation and aiming at effectiveness and management efficiency as well as quality of services for travellers.

Legal framework

GRI 102-2

General context

The various activities managed by TPER refer to a complex system of European-based laws relating to services of general economic interest, as transposed into national and regional legislation.

The legislation takes account of both aspects related to national and international policies on competition and management methods as well as service sustainability and accessibility criteria with regard to users. Considering the significant impact of the transport sector on the environment, the policies also concern the reduction of environmental impact in terms of the production of CO₂ and other greenhouse gases, incentivising the use of collective or shared transport over private transport and the switch to cleaner energy sources.

TPER respects all the reference standards and adopts plans in line with the international and local sustainable development objectives.

Relevant legislation

The main reference laws for the local public transport sector remain in force and unchanged, in particular Italian Legislative Decree no. 422 of 18 November 1997 as amended (the Burlando Decree), European Regulation 1370/2007, and regional regulations.

With reference to resources allocated to transport, Italian Law no. 228/2012 (article 1, paragraph 301) set up the National Fund for State financial contributions to the cost of local public transport (TPL Fund), including rail transport, in regions with ordinary statute. Since 2018 the TPL Fund has been regulated by the provisions of Italian Decree Law no. 50 of 2017, which modified both the Fund's funding criteria, ahead of the reorganisation of the regional tax system, and its allocation criteria. More specifically, in addition to the provisioning of the Fund, this law also provided for its subdivision among the regions, taking account of (a) a 10% share, to be increased up to 20% over the years, based on the total

income from traffic and the recorded increase, and (b) a 10% share, to be increased up to 20%, on the basis of compliance with standard costs (as per article 1 paragraph 84 of Italian Law no. 147/2013). For the remaining portion, an annual reduction of 15% of the value of the contracts which by 31 December of the previous year are not awarded by tender (or where the relative call for applications has not been published) is expected.

The law also discouraged the circulation of old polluting Euro 0 or Euro 1 category buses, run on petrol or diesel, which was subsequently extended to Euro 2 and Euro 3 category buses, allocates resources to rail transport safety and introduces systems for counting passengers and electronic ticketing.

The 2018 Budget Law (Italian Law no. 205/2017) subsequently made two modifications to the size of the Fund. In fact, a reduction of 58 million euros was imposed for the years 2019, 2020 and 2021 and the subsequent years of the Fund. At the same time, resources were allocated (500,000 euros for 2018, 2 million euros for 2019 and 1 million euros for 2020) to guarantee that passenger trains are equipped with suitable equipment to provide passengers with first aid in the event of emergencies.

That same 2018 Budget Law (art. 1, paragraph 71) also envisaged the possibility of using up to 100 million euros of the Fund's resources to finance experimental and innovative sustainable mobility projects, consistent with the Sustainable Urban Mobility Plans (PUMS) where required by governing regulations, to introduce vehicles powered by alternative energy sources and the related supporting infrastructure. A third of the Fund's resources are allocated to administrative councils of metropolitan cities and administrative councils of the provinces with high levels of PM10 particulate and nitrogen dioxide emissions, who are required to adopt structural actions to reduce their atmospheric pollution levels.

Again with the aim of revamping bus fleets, various other regulations have been introduced to gradually limit the possibility of purchasing and using the oldest and most environmentally harmful vehicles. In particular, the circulation of Euro 0 vehicles has been banned since 1 January 2019 (art. 1, paragraph 232, Italian Law no. 190 of 2014).

Regional legislation

Specifically, Regional Law no. 30 of 1998 comprehensively regulates the system of regional and local public transport in compliance with the competences attributed under the Constitution. Among other things, the principles that inspire the regional rules included the containment of energy consumption, a reduction in the causes of environmental pollution and the protection of air quality from atmospheric pollution to protect the health of citizens.

The regional principles also seek to guarantee citizens and businesses optimum access to the services provided in the area, promote the central role of regional public transport as an engine for civil and economic development and social cohesion, incentivise the streamlined organisation of traffic and circulation and promote the culture of sustainable mobility.

The same Regional Law (30/1998) implemented the powers established by Italian Legislative Decree no. 422 of 1997 and the subsequent transfer of the railway lines formerly run by government-appointed commissions from the State to the Region, assigning the Emilia-Romagna Region with the railway services for which it is responsible.

With specific guidelines, the Emilia-Romagna Legislative Assembly establishes lines of action for the planning and administration of regional public transport which regulate the car-trolleybus sector and urban mobility. More recently, the administration issued its 2016-2018 guidelines of 3 August 2015 on the planning and administration of regional and local public transport, pursuant to art. 8 of Regional Law no. 30 of 1998. These guidelines establish the main sources of financing for the sector, providing for:

- 1) Regional resources deriving mainly from the National Fund for State financial contributions to the cost of local public transport, including rail transport
- 2) Regional and other resources (European, state, provincial, council and even private) for investments and infrastructural interventions, aimed at the purchase of buses and trolleybuses, bicycle and pedestrian mobility and, more generally, sustainable mobility promoting air quality.

The division of services and contributions between the provincial councils was approved by the Regional Council with the "Resolution of minimum local public transport services for 2016-2018" of 16 May 2016, subsequently updated with the addendum to the 2019-2020 guidelines.

The Mobility Pact

The "Regional and local public transport pact for the three-year period 2018-2020", signed in December 2017 by the president of the Emilia-Romagna Region and representatives of public entities, the Metropolitan City of Bologna, public and private management companies and social stakeholders, holds the signatories to a series of commitments and investments in order to redesign both the rail and the urban bus transport sectors. In addition to the upgrade of rolling stock for trains and buses, the pact also aims to introduce integrated fares, electronic ticketing and a new governance reform project.

In June 2019, an addendum was signed for the years 2019-2020, which takes into account changes in the context and the reference scenarios.

As part of the commitments made by the European Union in 2015 with the Paris Agreement on climate change, to reduce CO2 emissions by at least 40% by 2030, and in implementation of the "European strategy for low-emission mobility", the European Commission presented a package of measures in 2018 related to the "Europe on the move" initiative.

The overall objective is to create the right conditions and the right incentives to develop an industry that is competitive at the global level, innovative and capable of increasing employment, especially in the transport sector, considered one of the main culprits for the deterioration in air quality in urban areas.

The main developments in the transport sector are related to technological improvements and increases in vehicle efficiency, as a result of new engines, materials and design models, the increasing use of vehicles with sustainable fuel technologies (hybrid, natural gas, LPG and electric vehicles), and the development of Intelligent Transport System (ITS) technologies for a more efficient, safe and accessible mobility system.

With reference to developing public transport with respect to private transport, several factors must be considered: travel time, number of interchanges required, frequency of services, cost of travel, safety and comfort. Added to this is a need for a balance between

the effectiveness of the public transport offer and its economics, with respect to the issue of sustainability in public spending.

The prioritised and integrated measures envisaged in the regional planning documents identify growth targets for passengers transported: +10% for buses, +20% for trains and an increase in bicycle travel of up to 20% of the total.

The pact aims to upgrade 600 buses by 2020 following a 160 million euros investment, 80 million euros of which from the regional budget. In this way, the most obsolete vehicles in the fleet will be replaced. The Pact also allocates 1 billion euros of investments to the technological upgrading and safety of trains over a 10-year period.

National legislation

With reference to the regulation of the sector, the Italian Transport Regulatory Authority (ART) has broadened its scope and, pursuant to art. 37 of Italian Decree Law no. 201/2011, must ensure, according to methodologies that encourage competition, the production efficiency of the management and the containment of costs for users, businesses and consumers. To this end, ART defines the conditions of fair and non-discriminatory access to infrastructures and passenger mobility, verifies the consistency of service areas with respect to sector regulations, establishes minimum conditions of service quality and minimum content of specific rights, prepares the schedules of calls for tenders for the assignment of services and conventions.

In 2019, the regulatory activities included:

- resolution no. 154/2019, in which ART approves the revision of the measures for drafting invitations and agreements relating to tenders to assign local public road and rail transport services for passengers and defines the criteria for appointing awarding committees, as well as defines the service contract schemes directly assigned or exercised by in-house companies or by companies that are predominantly publicly owned - previously approved with resolution no. 49/2015
- resolution no. 130/2019, with which ART approved the regulatory measures concerning access to service facilities and railway services, in order to consolidate and integrate the regulatory acts issued by the Authority.

Scenarios, strategies and sustainability

GRI 102-15 GRI 103-2 GRI 103-3

The transport and environment system

The European scenario

Since 2011, the European Commission has envisaged the adoption of specific initiatives to build a competitive transport system aimed at improving mobility, removing key obstacles, and stimulating growth and employment, with the aim of guaranteeing mobility that is integrated at European level, attentive to the needs of the population, to environmental policy and competitiveness.

The main objective is to reduce oil dependency and transport carbon emissions by 60% compared to 1990 levels by 2050. In order to achieve this, by 2030 the use of

conventionally-powered vehicles in urban transport should be reduced by 50% and the use of the railway for mid-distance journeys should be encouraged.

The EU strategy also includes social objectives such as the possibility of approaching zero deaths in road transport accidents by 2050, or tripling the length of the high-speed rail network by 2050.

Achieving these objectives requires the development of a new generation of sustainable transport technologies, in particular for integrated traffic management systems, low-emission transport, greater energy efficiency of vehicles and the rational and organised management of demand for transport.

With Italian Decree Law no. 111/2019 (known as the Climate Decree), measures have been defined for the national strategic policy to combat climate change and improve air quality, which also includes actions and effects in the local public transport sector. Moreover, on 11 December 2019 the European Commission published the communication "The European Green Deal". With its resolution of 15 January 2020, the European Parliament set the EU's 2030 target for reducing greenhouse gas emissions to 55% of 1990 levels.

Sustainable mobility, i.e. the promotion of more sustainable means of transport, is one of the sectors covered by the EU Green Deal. The specific objective is to reduce emissions from transport even more rapidly, as they represent one quarter of the European Union's greenhouse gas emissions. The Green Deal is aiming for a 90% reduction in these emissions by 2050. The Green Deal will address the problems of emissions and urban congestion and improve public transport.

In implementation of Regulation (EU) 2018/1999, the Ministry of Economic Development (MISE), the Ministry of Infrastructure and Transportation (MIT) and the Ministry for the Environment have prepared the Integrated National Plan for Energy and Climate, which was sent to the European Commission in January 2020. The plan set the national 2030 targets for energy efficiency, renewable resources and the reduction of CO2 emissions, as well as the targets in terms of energy security, interconnections, the single energy market and competitiveness, as well as sustainable development and mobility, outlining for each of these areas the measures that will be implemented to ensure their achievement.

PRIT - The integrated regional transport plan

The Emilia-Romagna Regional Council has set the following objectives: a) implement the use of public transport for environmental reasons and to make it efficient and sustainable, taking into account the fact that natural resources are limited; b) guarantee the economic and financial soundness of the system in order to continue to create value at local level; c) prioritise innovation and services that benefit users, incentivising integrated pricing systems and electronic ticketing, as well as improving travel comfort and the overall quality of the service, including through fleet renewal.

These are challenging and complex but necessary objectives, as they reflect socio-cultural dynamics and environmental needs. These objectives are simultaneously based on a model capable of maintaining and developing a sustainable industrial management system in the medium-long term that can grow and generate value, which is shared with the local community in question.

PUMS - Sustainable Urban Mobility Plans

Metropolitan City of Bologna

The PUMS is a strategic plan that manages mobility in a sustainable way over the medium-long term, but with checks and monitoring at predefined intervals, and develops a systemic vision of mobility, correlated and coordinated with overarching and municipal sectoral and urban plans. The guiding principles of PUMS are therefore integration, participation, evaluation and monitoring. The PUMS for the Metropolitan City of Bologna has the entire metropolitan area as its reference territory and addresses the transversal and radial relations between city councils, carefully analysing movements to and from the capital, considering its high level of attraction, as well as Imola.

The objectives:

- Guarantee a high level of accessibility;
- Comply with the objectives of the 2015 Paris Climate Agreement - COP 21;
- Observe the objectives for healthy air - PAIR 2015 - Emilia-Romagna Regional Council;
- Reduce road accidents to a minimum;

The objectives to be achieved by 2030 are driven by the Paris Climate Agreement (COP21). Though not explicitly defined in the Agreement, with the adoption of the PUMS the Administrations commit to reducing "climate-changing" emissions, including in the mobility sector, by at least 40% by 2030 and to creating the conditions that will make it possible to reduce emissions to the minimum levels by 2050.

Province of Ferrara

The PUMS of the Province of Ferrara is inspired by the principles of integration, participation and value over time, has a medium/long-term horizon (10 years), develops a systemic vision of mobility and is correlated and coordinated with overarching and municipal sectoral and urban plans. This plan represents a transition from transport planning to sustainable mobility, going beyond the ex-post approach, which saw traffic as the critical element requiring action, instead assessing people's mobility requirements and the relative offer of sustainable transport methods.

The objectives:

- Guarantee all citizens transport options that enable them to access key destinations and services;
- Improve safety conditions;
- Reduce atmospheric and noise pollution, greenhouse gas emissions and energy consumption;
- Improve the efficiency and affordability of transporting people and goods;
- Contribute to improving the attractiveness of the province and the quality of the urban environment and the city in general, for the benefit of citizens, the economy and society as a whole.

MSP - The Metropolitan Strategic Plan

The Metropolitan Strategic Plan (MSP) aims to provide precise and consistent indications for the operation of the functions of the Metropolitan City of Bologna, the municipal unions and the city councils that fall within in the metropolitan area, defining:

- General and transversal objectives that must guide the administrative action of the metropolitan area as a whole;
- Actions and priorities for intervention in the individual matters overseen by the metropolitan city.

The MSP must, therefore, be considered hierarchically superior and logically more important than the directives, plans, programmes, instructions, circulars and every act of the Metropolitan City and the local administrations on organisational and functional matters, objectives and administrative proceedings.

The strategic mobility objective in the metropolitan area of Bologna is 20% reduction in private traffic flows by 2020 and progressive reduction of climate-changing emissions by up to 40% no later than 2030. The objectives of the MSP, consistent with the guidelines given in previously described plans, are based on a new way of planning mobility: the MSP is the first integrated mobility plan that focuses not only on travel but also on improving the quality of life in cities and the local area. For this reason it is a transversal plan which addresses critical consistency and coordination issues with the policies and intervention tools designed for other sectors (such as urban planning, environment, economic activities, tourism, social services, health, safety, energy and education) that are available to the various authorities. With this in mind, we must carefully focus on maintaining a virtuous balance between the effectiveness and efficiency of the mobility system and the layout and urban and territorial developments. In particular, the MSP establishes that:

- Urban planning activities are only possible if an adequate supply of sustainable transport is guaranteed, and in particular public transport directly serving the site;
- Urban planning actions (residence, trade, functional centres) must be preceded by the necessary infrastructures that guarantee sustainable mobility and the identification of the necessary economic coverage for the realisation of the services;
- Initiatives to counter urban sprawl is a priority, and consistency between the mobility system, the layout and the development of the territory is pursued; in particular, redevelopment that does not exceed the footprint of existing structures is permitted in rural areas;
- The constant improvement of the quality of the existing road and urban space must be a goal.

Sustainability strategy and objectives

Integrating sustainability in business plans

TPER's 2019-2021 business plan was formulated based on an approach by which sustainable development requires concrete actions. The plan's strategic guidelines and related actions for the various business areas are characterised by change factors, capable of significantly and transversally affecting the prospects for business development with respect to the pursuit of economic, environmental and social sustainability objectives.

The plan's targets primarily concern investments in transport methods with higher sustainability as well as implementing and completing infrastructure projects. Sustainable development requires capabilities related to innovation and technological development to improve the efficiency and quality of services offered, as well as investments to support the development of the knowledge and skills of human resources, in a highly complex

scenario, to be able to take advantage of new market opportunities and develop innovative business lines, which respond to social needs pertaining to mobility.

Business Plan - Strategic objectives	
Technological development	Drivers of technological innovation, a tool to support businesses and a means of developing new opportunities
Quality	High quality standards in all activities for the benefit of all stakeholders
Sustainability	Carrying out our role in the communities in which we operate, with respect for the law and the environment
Economic equilibrium	Business continuity and development, always seeking to maintain the economic and financial equilibrium
Increasing competitiveness	Developing strengths and improving weaknesses, including through partnerships and the management of innovative forms of mobility
Efficiency	Constant improvement of internal processes - high levels of efficiency

These objectives encapsulate the specific sustainability goals, which are transversal with respect to the strategic objectives:

Business Plan - General sustainability objectives	
Environment	Optimisation of energy consumption, reduction in the use of fossil fuels and a consequent reduction in emissions of CO2 and other substances that are harmful to human health and the environment
Efficiency and quality	Maintaining high levels of affordability, profitability and productivity with the aim of respecting the company's goals by making the best possible use of available resources, therefore also guaranteeing economic sustainability in the process
Accessibility	Improved comfort for travellers and the guarantee of a sustainable service for all, including those who can't afford alternative modes of transport
Safety	Reduction in the likelihood of accidents, safety on board and for company personnel

Sustainable mobility entails, first of all, a decision to use public transport as the means of transport that is of high quality, more efficient and safe, effectively able to guarantee better mobility and generate benefits for users, the community and the environment. Without prejudice to the "social" value of public transport, which enables the public to exercise their right to mobility (both in economic and physical terms), the strategic objective is to expand its use and bring this mode of transport closer to all people so that they can take advantage of the actual opportunity, in terms of safety, time, convenience, effectiveness, and comfort.

The improvement of road safety, also through the use of public transport, can also lead to a steady reduction in road accidents and the number of related victims.

TPER’s commitment also involves communication, with the purpose of promoting a "smart" lifestyle, where collective transport becomes the preferred mobility solution, a conscious choice consistent with a responsible, flexible and innovative approach.

TPER’s role and Sustainable Development Goals (SDGs)


A business plan that integrates sustainability objectives into the strategic guidelines and which seeks to make a significant contribution to the improvement of urban and exurban mobility is consistent with the Sustainable Development Goals (SDGs) of the United Nations Agenda 2030 and with the European Union’s objectives for sustainable mobility policies.




The analysis carried out by TPER as part of preparing the 2018 Sustainability Report / DNF, updated for purposes of this document, resulted in linking the general sustainability objectives integrated in the Business Plan with 9 of the 17 SDGs, considered to be priorities and to which TPER has made a commitment to contribute to their achievement.




Two goals (SDG3 - SDG11) include specific targets that are directly connected with transport: the reduction of deaths and injuries due to road accidents (SDG 3.6) and access for all to sustainable, safe and comfortable transport systems (SDG 11.2). In 2019, SDG 8 was added, considered a priority due to its aspects related primarily to innovation and the health and safety of the workplace. The targets associated with the various SDGs were also reviewed and streamlined.



<p>General sustainability objectives of</p>	<p>SDG</p>
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the Business Plan					
Environment					
Efficiency and quality					
Accessibility					
Safety					


The following table presents TPER's specific commitments with respect to the SDGs and related areas of impact and actions in the business plan. The plan's actions and the related impact areas are transversal and closely linked. A preliminary and underlying condition is presented by the **effective and efficient management of services** in the context of existing contracts.

SDG	SDG Target - (extract)	Impact areas / TPER targets	Plan actions
	<p>Ensure healthy lives and promote wellbeing for all at all ages</p> <p>3.4 Non-communicable diseases: prevention, treatment and promotion of mental health and well-being.</p> <p>3.6 Halve the number of global deaths and injuries from road traffic accidents.</p> <p>3.9 Deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</p>	<p>Environment</p> <p>Safety</p>	<p>Mobility innovation factors</p> <ul style="list-style-type: none"> ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles <p>Fleet</p> <ul style="list-style-type: none"> ▪ Renewal of the fleet (urban/exurban development) <p>Business and organisational structure</p> <ul style="list-style-type: none"> ▪ Integration of the ticket pricing system of road-to-road services (Free integration of urban transport services for subscribers to exurban bus routes)

 <p>7 ENERGIA PULITA E ACCESSIBILE</p>	<p>Ensure access to affordable, reliable, sustainable and modern energy</p> <p>7.1 Ensure access to affordable, reliable and modern energy services.</p> <p>7.2 Increase the share of renewable energy in the global energy mix.</p> <p>7.3 Improve energy efficiency.</p>	<p>Environment</p> <p>Efficiency and Quality</p>	<p>Mobility innovation factors</p> <ul style="list-style-type: none"> ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles <p>Fleet</p> <ul style="list-style-type: none"> ▪ Renewal of the fleet (urban/exurban development) <p>New technologies</p> <ul style="list-style-type: none"> ▪ Development of innovative technologies to support maintenance processes (automation and process measurement - data collection tools) ▪ Technological development - Innovative parking management
 <p>8 LAVORO DIGNITOSO E CRESCITA ECONOMICA</p>	<p>Promote inclusive and sustainable economic growth, employment and decent work for all</p> <p>8.2 Higher levels of economic productivity through diversification, technological upgrading and innovation.</p> <p>8.5 Full and productive employment.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers.</p>	<p>Efficiency and quality</p> <p>Safety</p>	<p>Mobility innovation factors</p> <ul style="list-style-type: none"> ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles <p>Business and organisational structure</p> <ul style="list-style-type: none"> ▪ Organisation and processes: more efficient organisational model, adapting it to sector developments and innovations ▪ Human resource development policies - Corporate welfare agreements
 <p>9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE</p>	<p>Build resilient infrastructure, promote sustainable industrialization and foster innovation</p> <p>9.1 Quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being (affordable and equitable access for all).</p> <p>9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean technologies and industrial processes.</p>	<p>Environment</p> <p>Efficiency and quality</p> <p>Accessibility</p>	<p>Mobility innovation factors</p> <ul style="list-style-type: none"> ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles <p>Fleet</p> <ul style="list-style-type: none"> ▪ Renewal of the fleet (urban/exurban development) <p>New technologies</p> <ul style="list-style-type: none"> ▪ Development of innovative technologies to support maintenance processes (automation and process measurement - data collection tools)

	<p>9.5 Scientific research, improving the technological capabilities of the industrial sector - encouraging innovation.</p>		<ul style="list-style-type: none"> Technological development - Innovative parking management
	<p>Reduce inequality within and among countries</p> <p>10.1 Progressively achieve and sustain income growth of the bottom 40% of the population.</p> <p>10.2 Empower and promote the social, economic and political inclusion of all.</p> <p>10.7 Facilitate orderly, safe, regular and responsible mobility of people.</p>	<p>Efficiency and quality</p> <p>Accessibility</p>	<p>Mobility innovation factors</p> <ul style="list-style-type: none"> Crealis Project - replacement of buses with new trolleybuses for specific routes People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes Increase the "Corrente" car-sharing fleet Full-electric lines - 100% use of electricity from renewable sources for electric vehicles <p>Fleet</p> <ul style="list-style-type: none"> Renewal of the fleet (urban/exurban development) <p>Business and organisational structure</p> <ul style="list-style-type: none"> Integration of the ticket pricing system of road-to-road services (Free integration of urban transport services for subscribers to exurban bus routes) <p>Quality and social</p> <ul style="list-style-type: none"> Quality commitments - Social commitments
	<p>Make cities inclusive, safe, resilient and sustainable</p> <p>11.2 Ensure access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.</p> <p>11.3 Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.</p> <p>11.4 Protect and safeguard the world's cultural and natural heritage.</p> <p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality.</p> <p>11.a Support positive economic, social and environmental links</p>	<p>Environment</p> <p>Efficiency and quality</p> <p>Accessibility</p>	<p>Mobility innovation factors</p> <ul style="list-style-type: none"> Crealis Project - replacement of buses with new trolleybuses for specific routes People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes Increase the "Corrente" car-sharing fleet Full-electric lines - 100% use of electricity from renewable sources for electric vehicles <p>Fleet</p> <ul style="list-style-type: none"> Renewal of the fleet (urban/exurban development) <p>New technologies</p> <ul style="list-style-type: none"> Technological development - Innovative parking management <p>Quality and social</p> <ul style="list-style-type: none"> Quality commitments - Social commitments

	<p>between urban, peri-urban and rural areas by strengthening national and regional development planning.</p> <p>11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and that develop and implement holistic disaster risk management.</p>		
	<p>Ensure sustainable consumption and production patterns</p> <p>12.1 Programmes on Sustainable Consumption and Production.</p> <p>12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle.</p>	<p>Accessibility</p>	<p>Fleet</p> <ul style="list-style-type: none"> Renewal of the fleet (urban/exurban development) <p>New technologies</p> <ul style="list-style-type: none"> Development of innovative technologies to support maintenance processes (automation and process measurement - data collection tools) Technological development - Innovative parking management <p>Business and organisational structure</p> <ul style="list-style-type: none"> Organisation and processes: more efficient organisational model, adapting it to sector developments and innovations
	<p>Take urgent actions to combat climate change and its impacts</p> <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.</p> <p>13.2 Integrate climate change measures into national policies, strategies and planning.</p>	<p>Environment</p>	<p>Mobility innovation factors</p> <ul style="list-style-type: none"> Crealis Project - replacement of buses with new trolleybuses for specific routes People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes Increase the "Corrente" car-sharing fleet Full-electric lines - 100% use of electricity from renewable sources for electric vehicles <p>Fleet</p> <ul style="list-style-type: none"> Renewal of the fleet (urban/exurban development) <p>Business and organisational structure</p> <ul style="list-style-type: none"> Integration of the ticket pricing system of road-to-road services (Free integration of urban transport services for subscribers to exurban bus routes) <p>New technologies</p>

			<ul style="list-style-type: none"> Technological development - Innovative parking management
	<p>Strengthen the means of implementation and revitalise the global partnership for sustainable development</p> <p>17.14 Enhance policy coherence for sustainable development.</p> <p>17.17 Effective public, public-private and civil society partnerships.</p>	-	<p><i>SDG 17 is transversal to the various drivers of the TPER business plan. Partnerships, at different levels, are essential components in the pursuit of the goals of the plan and related actions.</i></p>

Stakeholders and materiality analysis

GRI 102-40 GRI 102-42 GRI 102-43 GRI 102-44 GRI 102-47 GRI 102-49 GRI 103-1

Stakeholders

The objective of strengthening the sustainability profile entails not only monitoring and improving environmental and social impacts but also the need for dialogue and discussion with stakeholders. The ability to understand and assess the needs and expectations of stakeholders, for an entity managing local public transport services that promotes sustainable mobility, then takes on particular importance with reference to those stakeholders who are the most vulnerable.

Dialogue with the various stakeholders is extremely important for improving the impact, quality, efficiency and accessibility of services and for fostering a development process. Through these interactions with various stakeholders, listening to their expectations and collaborating with local entities, the conditions can be created to meet their needs, while respecting the propriety of relationships. This dialogue helps to guide the strategies and define objectives, developing new projects and building a dialogue with the local communities in which the entity operates.

TPER has identified its stakeholders and relative activities, defining the level of involvement taking into account the functions and the tools for interaction and dialogue.

In particular, nine primary stakeholder categories were identified.

Stakeholders	Functions involved	Expectations	Engagement		
			Activities	Tools	Response
Shareholders	Management, general affairs, commercial area, communications and PR	Sharing of quality standards, service planning and discussion of results	Several meetings during the year	Shareholders' meetings, other meetings, presentations, exchanges of communications	Presentation of projects, plans, reports and financial statements

Mobility agencies and other regulatory bodies, state administrations, other bodies	Management	Respect for rules and regulations, respect for contracts and service charters	Periodic meetings	Meetings and exchange of communications	Reports and quality surveys
Universities and research institutes	Management	R&D	Periodic collaborations	Periodic meetings	Promotional events, research projects
Users, customers and trade associations	Sales department	Greater awareness of expectations	At least 12 meetings with each UAC (User's Advisory Committee) per year	Customer satisfaction surveys, mystery clients, CCU meetings	Presentation of survey results
Workers (employees and non-employees) and union representatives	Human Resources	Sharing of values and objectives	Multiple meetings and activities	Assemblies, training sessions, dedicated meetings, intranet and refreshment areas	Code of Ethics
Local communities and general public	Communication and public relations	Creating shared value	Various analysis and dialogue activities	Communication campaigns	Exhibitions, competitions, events
Industry operators	Management	Sharing common goals and benchmarking	Meetings with trade associations	Assemblies, working groups, conference calls, one-to-one meetings	Production of joint documents
Providers of goods, services and works	Procurement	Guarantee of broad demand	Several meetings and contacts in a year	Selection procedures, exchange of documentation, meetings	Contracts, supplier DB
Banks and lenders	Management	Economic, financial and capital solidity and sustainability	Not regular, but in relation to specific projects	Meetings and exchange of communications	Analysis reports, trade agreements

Materiality Analysis

The materiality analysis is the assessment of aspects of particular relevance to the business and its stakeholders. The process makes it possible to identify sustainability topics that have material (positive and negative) impacts on both TPER and its stakeholders. For TPER, the materiality analysis is a tool for refining its internal reporting processes and, over time, supporting the planning of its activities.

This analysis is carried out by identifying the most relevant aspects for reporting, identifying the priorities and relative importance of the issues for TPER and for the various categories of stakeholders.

The materiality analysis was carried out in accordance with the GRI Standards and was updated from the previous period, 2018. This updating process did not involve structural changes, rather an improvement in the definition of material issues, to be more consistent with business planning.

For completeness, aspects regarded as material for the "Transportation – Rail / Road" sector by the Sustainability Accounting Standards Board (SASB), as identified in the SASB Materiality Map, were also analysed. The identification of potentially relevant aspects was carried out according to an approach based on documentary analysis, external engagement and internal engagement.

The process of identifying material topics is structured as follows:

- Mapping of stakeholders, broken down into categories, each of which used different methods of analysing the topics to be included in the report
- Critical review of the material issues identified in the previous Sustainability Report (2018 DNF)
- Benchmarking analysis of national and international operators
- Analysis of business plan drivers and related goals and commitments connected to SDGs
- Assessment of management / function managers
- Documentary analysis of the reference local public transport scenario: national/regional legislative and regulatory activities - local guidance documents (PRIT - PUMS - PGTU - Metropolitan Strategic Plan, etc.) - priority of entities and shareholders
- Results of periodic customer satisfaction surveys and user/community advisory committees - analysis of complaints - media materials
- Issues that emerged from discussions with employee representatives/trade unions
- Validation of issues and the materiality matrix by top management (Chairperson/General Manager).

Material topics: reasons, scope of impact and reporting standards

The reasons that led to the identification of the material topics, for the various material areas, are summarised in the following table. The same table also highlights the reference areas of Italian Legislative Decree no. 254/2016, which regulates the drafting of the Non-Financial Disclosure, and the Indicators (GRI Standards) used for the accountability of the material topics.

The various material topics identified have a different scope of impact, but are generally transversal to all stakeholders.

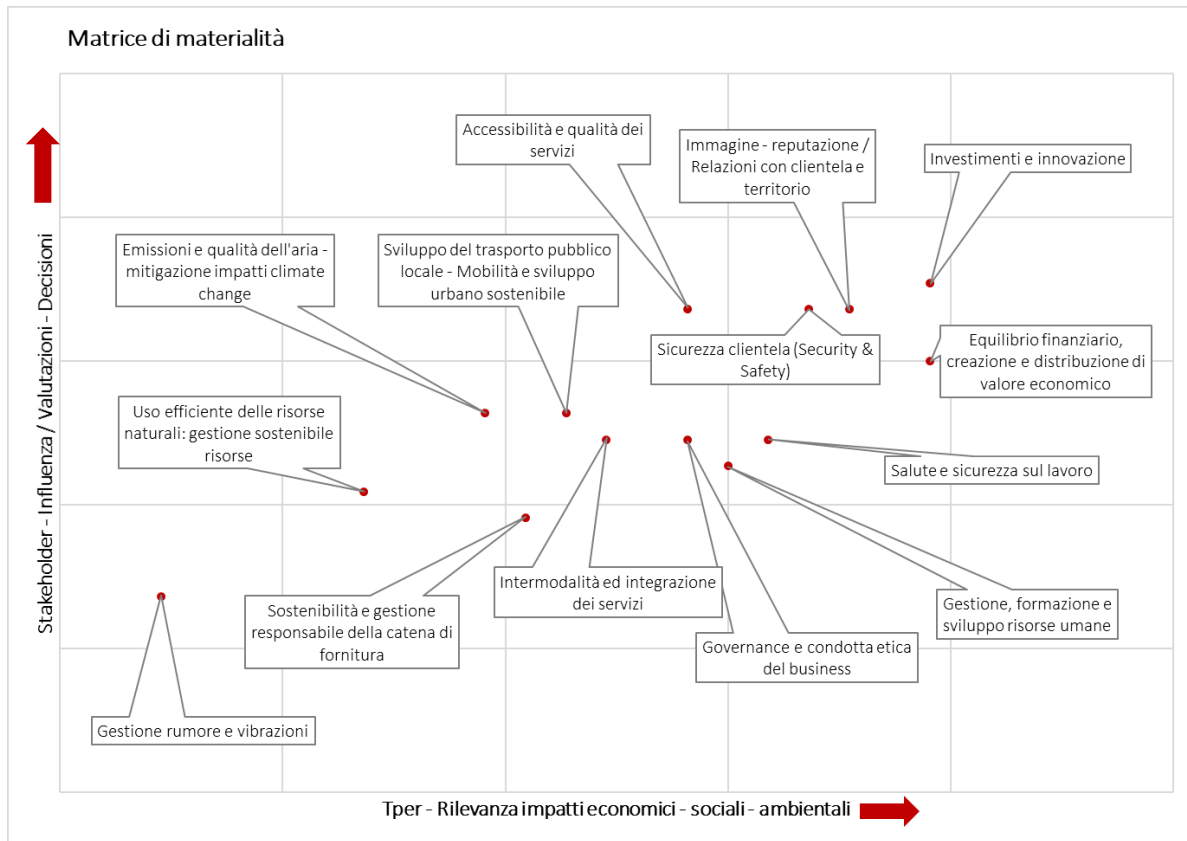
Material topic	Why (The reasons)	Reference areas Leg. Dec. 254/2016	GRI Standards Topic-Specific Standards
Governance and compliance			
Governance and ethical business conduct	This topic is transversal and integral to the TPER operating and organisational model: an essential condition for the business	Respect for human rights Combating active and passive corruption	GRI 205-1 GRI 205-3 GRI 206-1 GRI 307-1 GRI 416-2 GRI 417-2 GRI 417-3 GRI 419-1
Economic sustainability and value generation			

Financial balance, creation and distribution of economic value	<p>Economic sustainability is essential for present and future operations</p> <p>TPER's ability to generate value also produces a major impact in terms of the distribution of the value generated</p>	Social	GRI 201-1 GRI 201-4 GRI 203-2 GRI 204-1
Investments and innovation	<p>The realisation of investments is an essential and strategic condition for TPER and is transversal to the various dimensions of sustainability: economic - environmental - social.</p> <p>The plan goes hand-in-hand with technological improvement and the ability to introduce innovations to services and the way services are supplied, with major direct and indirect impacts on the community/area served.</p>	Environment Social	GRI 201-4 GRI 203-1
Customer Relations - Operations			
Accessibility and quality of services	<p>Strategic priority and integral part of the corporate mission: TPER's performance and its achievement of its strategic objectives depend heavily on the high quality standards of its service, which must also be accessible and efficient.</p> <p>The satisfaction of customers requires the management of customer activities to ensure suitable monitoring.</p>	Social	GRI 417-2 GRI 417-3
Intermodality and integration of services	The TPER strategy attributes considerable importance to the diversification and intermodality of its services (road - rail - mobility - electric - car sharing - partnerships), one of the main drivers for improving the overall quality of the transport system and the quality and healthiness of life in urban areas and among the general public.	Environment Social	GRI 203-1
Customer safety (Security & Safety)	Transport safety is a key aspect of a public transport service.	Social Respect for human rights	GRI 416-1 GRI 416-2
Image - reputation / Relations with customers and the community	The sector and the relevance of the service provided require great attention to be focused on upholding the company reputation, an essential factor for the performance of TPER and its ability to meet the strategic objectives of the public transport service.	Social	GRI 413-1
Sustainability and responsible management of the supply chain	The sustainability and accountability of the supply chain is important for guaranteeing the necessary quality and efficiency of the service.	Environment Social Combating active and passive corruption	GRI 204-1

		Respect for human rights	
Human resources			
HR management, training and development	The training, development and maintenance of professional skills and expertise are transversal topics common to the entire organisation, the operating model and the other material topics.	Personnel	GRI 401-1 GRI 401-3 GRI 404-1 GRI 405-1 GRI 405-2
Health and safety in the workplace	The protection of the health and safety of human resources is a transversal topic common to the entire organisation, the operating model and the other material topics.	Personnel Respect for human rights	GRI 403-2
Environment			
Efficient use of natural resources: sustainable management of resources	TPER processes require the significant use of energy and water resources with the subsequent generation of emissions (GHG/CO2 and other types).	Environment	GRI 303-1 GRI 303-2 GRI 303-3 GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4 GRI 302-5
Emissions and air quality - mitigating climate change	The reduction of emissions is one of TPER's main action areas (direct as regards the means of transport used and indirect in terms of the reduction of private transport in favour of public transport).	Environment	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5 GRI 305-6 GRI 305-7
Noise and vibration management	The potential impact of noise pollution deriving from the use of vehicles, as well as the vibrations produced, represent a condition for improving services and meeting the needs of customers, citizens and TPER personnel.	Environment	GRI 307-1
Community and region - Industrial			
Development of local public transport - Sustainable urban development and mobility	The growth of urban public transport, a form of transport that allows for sustainable urban growth, is one of TPER's strategic guidelines, aimed at improving the quality and healthiness of life in urban areas and among the general public.	Environment Social	GRI 203-1 GRI 413-1

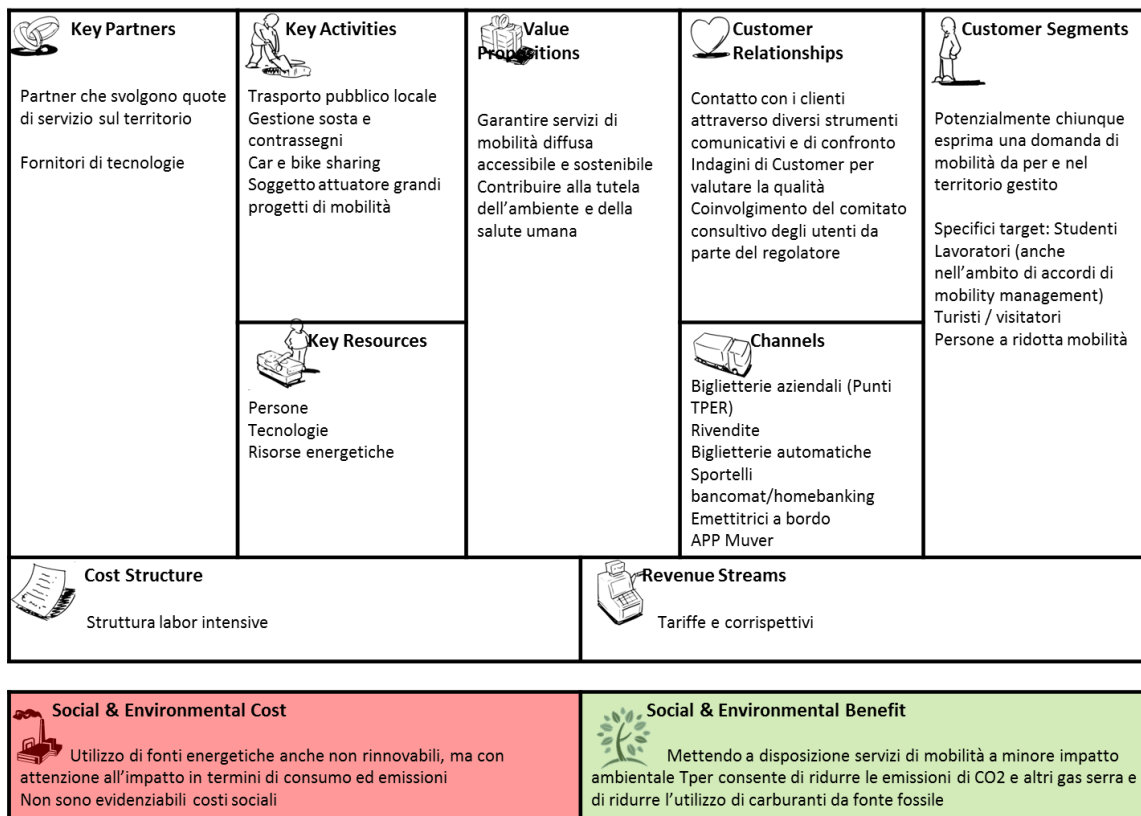
The materiality matrix

The materiality matrix provides a concise graphical representation and an overall snapshot of the most relevant topics in terms of actual and potential effects on TPER's ability to create shared value for its stakeholders, and with regard to their decision-making processes, and maintain it over time.



Responsible management of the business

The TPER business model can be represented as follows:



Services provided

GRI 102-2 GRI 102-6 GRI 102-10

TPER operates in the field of local public road transport services in the Bologna and Ferrara areas, both at urban and exurban level; it provides the public railway transport service on the regional network in partnership with Trenitalia; since May 2014 it has managed the parking and relative control service in the City of Bologna as well as the "Corrente" car-sharing service.

TPER also implements the main mobility projects in the Bologna area, specifically the TPGV (guided fast mass public transport) and PIMBO projects (integrated Bologna mobility project for the completion of the metropolitan railway service and for the creation of trolleybus services on the main urban public transport lines).

Road transport service

The total number of passengers carried by TPER in 2019 was 151.8 million.

Between 2012 (the year TPER was launched) and 2019, there was a 22% increase in the overall number of passengers, with a 1.9% increase in 2019 compared with 2018.

The road transport network covered by TPER in the provinces of Bologna and Ferrara equates to 4,427 kilometres, including an urban network of 561 km. In 2019, the TPER Group and its partners covered approximately 43.4 million km in the Bologna and Ferrara areas.

Urban and exurban area of Bologna

In order to guarantee the public road transport service in the Bologna area (through the subsidiary TPB), the TPER Group vehicles offered more than 35.6 million kilometres of urban, exurban and suburban routes.

Public road transport service in the Bologna area - km offered	2017	2018	2019
Bologna urban service	17,600,410	17,893,240	17,967,742
Urban service in other local councils	705,712	712,831	695,634
Suburban and exurban service in Bologna	16,689,077	16,778,031	16,899,701
Of which the Prontobus call bus service	1,217,325	1,235,339	1,198,948
Reserved and specialised lines and rentals	56,060	59,578	56,030
Total km covered	35,051,259	35,443,680	35,619,107

In 2019, TPER transported over 138 million passengers in the Bologna area, managing a total of 68 urban, 17 suburban and 119 exurban lines, 13 of which Prontobus call bus lines.

Urban and exurban area of Ferrara

In order to provide the local public road transport service in the Ferrara area, the subsidiary TPF covered more than 8.8 million kilometres in 2019, 1.15 million of which via the Taxibus call service.

Public road transport service in the Ferrara area - km offered	2017	2018	2019
Urban service in Ferrara	2,179,697	2,154,572	2,442,866
Ferrara exurban service	6,639,792	6,649,957	6,450,406
Of which the exurban Taxibus call service	1,132,775	1,132,910	1,145,839
Reserved and specialised lines and rentals	5,231	2,344	1,704
Total km covered	8,824,720	8,806,873	8,894,976

In 2019, around 13.6 million passengers were transported in the Ferrara area. There are 21 urban lines, 15 Taxibuses, and 44 exurban lines in the Ferrara area.

Rail freight service

In 2019, in partnership with Trenitalia, TPER managed passenger transport in the railway sector for the Emilia-Romagna region, on regional and national lines. TPER operated 30% of the regional service, compared to 70% provided by the partner.

Since 1 January 2020, the new Trenitalia TPER company has been managing regional rail transport in Emilia-Romagna.

In 2019, 5.3 million kilometres were covered and 13.6 million passengers carried. Data on the kilometres covered is provided below, broken down between diesel and electric.

	2017			2018			2019		
	Regional	Other	Total KM	Regional	Other	Total KM	Regional	Other	Total KM
Diesel	1,572,025	117,525	1,689,550	1,479,167	126,098	1,605,265	1,517,665	174,370	1,692,035
Electric	3,413,442	189,585	3,603,027	3,405,481	179,141	3,584,622	3,424,959	195,179	3,620,138
Total km	4,985,467	307,110	5,292,577	4,884,648	305,239	5,189,887	4,942,624	369,549	5,312,172

The data shows a gradual increase in the proportion of km covered with electric vehicles as compared with diesel vehicles.

Car sharing - "Corrente" service

Thanks to the diffusion of the internet, the significant phenomena of demographic evolution and urban development have been accompanied, in recent years, by changes in social behaviour and the formation of new habits and needs. These changes, partly accelerated by the economic crisis in recent years, respond to global changes in the approach to using goods and services, as well as a greater awareness of issues such as traffic congestion problems, environmental impact and efficient, economical and comfortable travel solutions. From a general sharing economy perspective, car sharing in particular is expected to gain even greater significance in the mix of available forms of transport.

Corrente, a free-flowing car-sharing service with completely electric cars, was launched by TPER on 27 October 2018. All of the cars are 5-seater automatic Renault Zoes with 300 kilometres of power. Initially launched with 120 cars, it became fully operational in 2019, reaching 277 cars at the end of the year.

Through the "Corrente" website or app, it is possible to see a map of the closest cars, turn off the car alarm and start driving. The cars can enter the restricted traffic zones in the City of Bologna, with the exception of pedestrian zones, and park for free in parking bays and along the reserved lanes in the municipal area.

The service has over 16,000 registered users, who have covered over 1.7 million kilometres using this sustainable mobility system.

	2018 (2 months)	2019
Cars - Fleet at 31 December	120	277
Registered users	5,924	16,020
Completed trips	20,341	169,622
Hours used	10,776	88,350
Kilometres travelled	190,886	1,732,186

Parking

TPER manages parking in the City of Bologna and supervises over 52,000 urban parking bays. The fines issued by TPER for parking violations amounted to approx. 155,000 euros in 2019, an increase from 2018.

As part of its activities, TPER has issued/renewed 45,000 permits for residents, for the access of restricted areas by disabled people and parking in the 1,411 spaces reserved for them, for medical services at home and school services, and for the free circulation of electric or hybrid vehicles.

To guarantee an efficient service and use the available resources in an optimal way, TPER manages permits internally as opposed to sourcing them out as the City Council did previously. This has led to an improvement in service quality, which has stabilised over time. This improvement is also due to the opening of a new office to issue permits in the San Donato district, strategically located between the city centre and the suburbs. The Service Charter (with related customer survey) will also take account of activities related to the parking service and other mobility services.

Parking controls (In numbers)	2017	2018	2019
Annual controls	3,347,661	3,053,703	3,966,193
Days of checks	301	301	303
Average daily checks	11,122	10,145	13,090
Notices/tickets	119,796	124,047	155,314
Total bays	52,308	52,637	52,495
Total bays excluding motor vehicles	41,088	41,321	41,246
Bays for disabled people	1,367	1,402	1,411

Permits (In numbers)	2017	2018	2019
Permits issued/renewed ¹	44,695	44,769	45,466
Of which for disabled people	3,176	3,170	3,684

The management of local public transport service contracts and parking also takes place through participation in so-called "control rooms". In terms of parking, these meetings are usually attended by the City of Bologna and the SRM mobility agency, but also by the Local Police.

Projects

GRI 203-1

Emilio - The TPGV project (Guided Public Transport)

The Guided Public Transport project (in Italian: TPGV or Trasporto Pubblico a Guida Vincolata) is a system of mass transport via guided trolleybuses between the centres of Bologna and San Lazzaro. Crealis Neo vehicles will circulate on the new lines and, thanks to cameras that recognise the optical guide traced on the road, will stop flush with the platform at a distance of between 1 and 6 cm. The TPGV system will start operating by September 2020, with the activation of the first line: San Lazzaro-Piazza XX Settembre.

Once work has been completed, the local public road transport system can make use of new vehicles (49 overall) and will provide new levels of flexibility and accessibility for passengers, especially those with reduced mobility who will find it quicker and easier to access the vehicles.

The new system will have a positive impact on the efficiency of the service, which will be more streamlined by reducing passenger boarding times and therefore the amount of time spent at stops. The company will be able to benefit from a faster "commercial speed" and consequent cost reductions.

The project has also allowed for the implementation of a major urban redevelopment plan: thanks to the receipt of government financial resources, roads have been completely refurbished, reducing the vibrations and noise produced by passing traffic.

Overall, the total value of the investment is around 182 million euros. Pending the launch of the service on the dedicated trolleybus line, the new Crealis Neo vehicles are being used in the traditional manner on trolleybus lines 13 and 14.

The PIMBO project

PIMBO is the acronym of Progetto Integrato della Mobilità Bolognese, the integrated Bologna mobility project for the completion of the Metropolitan Railway Service and the creation of trolleybus services on the main urban public transport lines. TPER is the manager and executor of the project.

By implementing the planned interventions, it will be possible to guarantee a strong and widespread connection system for public transport powered by electricity, with important consequences in terms of reduction of road congestion, air pollution and noise pollution, in line with the planning tools of all local authorities involved in the project (PUMS).

The project envisages:

- The reorganisation and strengthening of the urban public transport network through the development of the existing trolleybus system, and the integration with the railway system.
- The completion of the Metropolitan Railway Service (SFM), with the construction of the last four stops inside the City of Bologna (Prati di Caprara, Zanardi, Borgo Panigale Scala, San Vitale-Rimesse), with the adaptation of the San Ruffillo and Fiera stops and the multi-modal connection with the urban fabric, through the realisation of a series of works to improve accessibility.
- The "branding" of SFM stations and the modernisation and completion of the network.
- The purchase of trolleybus and railway rolling stock to be used on the project trolleybus and railway lines.

After receiving financing for seven ETR 350 trains with the 2014-2020 Development and Cohesion Funds, the request for funding for the entire urban portion of the Bologna-Portomaggiore railway line could be added to the project's economic framework.

The project entails a total investment of 255.3 million euros, net of VAT, and relates, in summary, to:

1. The stops of the Metropolitan Railway Service (SFM)
2. Accessibility works on SFM stops
3. The SFM station branding project
4. Completion of the underground conversion of the urban section of the SFM2 Bologna-Portomaggiore line
5. Completion of the Bologna urban trolleybus network with roadwork and electrification works, including substations, and the supply of rolling stock.

State resources made available under the Obiettivo Law amount to 236.5 million euros.

The PIMBO Definitive Project, as indicated above, was approved with CIPE Resolution n. 92 of 22 December 2017, published in the Official Gazette on 15 June 2018. Following the loan granted by MIT to the City of Bologna to build the red line of the tram and the loans granted for the planning of additional lines (expected to be 4), in the second half of 2019 it was necessary to carry out a review of the project, still in progress, to verify the interferences between the new tram lines and those which will become trolleybuses, albeit with the approved economic framework of the PIMBO project remaining unchanged. Therefore, the procedures related to the preparation of documents necessary to publish the calls for tenders have been suspended pending the determination of the project's new structure, as part of a specific technical working group with the City of Bologna.

The People Mover project

The People Mover is the mode of transport chosen for the Marconi Express, which is the direct connection between the Central Railway Station and Bologna Guglielmo Marconi Airport.

The People Mover is a guided, fully electric and automatic (driverless) mass transit system with dock doors to protect passengers. It is essentially a monorail shuttle that connects the city centre (Central Station) and the airport in about seven and a half minutes, making a single intermediate stop in an urban area undergoing redevelopment and destined to host a new housing and university area.

The service is expected to be launched in 2020. TPER is involved in the construction work as a minority shareholder of Marconi Express. Once the work is completed, TPER will manage the new system.

Innovation

GRI 203-1

TPER has embarked on a process for the widespread application of new information technologies with a view to focusing attention on its customers and the development of communication systems. The goal is to facilitate accessibility to the many local services delivered, increasing the effectiveness of information and the utilisation of the services

themselves. The push into the digital field and the introduction of electronic tickets is beginning to produce significant results in terms of operations and user satisfaction.

In particular, work on the digitalisation of processes has intensified since 2018, taking two different directions:

- Automation of internal procedures
- Dematerialisation of local public transport and parking ticket systems

Of particular note was the agreement signed with the Polo archivistico dell'Emilia Romagna (the Archive Hub of Emilia-Romagna, ParER) regarding the electronic archiving service, which makes it possible to archive and conserve strategic company documents in accordance with legal requirements.

Below is a summary of the innovative projects adopted according to type.

Company interface and open data information to users

By publishing its data of public interest through the open data policy, TPER was among the first passenger transport companies in Italy to follow the guidelines drawn up by UITP, the international association of public transport, for an increasingly open and integrated approach between citizens and city users, on the one hand, and service providers for the community, on the other. The decision to provide a large volume of open data related to its service has allowed the creation of different free apps, which are downloaded by thousands of people and widely used today. Every day about 10,000 information requests on TPER services are handled via smartphone, telephone or web, hence in a completely independent and convenient manner.

On the TPER website, at www.tper.it/TPER-open-data, people can access open data provided by the company in an open and easily readable format, which facilitates their consultation and encourages their use in creative ways.

Apps

Would you like to know which bus goes down the street you are on? When the bus will arrive at the stop? Where is the nearest ticket office? What is the traffic status on the main roads or the street cleaning schedule? If so, you can find the answers in the apps available on the TPER website. These are ten free applications for mobile devices, developed at no cost to the company thanks to its decision to promote an "open data" policy. Bologna and Ferrara adopted the same solution as London: open and free data, collaboration with developers and full availability of apps on different platforms (Android, Windows, Apple), downloadable from the stores.

TPER made three of its own proprietary applications available in stores, providing this type of service for the first time to users throughout the Region of Emilia-Romagna. "Chiamatreno", developed in collaboration with the user committees, makes it possible to get detailed real-time information on the status of trains on lines managed by TPER. MUVER enables users to purchase and validate the main urban and exurban tickets directly on Android NFC smartphones. ROGER, the most recent app, is effectively a travel assistant, which allows you to plan your journey, buy all the bus and train tickets you need, monitor delays in real time and, finally, pay for parking in many municipalities across the region (there are more details on MUVER and ROGER in the Mobile Ticketing paragraph).

Web and mobile environment

TPER takes care of the updating of data and the release of new versions and further promotes its free use, making access also available through web services for data in real time. Developers who have put open data to good use today see their product, available and ready to be downloaded, on the TPER website at <http://www.tper.it/app>, which offers the current ten apps. Publishers range from the City of Bologna and the Region of Emilia-Romagna to a young student from Bologna and a number of companies specialising in information technology, which have decided to use their skills to expand the range of services offered to their public, some even by leveraging on innovative augmented reality technology.

Information at stops and aboard buses

Real-time information delivered via panels at the stops has been a consolidated reality for a part of the territory served for years. In 2019, 40 more installations were added to the 185 urban stops (150 in Bologna and 35 in Ferrara) that are already equipped with these panels. At present, the display messages at "smart" bus shelters also indicate whether the next bus provides a wheelchair-access platform for non-ambulant people, an important piece of information already present on the app and Hellobus messaging service. Urban buses are equipped with a system that announces the next stop and, in recent months, of variable utility messages (limitations on travel, detours, other announcements) with programmable frequencies. In support of blind and visually impaired people, urban and suburban buses are equipped with an external loudspeaker that communicates the line number and the direction once at the stop.

Real-time info: Hellobus and Chiamatreno

In addition to the apps, the real-time information services on the location of TPER buses and trains on the regional FER network, which for years have taken the form of SMS messages to phones, are now also available on the TPER website, on the page dedicated to real-time services in the "Routes and Timetables" section. Chiamatreno also has its own website (www.chiamatreno.it).

The average number of requests for information through the Hellobus service is 1,300 text messages per day and 200,000 requests via web services.

Information to pass-holders and users registered on the site

TPER offers its annual pass-holders an SMS-based information system that allows them to receive news on critical events affecting services (strikes, closures for scheduled work on important roads), as well as promotional or service-related messages. Today, already 55,000 annual pass-holders have asked to be updated and receive news via SMS. On average, over 600,000 SMS messages are sent every year. Similar information is sent via an info-mail system to users who register on the TPER website: to date, there are approximately 33,000 registered users.

Website

TPER ensures the constant updating of its website, extending its content gradually with the new services managed by the company. The site is completely responsive and boasts over 15,000 sessions a day.

Online services portal

On the TPER online services portal at <https://solweb.tper.it>, which boasts around 50,000 registered users (private individuals, companies and TPER retailers), people can easily carry out online operations at any time. For example, they can top up their passes or buy new ones - including in reference to Mobility Management agreements with entities and public or private companies -, pay fines, renew permits (both operating and those for residents, where payment is necessary), choose the method for allocating the amounts made available by the "Mobility Bonus", book the Prontobus call service, request information and send communications to the company.

Bologna's parking meters have a QR Code that says it all

There is a QR code on all parking meters managed by TPER. When you scan it with your mobile phone camera, it shows the nearest bus stops with real-time trip information and ticket outlets.

Services for travellers

Mobility Management

TPER annually stipulates various Mobility Management agreements with companies and entities based in the service area, within the framework agreements with the relevant "Area Mobility Managers".

Through these agreements, TPER issues discounted annual passes for employees who request them on the TPER portal "Solweb". The discount applied by TPER is 5% (or 15% from 2020, for the Bologna service area), depending on the contribution paid to employees by their company (which in some cases well exceeds 15%, making the pass especially convenient and thereby incentivising its purchase).

Instead, other agreements provide for the purchase of a large number of passes, in relation to the total number of employees, at a flat rate, which companies and entities then distribute to their employees during the year based on actual requests. The agreements signed with Intercent-ER, City of Bologna and ASP City of Bologna are part of these agreements.

Specific agreements concerned:

- From November 2017, students enrolled at the University of Bologna can purchase passes at particularly advantageous rates, thanks to an annual flat-rate contribution from the university.
- From June 2019, in accordance with a three-year agreement, Philip Morris Manufacturing & Technology Bologna S.p.A. will provide a service, entirely financed by the company, consisting of 2 LPT lines to the company's facility in Crespellano and a free annual pass for approximately 1,600 employees.
- From December 2019, G. Marconi Airport of Bologna has provided special passes for staff through a specific agreement valid for all of 2020.

Finally, agreements are signed with companies for the purchase of ordinary passes reserved for employees. Tickets are booked in the same way as mobility tickets, through TPER's online system.

Fare increase for local public transport

In 2019, the fare increase for the Bologna metropolitan public mobility system was completed, as required by the Sustainable Urban Mobility Plan (PUMS) and by the General Urban Traffic Plan (PGTU). This completes the fare increase process, which began in 2018 for public rail and road mobility systems (combined use of rail and urban buses in the capital cities), expanding it to the road-to-road system (use, with a single travel ticket, of urban systems combined with urban/exurban bus services) not only for pass holders, but also for single travel tickets.

As part of this new system, TPER guarantees an increase in discounts for Mobility Management agreements (purchase of passes for employees by companies).

The fare increase ensures the metropolitan mobility system full standardisation with that of the Bologna urban public transport, as indicated in the PUMS.

Fare adjustments

As part of the rail-to-road and road-to-road fare increase, the biennial adjustment of local public transport prices for inflation was carried out, since, for all intents and purposes, it is part of the remuneration of costs incurred by the operator to provide the service.

Despite this provision for a two-year inflation adjustment, the current TPER fares, which became effective 1 August 2013, have been flat for six years. In implementation of the provisions of the service contract, TPB therefore presented SRM with its own proposed measure for fares effective from 1 August 2019. The measure consists solely of an increase (from 1.30 euros to 1.50 euros) on the fare for the Bologna urban area - for ground, daily and eco-tickets - and subsequent adjustment of the urban city passes (from 12 euros to 14 euros) and related tickets.

The measure then includes the adjustment from 1.50 euros to 2 euros for tickets purchased on board. However, this system has already been made alleviated with the entry into service of the ROGER app and, starting from 2020, will benefit from the use of contactless credit cards.

No increase is planned for monthly and annual urban passes, which represent 75% of users. For this reason, the fare structure promotes customer loyalty, with an increase in passes compared to single tickets.

With regard to exurban services, the fares for single tickets and passes are expected to be aligned with those of the railway services, with a view to further integration of the two systems.

In this manner, Bologna is in line with the fare system of other cities in the region (i.e., Modena, Piacenza, Reggio Emilia and Rimini), which brought the single ticket fare to 1.50 euros some time ago. The single fare is also 1.50 euros in Florence, Genoa, Rome and Venice, while Turin is at 1.70 euros and Milan at 2 euros. Furthermore, although envisaged by the inflation adjustments resulting from the service contract previously mentioned, the measure contributed to supporting investments for fare increases.

In the Ferrara area, the institutional debate on fare adjustment is under way.

Topping up passes digitally

Without a doubt, the annual pass is the most convenient travel ticket, mainly used by those who use public transport on a regular basis and become loyal to the service. This category of users can now purchase or renew their passes without making a special trip or queuing at ticket offices. The purchase can also be made with a credit card on TPER's website, where it is also possible to "top up" the pass once it has expired. Passes can also be renewed at the ATMs of Unicredit and Intesa San Paolo. In the last year over 10,000 top-ups were made at ATMs and over 30,000 online, with the same number made at outlets with fast top-up devices. Last but not least, 15,000 were renewed under Mobility Management contracts with affiliated companies.

Purchase of tickets for the special Aerobus and Fico lines

People can visit the websites <https://aerobus.bo.it> and <https://www.ficobus.it> to buy tickets for the BLQ Aerobus service in Bologna, which connects the Central Railway Station to the Marconi Airport, and the service to reach the FICO Agri-food Centre from the Station, receiving an electronic travel ticket with a QR Code that is validated by the driver. The Aerobus ticket can be converted into an equivalent magnetic ticket at the ticket machines found at the airport and railway station. These tickets can be used on the entire urban service, within its 75-minute validity period.

People Mover ticketing

During 2019, the People Mover ticketing system was developed and tested (service is not yet activated). Considering the unique characteristics of users, mainly business travellers and tourists, the system was created using new EMV and QR code technologies: the former to allow ticketing with credit cards, the latter facilitates the purchase of single or group tickets on the web.

The ticket validators also allow contactless ticketing compatible with the regional MiMuovo card. The 3 stations are equipped with latest-generation turnstiles and validators and with automatic ticket machines for the immediate purchase of tickets. The ticketing system has passed acceptance tests performed by staff from the Visa and Mastercard circuits.

Mobility Bonus

The "Mobility Bonus" is an incentive to use public transport or other forms of sustainable mobility rather than individually owned cars, introduced by the City of Bologna starting from 1 January 2020 and for the following 5 years, which has goal of limiting the circulation of polluting vehicles. The incentive is available to all residents of the historic city centre, who will gradually have their access permits for restricted traffic areas revoked, provided that they do not ask for a new permit: a resident who is entitled to receive this bonus can indicate their desire to benefit from this incentive to the permit office or through TPER's online service portal, and then allocate the amount to the various forms of sustainable mobility, described below:

- Public transport (TPER, Trenitalia): purchase of tickets or passes, at the ticket office, online or through the Roger app
- Car sharing (Enjoy, Corrente): purchase of vouchers or credit for the use of car-sharing services
- Bike sharing (Mobike): purchase of credit to be used for bike-sharing services
- Taxi (Cotabo, Cat): purchase of credit to be used for taxi services

- Car and driver hire (Saca, Cosepuri): purchase of credit to be used for this taxi service.

TPER, as the company commissioned by the City of Bologna for the technical and operational management of all aspects of this initiative, has created all the technological infrastructure, which consists of online services on the TPER portal (both for direct requests from residents and for access to reporting to other service companies), sales services at the TPER offices open to the public, as well as direct interfaces with the City of Bologna.

Travel ticket validation and paying fines

On all TPER transport services, both on road and rail, ticket validation is carried out with a tablet-based application. Fines can be issued electronically and collected directly by the conductor through a POS terminal. Barcode-enabled fines can be paid on board and at the company's ticket offices, but also on TPER's website via credit card, with the home banking of the main banks, through the "Cbill" channel, and at all post offices.

Video surveillance system on board buses

In 2019, projects were launched for the installation of video surveillance systems on urban buses and video surveillance was activated on 340 buses. The project involves on-board equipment consisting of cameras, video recorder, movement sensors and 4G/WiFi router as well as a video surveillance operations centre in order to reduce pickpocketing and vandalism on buses and increase the perception of safety by all users.

This activity is financed by POR FESR 2014-2020 regional funds and developed in collaboration with companies TEP, START and SETA.

Smart poles

As part of the plan to upgrade the information panels at the bus stops, new information poles were installed in the exurban areas in order to improve information for users and accessibility to public transport through information in real time.

In particular, eleven new installations were completed:

- 4 in Imola
- 2 in Pieve Di Cento
- 3 in Argelato
- 2 in Granarolo.

A total of 184 information panels have been installed and are now operational in the two areas of Bologna and Ferrara.

Mobile ticketing

TPER, together with the companies Seta, Start and Tep, managers of local public transport in Emilia-Romagna, have launched a project for the purchase of bus tickets via smartphones which is fully compatible with the MiMuovo technology systems already used on all buses run by the Emilia-Romagna public transport companies.

The aim is to guarantee quick and easy use, user security in terms of the management of their data and less risk of counterfeiting, as well as facilitating the on-board mandatory ticket validation process. Once downloaded onto smartphones, the tickets will allow access to all buses and open bus turnstiles if present, and can be controlled via the handheld

devices used by conductors, just like any other travel ticket used today on the MiMuovo regional system.

These new systems, which enable users to download bus tickets onto their mobile phones with just a few clicks, expand the range of purchasing options in Bologna which already includes over 1,000 authorised local sale points and the sale of time-limited tickets aboard urban buses via automatic ticket machines.

MUVER

Designed by TPER and produced in partnership by the four public transport companies of Emilia-Romagna (TPER, Seta, Start Romagna and Tep), the MUVER app is integrated with the regional MiMuovo system. A major challenge taken on, along with the Region of Emilia-Romagna, using POR FESR European funds.

The aim was to enable users to purchase and validate tickets using their smartphones, at the same time combining the security of online purchasing transactions with compatibility with the existing systems in the region, particularly with regard to validating travel. As well as purchases, MUVER is one of the first applications in Europe and the first in Italy to enable NFC ticket validation at regional level, but it represents just one step in the dematerialisation of travel tickets.

The MUVER app was named best international project in the electronic ticketing field at the 2018 Trustech digital technology show in Cannes. The "Best Customer Service Award" recognises services of exceptional value for users. The reasons given: For the first time in Italy, MUVER permits interoperability at regional level with regard to the purchase and validation of travel tickets via smartphones.

ROGER

Again in collaboration with the public transport companies of Emilia-Romagna, the ROGER application has been available since 2018, which makes it possible to buy tickets and passes and to transform mobile phones into a technology substitute for the ticket itself (or the MiMuovo pass). In fact, with ROGER customers can validate their tickets on board using their phones. ROGER works with all Android smartphones, both NFC and not, and also with Apple phones, and can be viewed as a kind of virtual mobility assistant.

You can use the app's navigation system to plan your journey, integrating the various forms of public transport: by bus as far as the train station, then the train and then the bus again afterwards. In fact, ROGER proposes all possible combinations and once you have chosen your travel solution also proceeds to purchase all the necessary tickets. ROGER can also be used by those travelling by car, enabling you to pay for parking.

In 2020 there are plans to integrate ROGER with the Corrente car-sharing service in Bologna, enabling users not only to book and unlock vehicles but also to figure out which bus they can take to get to the nearest free car and where it is best to get off the bus to take the car to their destination, if this is not well served by traditional public transport. They can also use the app to park their own car (and pay for parking) so they can then use Corrente to go into the city centre, taking advantage of the reserved lanes and passing through restricted traffic areas.

EMV ticketing system

This project aims to further develop the public transport electronic ticketing system to permit the use of EMV contactless credit cards. The system allows customers with contactless credit cards to access the transport service just by using their cards, without any need to purchase a ticket beforehand. This activity is financed by POR FESR 2014-2020 regional funds and developed in collaboration with companies TEP, START and SETA. During 2019, the tender procedures for the new ticketing system were completed. The system is expected to be launched at the end of 2020 and during 2021.

Applications to support operating staff

In recent years, TPER has developed applications to support its operating staff. Today, by using the tablet provided, operational staff responsible for monitoring bus traffic on the road can access real-time information - the same available at the operations centre - regarding the status of lines and the location of vehicles across the territory so they are able to take prompt corrective measures in the event of delays, traffic jams and other problems that may affect the regularity of the bus service. Likewise, railway operating staff - train drivers and conductors - are equipped with similar tools to facilitate train operations, through up-to-date electronic documents and information on their devices.

Technological implementations for smart working

In 2019, a smart-working project was launched, in order to create the technical and procedural conditions for working remotely. The infrastructure solution has been identified that allows employees to use the same tools from home as they would in the workplace.

This method of working was expected to be tested and then gradually implemented. However, the project was accelerated to allow 230 workers to use smart working in March 2020, as a result of the COVID-19 health emergency.

App for travelling staff for shift changes/holidays/overtime/service status

In order to improve the service management, an app has been created to be used by 1,500 drivers, to facilitate the management of shifts and service communications. The app is available in the Google and Apple stores and allows access with the same profile used for other corporate services. Travelling staff can interact directly with the company through the following services:

- Info on service status
- Shift requests and shift exchanges
- Requests for holidays and leaves
- Availability for overtime
- Volunteer for recovery
- Other absences
- View requests and waivers
- Communication of labour strikes.

Ticket distribution

GRI 102-2 GRI 102-6

TPER offers its customers different ways to purchase individual tickets and travel passes for the transport service.

TPER Points

TPER points are available to customers in Bologna, Ferrara and Imola. At TPER points, customers can receive answers to any request related to public transport and different forms of mobility: information, travel and parking tickets, passes and much more.

Ticket sales

A network of over 1,500 authorised shops can sell TPER travel tickets.

Self-service automatic ticket machines - automatic distributors

TPER provides its users with a network of automatic ticket distributors for widespread ticket distribution.

ATMs - Home banking

With the introduction of smart cards for pass holders, TPER provides further pass renewal options. It is possible to top up subscriptions at any ATM of the Unicredit and Carisbo / Intesa Sanpaolo network, or by using the respective home banking options of the banks' websites.

Website

Since 2012, smart cards can be requested from the TPER website (new issues) and can be recharged directly from home.

On-board sales - on-board issuing

As a general rule, travel tickets must be purchased before boarding. Tickets purchased on board are issued at extra cost.

Apps

With the MUVER and ROGER apps, it is possible to buy travel tickets directly with your smartphone.

Sector positioning and benchmarking (road services)

GRI 102-2 GRI 102-6 GRI 102-7

In Italy, the Local Public Transport sector is managed by both public and private companies. Public companies, together with a few other private companies, hold almost all of the market share of public transport services in urban areas and the majority (75%) of the market share of exurban transport.

With the aim of explaining the market position of TPER, this paragraph provides some key sector figures, mainly taken from the February 2019 ASSTRA study conducted in collaboration with Ifel (ANCI Foundation) and Intesa Sanpaolo: "Local public transport companies: finding the right path". Please note that this data refers to 2017.

The Local Public Transport market employs over 124,300 people, offers 1.9 billion vehicle/kilometres per year, transports 5.4 billion passengers annually and has a turnover

of about 12 billion euros. The market comprises around 900 companies, 112 of which with public ownership. The sector consists of over 49,000 vehicles, producing 1.9 billion vehicle/km, and 220 million train/km.

TPER falls under the category of directly owned public companies that provide transport services via public procurements, i.e. following a public tender. With consolidated revenues of 312 million euros, the TPER Group’s turnover is significantly higher than the industry average (data from the study).

Companies owned by Public Administrations manage the majority of the service, transporting 90% of passengers, covering 93% of total trips, employing 87% of the workforce and generating 85% of the sector’s revenues. In recent years, however, the sector has undergone a consolidation process with the number of investee companies of Public Administrations falling from the 160 in 2010 to the current figure of 112.

	Number of operators	Total trips	Passengers carried	Employees	Production value
Local public transport investees	112	93%	90%	87%	85%

In Italy, fare policies are set by local transport agencies. The following tables show data on average local public transport fares. The average Italian fare is lower than that of other European countries considered.

City	Local public transport fare (Euro)
London	5.5
Hamburg	3.3
Cologne	2.9
Munich	2.9
Berlin	2.8
Barcelona	2.2
Milan*	2.0
Paris	1.9
Lyon	1.9
Turin	1.7
Naples	1.6
Madrid	1.5
Valencia	1.5

Rome	1.5
Bologna**	1.5

Source: analysis of ASSTRA, IFEL and Intesa Sanpaolo data (2019)

* fare adjusted in 2019

** fare adjusted in 2019

For TPER, the fare of 1.50 euros is lower than the average national figure highlighted by the study. The TPER figure is to be understood as a time-limited ticket valid for 75 minutes.

On a national scale, a comparison including not only large metropolitan areas (source: Asstra) highlights the following:

<i>(Amounts in Euro)</i>	National average in February 2019 - 2018 data	TPER fares at end of 2019	Notes
Ticket	1.58	1.50	For TPER, the price refers to a time-limited ticket valid for 75 minutes.
On-board ticket	1.74*	2*	Sold by ticket machine or conductor
Day ticket	4.68*	5	Valid for 24 hours from validation
Weekly pass	16.57*	14*	City pass - 10 trips of 75 min
Monthly pass	36.61	36	Impersonal and transferable
Annual pass	301*	300	Personal pass

Source: ASSTRA study of Feb 2019

* Source: ASSTRA study of Feb 2018

Customers

GRI 103-2

In the public services sector, the transformation from users to customers is central, or from subjects who use the public service provided to subjects who choose that service. The goal is to provide more and more say and awareness to the consumer, with, therefore, an active role in the provision of the service and modelling the service according to quality expectations to make it consistent with existing service contracts.

However, it is important not to forget the social nature of the public service, and it is therefore necessary to ensure that, through the correct dialogue between regulators and managers, it is possible to guarantee not only the highest quality, but also the right price.

TPER aims to ensure efficiency and effectiveness to current or potential users of the services offered, and for this purpose it interacts with the organisations that represent these users in an associated form, such as consumer associations and environmental associations, to protect people in vulnerable situations. In its journey, TPER is committed to:

- Strengthening the channels through which it provides information to users and collects feedback;
- Improving its ability to respond to various requests.

The TPER Group considers meetings with associations representing users to be particularly effective, thus it collaborates on a permanent and ongoing basis with the User Advisory Committees (provided by law as a body active at the Mobility Agencies to discuss local public transport issues) and with associations that represent the interests of particular categories of people, such as voluntary associations and those specifically dedicated to people with different types of disabilities. With everyone, a comparison was made regarding the choices made in recent years by the company to improve the users' awareness of the rules and as an opportunity to gather comments, suggestions and opinions from them.

Quality of services

GRI 103-2 GRI 103-3

A quality service for local public transport is made up of different aspects, to which TPER pays constant attention and in which it invests to operate in compliance with the quality standards presented in the Service Charter and compatible with the objective of economic sustainability. It is necessary not only to ensure compliance with the quality envisaged in the service standards, as agreed with the mobility agency, but also to address the quality perceived by users, measuring appreciation and satisfaction through customer satisfaction or mystery customer surveys.

To ensure maximum visibility to the quality of the services provided, TPER annually updates the service charter, which shows users their rights and minimum guaranteed services. Surveys, on the other hand, monitor the quality actually perceived with reference to aspects such as the comfort of the vehicles, regularity, punctuality, accessibility of the service, transparency and completeness of the information provided.

The company has no confirmed cases of non-compliance with the legislation on information and labelling of products and services (GRI 417-2) or regarding marketing communications (GRI 417-3).

Service Charter

The Service Charter is the means by which any subject providing a public service identifies the standards of its performance, declaring its objectives and recognising specific rights for the citizen-user. The Charter thus supports the quality of services and encourages greater participation by recipients. The TPER Service Charter was prepared in accordance with art. 16 of the Constitution, taking into account the national rules and the principles established by the European Green Charter.

The principles with which the provision of public services must comply and on which the Charter must provide information are those of:

- Equal rights of users
- Impartiality of the providers
- Continuity of the service provided
- User participation
- Efficiency and effectiveness of the service.

The commitments set forth in the Service Charter are determined in part by the contents identified by the service contract between the concession body and the manager, which defines the guidelines and characteristics of the public service. The aim of TPER is to structure the Service Charter more and more as a tool for relations with users and the community, so as to start a dialogue and on-going communication.

Quality of public transport, comfort, cleanliness

In 2019, the average age of the fleet was 12.7 years, an improvement from the previous year. The investments under way, and those planned, will contribute to further improving this indicator, while maintenance of the vehicles keeps them in a state of good quality and functionality.

	2017	2018	2019
Average age of buses	13.1	12.8	12.7
Average age of trains	n.a.	4	5

In the railway public transport sector managed by TPER, there was a very low average age (equivalent to five years) for the vehicles owned by TPER. The investments made with the purchase of new trains have allowed a significant improvement to the quality of the rolling stock available.

Constant maintenance guarantees the safety of the service and adequate reliability. TPER also ensures the vehicles are subject to ordinary internal cleaning at least daily, periodic sanitising and scheduled first- and second-level thorough cleaning.

Accessibility

GRI 103-2 GRI 103-3 GRI 416-1

Accessibility testifies to the company's ability to take care of users with special needs. The impacts on health and safety are assessed on all services offered by TPER to facilitate improvements.

Most TPER vehicles have solutions to facilitate access to passengers with walking difficulties or those accompanying children. In particular, 80% of buses have a lowering platform.

It is possible to request a vehicle equipped to transport passengers with disabilities on a specific route on all urban and exurban lines 48 hours in advance, without any kind of surcharge compared to the normal fares.

In 2019, meetings were held with the Users Committee and with associations representing disabled citizens to identify together the best solutions to promote the use of public transport. On the basis of an agreement signed with the Italian Union for the Blind, for example, in recent years, TPER has fitted Braille labelling at bus stops that promote free access to the Hellobus system and 750 vehicles announce the next stop internally and the line and destination externally.

Support for travellers with reduced mobility

A series of measures have been adopted to facilitate travel for passengers with reduced mobility. The measures concern the vehicles themselves, which have been made more user-friendly, and the information provided. The measures include:

- Buses with platform
- Trains without barriers
- Information at stops via electronic poles, providing information on the arrival of the buses as well as information about the presence of the platform
- Development of applications that provide information about the arrival of buses and about the presence of a platform on the arriving buses (for details of the applications <http://www.tper.it/apps>).

Communication, information, listening

GRI 103-2 GRI 103-3

In recent years, TPER has committed to improving its channels for listening to users and providing them with information, in particular by structuring digital channels that allow users to be reached in a widespread and timely manner.

The TPER website receives an average of 16,000 hits a day, thanks to the quantity of content offered, the updating of information on lines in real time and accessibility via mobile devices. The company has also developed its own app that allows topping up subscriptions for the road transport service and one for the train service, and which indicates, among other things, stops and connections. By integrating this data with other tools, TPER has developed its own applications in recent years to enhance the potential of online services.

As mentioned in the previous paragraphs, the MUVVER and ROGER apps make it possible to obtain information on services as well as manage the purchase and validation of travel tickets for all mobility companies in the region. In particular, ROGER is the MAAS application that combines many of the various services made available by local transport companies, including route calculation and parking payment.

TPER makes open data available on its website, which can be used freely for application development. All information can also be consulted on smartphones using various apps available on the company website, which can be used on Apple, Android and Windows phones.

The Hellobus service is available at all stops and allows users who request it to receive information via SMS about the arrival time of the bus and the level of accessibility of the vehicle arriving at the stop.

Safety

GRI 103-2 GRI 103-3 GRI 416-1 GRI 416-2

The safety of public transport users is guaranteed both by a series of procedures that allow a reduction in emergency/rescue time, and by significant investments in technological equipment, carried out as early as the mid-90s. In particular, the remote control system (AVM - Automatic Vehicle Monitoring), extended to the entire fleet, allows the monitoring of the vehicles in service and communication between the Operations Centre and drivers via the on-board radio system. With regard to managing the fleets of vehicles that service public transport service, the features of this system allow service optimisation in case of disruptive events, providing an overview of the overall actual operating conditions, a better definition of strategies for any regulatory interventions, and the possibility of the Operations Centre to communicate the consequent operating instructions to individual buses or groups of vehicles. Similarly, the system allows the best prevention and management of mechanical damage to vehicles in service. The system also allows the collection of valuable data for planning services.

All urban buses are equipped with a video camera with microphone, built in to the remote control system and placed in the driver's seat area, activated by the driver in an emergency, allowing the Operators in the Operations Centre to see and hear what is happening aboard a bus in real time. The Operators in the Centre can then quickly assess the situation, sending support staff or requesting help from the police.

Furthermore, a system of external and internal video recording devices is installed on the entire fleet in case of accidents with other vehicles, referred to as "Road-Scan", that can be activated either automatically (collisions, sudden braking etc.) or manually. The device allows the recording, which lasts about ten seconds before and after the event that caused the activation, of images taken just in front of the bus area and much of the front interior of the bus, useful both for reconstructing the dynamics of road accidents and their effects on passengers.

Lastly, TPER has signed a Memorandum of Understanding with the Prefecture and the City of Bologna concerning the safety of service personnel and users of public transport, with which the company has committed to providing future buses with the necessary components for the installation of video surveillance systems (wiring, provisions for new

technology) that allow taking high-definition images of the entire area of the vehicle intended for passengers. TPER's investment plans also include the supply of on-board components to progressively equip the entire fleet with video surveillance systems. The collection and processing of images is carried out in compliance with applicable privacy laws.

On the basis of that Memorandum of Understanding, the Prefecture and the City of Bologna are themselves committed to the coordination between the police (State Police and Carabinieri) and local police for the optimal use of resources, aimed at developing extraordinary control services to ensure the safety of staff and users of public transport, combating the commission of those offences which are most frequently mentioned as typical of public transport services (pick-pocketing, assaults, harassment), and lastly to prevent incidents of verbal and physical assault on inspectors and drivers.

An identical Memorandum of Understanding was signed for the Ferrara area with the Prefecture and the City of Ferrara.

There have been no instances of non-compliance regarding health and safety impacts of the services offered, pursuant to GRI 416-2.

Users' Advisory Committee

GRI 103-2 GRI 103-3

The User's Advisory Committee (UAC) was established pursuant to art. 17 of Regional Law no. 30/98 to set up a channel of continuous communication between local public rail transport users and the entities involved in the provision of services, with particular reference to the organisation and operation of the public transport service as well as safety and quality of services. The Committee also deals with information initiatives, appropriate advertising, transparency and simplification of forms for accessing services, fairness, transparent and equitable contractual relationships, proposals to improve transport services and their better integration with private mobility as well as opinions on the main transport service reorganisation projects.

The Users' Advisory Committee is a democratic institution, made up of members representing consumer associations, pensioners' union associations, environmental and social promotion associations and associations for disabled people, immigrants and public transport users with passes.

The Committee consists of:

- a) Four "permanent" members selected among the members of the Consumer Associations and users of the Regional Register pursuant to art. 3, paragraph 3, of Regional Law no. 45/92
- b) A "permanent" member appointed by the Bologna Section of the non-profit organisation Italian Union for the Blind and Visually Impaired
- c) A "permanent" member appointed by the Provincial Council for overcoming handicaps
- d) A "permanent" member appointed by the Provincial Immigration Observatory
- e) A "permanent" member appointed in agreement between the President of the Association of School Directors and the President of the Association of Autonomous Schools

- f) An "annual" member nominated each year by the Secondary and High School Students' Council
- g) Three "annual" members selected each year in January from users holding annual passes for the Bologna public transport service who have explicitly requested to be included.

A committee was also set up for road transport in the Bologna area, made up of one user representative, one representative from consumer associations and one from the association for the disabled.

Customer satisfaction

GRI 103-2 GRI 103-3

Buses

A customer satisfaction survey is carried out on a yearly basis in relation to the service offered by TPER, separately for the Bologna and Ferrara areas. This survey makes it possible to assess the perception of residents / customers in relation to the public transport service in Bologna and Ferrara and verify satisfaction with the improvement processes.

The sample consisted partly of annual pass holders, taken by TPER from its pass database, with stratified sampling, and partly of residents in the Province of Bologna, randomly selected by the company in charge of the survey, in order to collect opinions from both regular customers and occasional users.

The survey questionnaires were prepared differently for the two groups: the pass holders were only asked the "Customer" section, while the sample extracted from the general population was also asked other sections of a more general nature, relating to travel habits and parking. However, the "Customer" section was the same for both groups, and therefore the results are completely similar and have been combined with each other using specific weighting procedures. The evaluation requested consisted of expressing a rating from 1 to 10, in addition to an overall evaluation of the service, based on the usage experience of the interviewee during the previous 12 months, for each of the services offered in the traffic area considered: urban, suburban/exurban, in the Bologna, Imola and Ferrara areas.

The data collected were then processed, calculating average values for each of the aspects assessed, for each of the three services surveyed. On examination of the data that emerged, it was noted that all the items obtained positive average ratings, well above "satisfactory", with the sole exception of "route crowding".

In reviewing the most recent data, it was noted that all items obtained positive average ratings, above "satisfactory", with the sole exception of "route crowding", which has for several years been below 6 (5.0 for the Bologna urban service, 5.3 for the exurban service).

Bologna - urban service

For the Bologna urban service, excluding the route crowding figure, the average ratings vary from 6.3 for the "appropriate price for tickets and passes" to 7.8 for the "convenience of stops and connections". The average rating for the 20 items analysed is 6.9, but the assessment expressed by the interviewees was higher when they were asked to give an

overall rating for TPER's Bologna urban service, i.e. 7.4, which confirms the rating for the previous year.

The items that improved in the Bologna urban area include "compliance with routes and planned stops" (from 7.5 to 7.7), while "frequency of lines" and "convenience of stops and connections" remained unchanged at 7.3 and 7.8, respectively. The declines in ratings recorded for other aspects of the Bologna urban service are generally not significant.

The assessment of ticket fares, which had reached a high value last year, is the aspect that recorded the greatest decrease in the latest survey, most likely due to the recent fare measure (August 2019) after many years in which prices had remained unchanged; however, the ratings remain above 6 (both for the Bologna urban and exurban service, 6.3 in both cases, as well as for Imola urban service at 6.1). The impact of the measure was therefore not experienced as extremely negative, since it only applied to occasional urban travels, and exurban pass holders can travel in the urban area without additional surcharge, for an increase that is considered reasonable on the entire fare schedule.

Bologna - suburban and exurban service

The Bologna suburban and exurban service also shows a generalised, but limited, decrease in the average ratings (most likely, as previously noted, related to the fact that the relative "Expectations" section regarding the service was not included in the questionnaire this year).

Excluding the data related to route crowding and fares, the average ratings vary from 6.4 for "frequency of lines" (as in the previous survey, this was again the aspect with the lowest average rating - 6.7) to 7.5 for "security in terms of theft, pickpocketing or harassment" and "courtesy, manners and appearance of staff" (both aspects which confirm the result obtained in the prior year).

The average of the 20 items included in the survey was 6.9, while, also in this case, when asking directly for an overall evaluation of the service offered, we obtained a higher average, 7.2, which confirms the result of the prior year.

Imola - urban service

The Imola urban service had only one negative evaluation referring to crowding on vehicles (5.2). The remainder were positive assessments, albeit with decreases in the average ratings in some significant cases, such as the rating for "frequency of lines" (from 7.5 to 6.4), to the "speed of travel" (from 7.8 to 7.1). The general rating for fares dropped from 7.0 to 6.1 (again, in this case certainly influenced by the increase in ticket prices following the fare measure that became effective in August 2019).

For this area, we should also note the excellent rating for "security in terms of theft, pickpocketing or harassment", which rose to 8.0 from 7.8; "courtesy, manners and appearance of staff" was once again highly appreciated (7.7, the same average as the previous survey).

The average of all the ratings for the 20 items surveyed (7.0) is in line with the average of the overall ratings attributed to the service (7.0).

Ferrara - urban, suburban and exurban service

For the Ferrara area, the latest survey took place in December 2019, through direct face-to-face interviews at the stops. The questionnaire, prepared by TPER, is made up of several sections. The interviews involved a sample of customers waiting for the bus in a sample of urban and exurban stops.

The interviews were carried out by surveyors from MS Investigazioni, who were commissioned to perform the survey: TPER indicated certain criteria (gender, age, etc.) on which to base the selection of people to be interviewed, with the objective of obtaining the opinions of all types of bus users, excluding only tourists and infrequent users. TPER provided the training briefing for the surveyors of the external company.

The assessment consisted of a rating from 1 to 10, in addition to an overall evaluation of the service, based on the usage experience of the interviewee, for each of the services offered in the traffic area considered, i.e., Ferrara urban and exurban areas.

Overall, 556 passengers provided an assessment: 310 users of the urban service and 246 users of the exurban service.

For the Ferrara urban service, note that all items obtained positive average ratings, above "satisfactory": the average rating varies from 5.9 for "route crowding", which was the least positive aspect again in 2019, to 7.3 for "conduct of drivers", for an average of 6.8. The overall assessment of the service expressed by the interviewees is consistent, with a result of 7.0. As is shown in the following table, most of the evaluated topics obtained an average rating above 6.5, both those more closely related to the service ("compliance with routes and planned stops" at 7.1, "convenience of stops and connections" at 6.9, "speed of travel" at 6.8, "frequency of lines" at 6.8, and "punctuality" at 6.9), as well as those related to comfort: 6.8 for personnel and 7.1 for relations with the company and commitment to respect the environment.

Also for the Ferrara exurban service, the rating for crowding is the worst, which was not fully satisfactory (5.4). The averages of the ratings of the other items range from 6.5 ("ticket and pass prices") to 7.5 ("driving conduct of drivers"); the average of the 23 items was 6.8, while the overall rating expressed for the service was 7.0.

For the Ferrara area, there is a general drop in ratings compared to the prior year. The aspects that recorded an improvement were the cleaning of the infrastructures for the urban service. For the exurban service, the ratings improved for the cleanliness of infrastructures and vehicles and the relation with the company.

Service aspect	Bologna				Imola		Ferrara			
	Urban		Suburban				Urban		Exurban	
	Average rating (1-10 scale)		Average rating (1-10 scale)		Average rating (1-10 scale)		Average rating (1-10 scale)		Average rating (1-10 scale)	
	Year 2019	Year 2018	Year 2019	Year 2018	Year 2019	Year 2018	Year 2019	Year 2018	Year 2019	Year 2018
Compliance with routes and	7.72	7.51	7.45	7.48	7.27	7.78	7.08	7.62	6.94	7.68

planned stops										
Punctuality (adherence to schedule)	6.87	7.05	6.73	6.86	7.17	7.36	6.90	7.24	6.89	7.16
Frequency of lines (adequate number of passages at the stops)	7.34	7.34	6.44	6.68	6.41	7.47	6.79	7.34	6.76	7.25
Speed of travel (link speed, travel time)	7.32	7.50	7.13	7.24	7.13	7.85	6.85	7.45	6.74	7.43
Convenience of stops and connections	7.76	7.75	7.29	7.36	7.17	7.61	6.89	7.63	6.87	7.48
Convenience and compliance with connections	7.15	7.36	6.80	7.11	6.31	7.59	6.69	7.38	6.77	7.02
Comfort on the vehicle (ease of access, air conditioning, etc.).	6.60	6.93	7.05	7.13	7.04	7.10	6.79	7.21	6.86	7.04
Uncrowded lines	5.02	5.02	5.29	5.22	5.15	5.19	5.94	6.37	5.44	5.90
Operation of the vehicles and on-board facilities (doors, ticket machines, etc.).	7.24	7.31	7.32	7.49	7.52	7.60	6.97	7.57	6.90	7.39
Vehicle cleanliness	6.47	6.62	6.72	6.86	6.95	7.27	6.64	6.64	6.68	6.50
Comfort of the stops (shelters, lighted displays, etc.).	6.73	7.02	6.79	6.82	6.78	7.07				
Infrastructure cleanliness (shelters, bus stops, information offices)	6.62	6.92	6.72	6.94	6.86	7.08	6.78	6.67	6.60	6.44

Driving conduct of drivers	7.01	7.31	7.24	7.56	7.50	7.73	7.26	7.68	7.52	7.70
Security in terms of theft, pickpocketing or harassment	6.73	6.81	7.45	7.48	7.97	7.78	6.64	7.42	6.98	7.63
Dissemination and clarity of information (schedules, informative material, etc.)	7.34	7.45	7.30	7.50	7.65	7.78	6.98	7.69	7.07	7.81
Ability to find tickets and passes	7.58	7.63	7.31	7.31	7.24	7.36	6.87	7.51	6.93	7.57
Level of responses to requests or complaints about the service	6.75	7.16	6.69	7.15	6.47	7.33	6.61	7.12	6.80	6.53
Courtesy, manners and appearance of staff (drivers, inspectors, etc.)	7.42	7.60	7.48	7.62	7.69	7.65	7.05	7.76	7.21	7.71
Commitment to respect for the environment	6.94	7.24	6.81	7.38	7.06	7.54	7.12	7.29	6.85	7.18
Suitable price of tickets and passes	6.25	6.80	6.35	6.72	6.09	6.98	6.53	6.82	6.53	6.46
AVERAGE of ratings collected	6.94	7.12	6.92	7.10	6.97	7.36	6.81	7.28	6.81	7.15
Overall rating for the service	7.39	7.38	7.24	7.16	7.02	7.33	7.00	7.21	7.01	7.15

Railway

For the railway sector, in consideration of the ongoing corporate developments and the transfer of the service to the new company, Trenitalia TPER, no updates were made to the customer satisfaction analyses in 2019.

The latest available survey, shown below, refers to data from December 2018 and was carried out by the Research and Statistics Department for Strategic Planning - General Directorate of the Metropolitan City of Bologna on behalf of TPER, in order to measure users' degree of satisfaction.

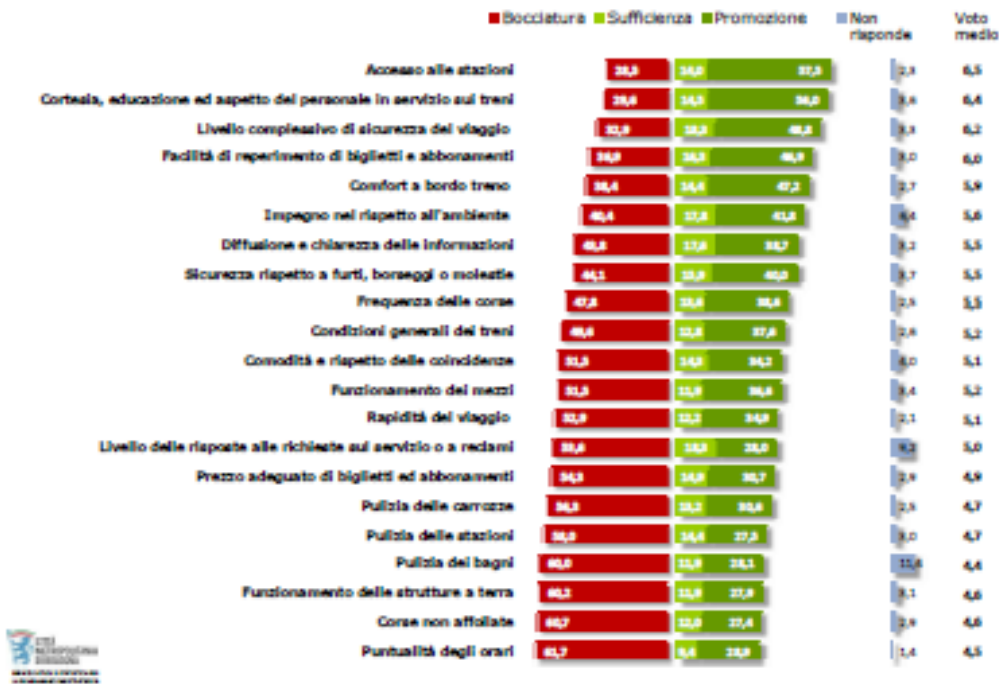
The survey was carried out on board the trains, by distributing paper questionnaires to all passengers present on the train in question. To appropriately define user targets and specific needs, the following were considered:

- Passenger's socio-demographic information
- Departure and arrival stations
- Inflow and outflow modes
- Frequency of use
- Use and method of purchasing travel tickets
- Information acquisition methods.

The reference pool is made up of passengers over 15 years of age on nine regional lines. Overall, 1,256 complete or partially completed questionnaires were collected. Most of the lines surveyed featured the overwhelming presence of youth (over 90%), mainly students. Only on the Bologna and Modena-Sassuolo lines was there a more varied combination of ages. Systematic study (68%) and work (24%) travel were the main reasons for travelling on regional lines. The foreign component was stable compared to 2017, with an average of around 9% of respondents.

51% of the users gave an overall positive assessment (satisfied and fully satisfied) to the regional rail transport. The average score assigned to regional rail transport in 2018 was 5.3.

Virtuous lines generally receive positive assessments. Among these are the two Bologna lines with flattering assessments and an increase compared to 2017: for Bologna-Vignola, 84% of the ratings were between 6 and 10 with an average of 7; for Bologna-Portomaggiore, which is more stable, 58% of ratings were between 6 and 10 with an average rating of 5.7. While receiving a positive performance evaluation, the Parma-Suzzara line had a sharp drop of 7 percentage points over the previous year: the average score fell from 5.8 to 5.3. The Modena-Sassuolo line dropped from 6.1 to 5.3 in 2018. The Ferrara-Suzzara, Ferrara-Codigoro and Reggio Emilia-Guastalla lines, although they received poor assessments ranging between 60-63%, recovered somewhat from 2017. Lastly, the Reggio Emilia-Ciano d'Enza and Sassuolo-Reggio Emilia lines had a higher level of low scores (72-75%), similar to the previous year.



Complaint mechanisms

GRI 103-2 GRI 103-3

In case of complaints, TPER undertakes to provide an answer within 30 days and involves the relevant business contacts on the basis of the specific topic, to provide the most correct information but also to define the necessary action to be taken.

Complaints	2017	2018	2019
Total complaints (no.)	3,658	4,036	4,472
<i>Of which</i>			
Total automotive complaints	3,022	3,328	3,802
Total railway complaints	636	708	670
<i>In particular related to</i>			
Services			
Frequency or schedule not respected (no.)	705	811	900
Runs missed (no.)	371	457	443
Personnel (no.)			
Unfriendly personnel (no.)	259	358	348

Inappropriate driving	209	214	235
Failure to stop at bus stop	301	283	292
Combating evasion (no.)	11	15	28
Mandatory validation (no.)	-	8	3
Positive reports (no.)	-	45	12
Average complaint response times (days)	21	21	15

The average response time is 15 days.

There were 4,472 user complaints in 2019, of which 3,802 were about the automotive sector and 670 the railway sector. The complaints mainly concern the service (frequency of runs and compliance with timetables), but in some cases the behaviour of staff was also the subject of complaints, in terms of courtesy, appropriate driving and stopping at stops.

Over time, TPER has also recorded positive reports, which are a strong indicator of user retention; users provide a very gratifying spontaneous contribution, certainly useful for perfecting the level of service in the right direction.

Governance

Governance and corporate structure

GRI 102-3 GRI 102-5 GRI 102-12 GRI 102-13 GRI 102-18 GRI 405-1

The Parent Company TPER is a public limited company, based in Bologna and operating in the Emilia-Romagna region. In 2017, it issued bonds listed on a regulated market (Irish Stock Exchange) thus acquiring the status of Body of Public Interest, pursuant to art. 16, paragraph 1 of Italian Legislative Decree no. 39/2010.

TPER governance bodies and structure

Shareholders	Stake %
Region of Emilia-Romagna	46.13%
Bologna City Council	30.11%
Metropolitan City of Bologna	18.79%
ACT Reggio Emilia	3.06%
Province of Ferrara	1.01%
Ferrara City Council	0.65%
Province of Parma	0.04%
Ravenna Holding	0.04%
Treasury shares	0.16%
Total	100.00%

TPER is not subject to control by a majority shareholder.

The composition of the Board of Directors is shown below, in office for the three-year period 2018-2020:

- Giuseppina Gualtieri - Chairperson and Chief Executive Officer
- Francesco Badia - Director
- Giovanni Neri - Director

Gender diversity in the Board of Directors	Women		Men		Total	
	No.	%	No.	%	No.	%
Board of Directors	1	33%	2	67%	3	100%

Composition of the Board of Directors by age	Under 30	Between 30 and 50	Over 50

	No.	%	No.	%	No.	%
Board of Directors	-	-	1	33%	2	67%

The Board of Directors is the body vested with the broadest powers for ordinary and extraordinary administration. It is responsible for defining the business management strategies, evaluating the adequacy of the organisational structure and the general management trend. The management is chosen by the Board of Directors.

The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, and respect for the principles of proper administration. The composition is as follows:

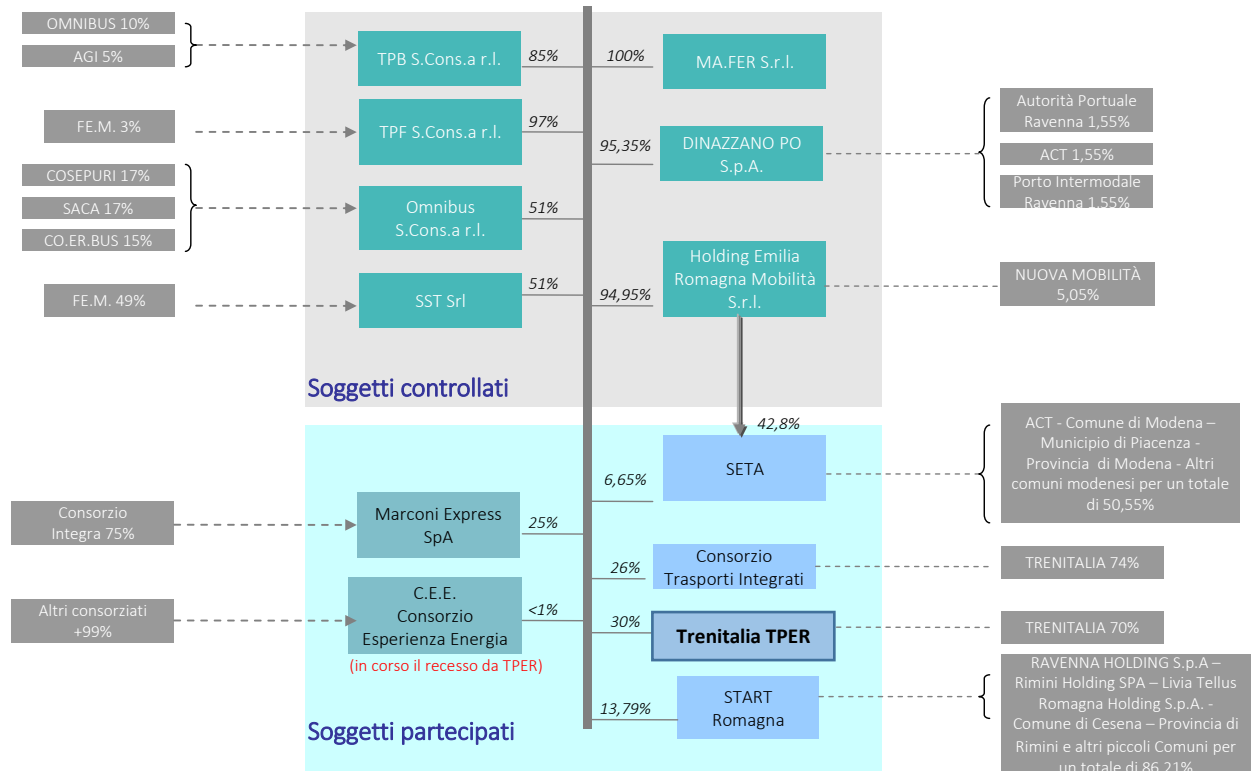
- Sergio Graziosi - Chairperson
- Fabio Ceroni - Statutory Auditor
- Patrizia Preti - Statutory Auditor

TPER Group structure

The TPER Group is made up of the Parent Company TPER S.p.A., which holds investments in 13 companies, of which 7 are subsidiaries, 4 are associates (including SFP Scrl - Società Ferroviaria Provvisoria Emilia-Romagna, established on 18 June 2016, which in December 2019 changed its corporate purpose and name to Trenitalia TPER Scrl) and 2 are affiliates.

TPER S.p.A. is an operating holding company and, through the Group companies, carries out more specialised activities relating to the services managed (typically maintenance) or extends the scope of its transport services in the region. The current structure of the TPER Group is consistent with its role as public transport aggregator, the concept at the root of TPER's creation.

Effective 1 January 2020, the management of the railway service began with the new company Trenitalia TPER, which combined the business units of the two companies. Trenitalia TPER will manage the entire railway service of the Emilia-Romagna Region for the next 15 years (renewable up to 22).



The different operating areas of investee companies can be distinguished as follows:

- In the automotive transport sector, the acquisition or retention of shareholdings stems from the need to achieve industrial and financial synergies, which are preliminary steps in an operational strengthening to take part in tenders for the awarding of public transport services. In the Ferrara and Bologna areas, TPER consequently decided to operate in partnership with private entities, giving rise to the Omnibus and TPB consortium companies for the Bologna area and SST and TPF for Ferrara.
- In the regional rail transport sector, the new company, Trenitalia TPER, began managing the regional rail transport effective 1 January 2020.
- Also in the railway sector, TPER controls the entire capital of MA.FER S.r.l., active in the area of rolling stock maintenance, and has a 95.35% holding in Dinazzano Po S.p.A., a company dedicated to rail freight transport and the supply of rail freight services, in addition to the management of railway stations and intermodal terminals.
- TPER is the main shareholder, both directly and indirectly through Herm, of SETA, a company that provides local public road transport services in the provinces of Modena, Reggio Emilia and Piacenza; however, this company is not consolidated as controlling conditions do not exist. TPER is also a shareholder of Start Romagna, which provides its services in the Romagna area. The possession of these corporate shareholdings is linked to industrial logic as well as operational and financial synergies.

Sites

The company carries out its activities at the following sites: Bologna (BO), Ferrara (FE), Castel di Casio - Prati (BO), Imola (BO), Casalecchio di Reno (BO), Codigoro (FE), Comacchio (FE), Sermide (MN), Modena (MO), and Reggio Emilia (RE).

Associations

TPER is a member of the **ASSTRA** Transport Association (National Association of Enterprises, their consortia and/or their groupings, owned by local authorities, regional councils and private companies that operate local public transport services or complementary and/or collateral services instrumental to their development), stemming from the merger between the two industry associations, Federtrasporti (the federation of municipal companies) and Fenit (the federation of licensed railways).

TPER is also associated with **Aipark**, the Italian Association of Operators in the Parking and Car Park Sector, which aims to foster the professional networking and the growth of an industry culture, and which represents the most important operators in the sector at national level.

TPER also participates in **UITP**, the international public transport association.

Following the decision taken by Confservizi Emilia Romagna not to represent public transport services, TPER adheres, at local level, to **Confindustria** (Unindustria Emilia Romagna) and sits on a coordination board with other companies in the Emilia-Romagna region involved in the transport industry. TPER is also a member of Confindustria Emilia Area Centro, the business association stemming from the integration of Unindustria Bologna, Unindustria Ferrara and Confindustria Modena which represents and protects businesses from Emilia.

Finally, TPER is a member of **Club Italia**, a non-profit association that, among other things, aims to promote the use of payment systems based on smart cards (contactless microchips) in Italy.

Participation in organisations, international agreements, and initiatives linked to legality and sustainability

United Nations Global Compact

Since 2017, TPER has participated in the United Nations Global Compact, an international initiative that encourages companies all over the world to adopt sustainable corporate social responsibility policies and to publish the results of their activities in the areas of human rights, labour, environmental sustainability and the prevention of corruption.

Legality protocol

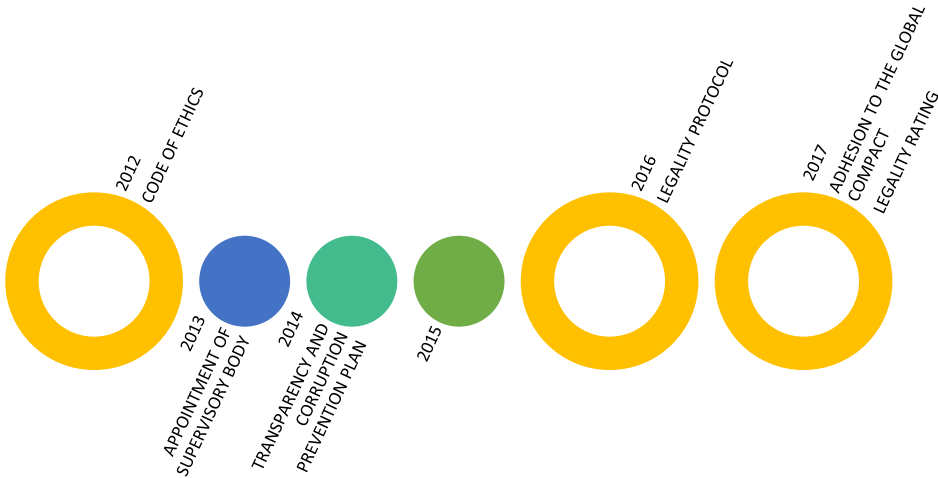
Following a process launched in 2016, TPER joined the Protocol of Legality established by Confindustria and the Ministry of the Interior in 2017 with a view to combating criminal infiltration in the economy. It is therefore registered on the list of companies that adhere to the Legality Protocol published on the Confindustria Emilia website.

Impronta Etica

Impronta Etica is a non-profit association founded to promote and develop sustainability and corporate social responsibility (CSR), and to encourage sustainability-oriented processes, providing support for its associate companies in this field. The association is a partner of the CSR Europe network.

Control model and measures to combat corruption

GRI 102-16 GRI 102-17 GRI 103-2 GRI 103-3 GRI 205-1 GRI 205-3



The organisation, management and control model pursuant to Italian Legislative Decree no. 231/2001

Italian Legislative Decree no. 231/01, containing "*Provisions on the administrative liability of legal entities, companies and associations without legal personality*", adapted national legislation on the liability of legal entities to international conventions. TPER has adopted an organisation, management and control model (MOGC) pursuant to Italian Legislative Decree no. 231/2001 which contains all the preventative and disciplinary measures and procedures to reduce the risk of crimes being committed within the company organisation.

As well as exempting the company from responsibility for these types of crimes, the adoption of an organisation, management and control model pursuant to the Decree is an act of social responsibility by TPER which generates benefits for multiple parties: stakeholders, managers, employees, creditors and all other parties whose interests are linked to the life of the company. The Model has been prepared taking into account the Guidelines drawn up by ASSTRA, the relevant trade association. ASSTRA has defined the series of values that the Association and its associated companies recognise, accept and share, and all the responsibilities that the Association and its associated companies assume internally and externally. The Model is applicable to company personnel and third parties who enter into relations with the company, and contains codes of conduct aimed at preventing the committing of specific crimes, identified by Italian Legislative Decree no. 231/2001, to the benefit of the company.

TPER decided to proceed with the formalisation of its Model of organisation, management and control (hereinafter also the "Model") following an analysis of the entire organisational structure of the company and its internal control system in order to verify its adequacy as regards the prevention of offences. TPER has adopted a Model which complies with the requirements of the Decree and is consistent with the reference regulatory context and the principles already rooted in its governance culture, subject to subsequent regulatory updates and adjustments to the changes in the company's organisational structure.

The descriptive document of the model, together with the Code of Ethics, is published on the Company website at <https://www.tper.it/azienda/come-lavoriamo>.

TPER has appointed a Supervisory Body. This Body is responsible for monitoring the functioning, effectiveness, adequacy and observance of the TPER Organisation, Management and Control Model.

During the drafting, periodical updating and approval of the MOGC 231, TPER has introduced and implemented adequate organisational and management measures to prevent corruption pursuant to Italian Law no. 190/2012 and the National Anti-Corruption Plan (PNA), also with reference to the provisions of Italian Law no. 68 of 22 May 2015 and Italian Law no. 69 of 27 May 2015 (provisions relating to environmental crimes, false accounting, crimes against public administration and mafia-type associations) and the criminal offence of self-laundering (art. 648-ter 1 of the Criminal Code). It should be noted that, in order to prevent corruption, private law bodies under public control and non-controlling public companies that have already adopted organisation and risk management models on the basis of Italian Legislative Decree no. 231/2001 can use the same models by extending the scope of application not only to the offences against public administration envisaged by Italian Legislative Decree no. 231 of 2001 but also to all those considered in Italian Law no. 190 of 2012.

All corporate transactions for which there is the risk of corruption have been reviewed according to the provisions and documented by the MOGC, to which reference is made, and according to the activities carried out by the Supervisory Body. It is therefore possible to state, in accordance with GRI 205-1, that all operations have been assessed for risks related to corruption.

In 2019, there were no verified cases of corruption nor were there any incidents that required reporting to the Supervisory Body as regards MOGC 231.

The Code of Ethics

As an integral part of the Model pursuant to Italian Legislative Decree no. 231 and the overall governance structure, TPER has adopted a Code of Ethics with a view to identifying and defining the series of values, fundamental principles and behavioural standards that represent an indispensable prerequisite for the correct performance of its business activities. The Code of Ethics constitutes a guide to company policies and the legal requirements that govern TPER's conduct. The Code of Ethics conforms to the principles indicated both in Confindustria's Guidelines and ASSTRA's Code of Conduct.

The Code defines TPER's reference principles and codes of conduct, represents a means of preventing irresponsible or illegal behaviour on the part of those who work in the name and on behalf of the Company, and constitutes a series of preventative and disciplinary measures and procedures for reducing the risk of crimes being committed within the business organisation.

The provisions of the Code apply, without exception, to the members of the Board of Directors and the Board of Statutory Auditors, senior managers, middle managers and employees at TPER, as well as to all those who, directly or indirectly, permanently or temporarily, form working relationships or work in the interests of TPER. Every recipient is required to comply with the provisions in the Code. Within the scope of their activities, all

TPER stakeholders (employees, shareholders, customers, suppliers, communities, commercial and financial partners, institutions, trade associations, trade union representatives, etc.) act in compliance with the Code and with current laws and regulations. Every recipient is asked to familiarise themselves with the rules contained in the Code and the reference standards that regulate their working activities.

Application of ANAC guidelines in the area of the Prevention of Corruption and Transparency (MOGC 231 extension and Supervisory Body duties)

TPER is a publicly owned company, not subject to public control (pursuant to and in accordance with Italian Legislative Decree no. 175/2016) and, having issued bonds listed on regulated markets, is a body of public interest. Since 2017 TPER has been aligned with the indications contained in the new ANAC/2017 guidelines (ruling no. 1134 of 8 November 2017) and extended the scope of application of MOGC 231 with the introduction of corruption prevention measures, also pursuant to Italian Law no. 190/2012, expanding the duties of the Supervisory Body.

Legality rating

In 2019 TPER requested an update of its legality rating, which had been obtained in 2017. The legality rating is an ethical recognition developed by the Italian Competition Authority (AGCM), in agreement with the Ministries of the Interior and Justice, which rewards companies that operate in line with the principles of legality, transparency and social responsibility.

The rating - measured in "stars" - has particular advantages in relation to the granting of public funding and favourable terms for accessing bank credit.

TPER confirmed the rating of ★★++.

Integrated management system and policies

GRI 103-2 GRI 103-3

TPER is equipped with management systems according to international standards and has obtained the Certificate of Excellence from Certiquality, an accredited body for the certification of business management systems for quality, environment, safety and product certification. This important recognition is given to those companies that have demonstrated a responsible voluntary commitment in their corporate governance, having obtaining the three international quality standard certificates:

- Quality (ISO 9001:2015)
- Environment (ISO 14001:2015)
- Occupational Health and Safety (British Standard OHSAS 18001:2007 – ISO 45001:2018).

TPER has implemented an integrated quality and environmental protection management system compliant and certified according to the UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 standards. The integrated management system is applied to all the services provided and includes the local public road transport service in the Bologna and Ferrara

areas, the regional passenger rail transport service, the management of paid parking in the City of Bologna and other services supporting mobility.

TPER has also extended its international certificates to railway operations and parking management, as well as automotive.

As a railway company, TPER also has a Safety Certificate issued by the National Railway Safety Agency (ANSF). The Safety Management System codifies and controls the operation of all TPER structures involved in safety activities related to railway operations.

Industrial vehicle maintenance and fleet management services (bus and trolleybus fleets in particular), activities carried out both on proprietary and third-party buses, are also certified. The TPER workshops have, in fact, been recognised as authorised workshops by the main bus manufacturers.

TPER has also obtained product/service certification in compliance with the UNI EN 13816:2002 standard for three of the main urban public transport lines in Bologna (Lines 13, 27 and 35) and the exurban Line 94.

Quality - ISO 9001:2015

TPER S.p.A. is currently certified in line with the ISO 9001:2015 standard (9001 - Quality Management Systems), a certificate issued by Certiquality on 9 February 2017. The standard provides a more precise and detailed focus on the control of processes, products and services provided by external suppliers in order to respond to the complexities of the environment in which businesses operate. The main aspects are outlined below:

- The revision follows a "high level" structure, developed for use as a common basis for all other standards, improving compatibility and integration with other certification systems. The development of an integrated management system is made easier.
- Risk analysis: rather than using standard requirements for everyone, risks will be analysed for each individual company in order to plan a management system that satisfies the needs of each company. The approach identifies the risks in business processes and appropriate measures to be taken to deal with them, in addition to identifying opportunities, i.e. possible solutions and countermeasures to combat them.
- Greater involvement of senior management.
- The "bureaucratic" simplification of the system's documentation. Greater flexibility is envisaged for companies, which are free to choose the depth and detail they intend to use for their written documentation, a choice that can be made based on various factors such as the complexity of the processes, staff expertise etc.
- More immediate applicability for the tertiary sector and services.
- Process management focused on the development, implementation and improvement of the QMS/Quality Management System: each process must be defined and contain clear specifications for the measurement of performance parameters and the definition of roles and responsibilities.

Environment - ISO 14001:2015

TPER adhered to the new edition of the ISO 14001:2015 standard published on 15 September 2015, acquiring the relative certification with a certificate issued by Certiquality on 9 February 2017. The Environmental Management Systems standard falls under the ISO

standards on Management Systems, the primary objective of which is to create a common "High Level Structure" among the standards. The standard involves planning, execution and control phases and improvement actions. The application of ISO 14001 defines the most important requirements to identify, control and monitor the environmental aspects of any organisation with an environmental policy. The immediate advantages of adopting an ISO 14001 Environmental Management System are:

- Greater trust from customers, investors, the public and the community, thanks to the guaranteed reliability of the commitment demonstrated
- Better control of costs and savings on raw materials and energy consumption
- Transparent management and facilitation in obtaining environmental permits and authorisations
- Reduction in insurance premiums linked to the possibility of environmental accidents
- Reduction in the financial guarantees required under current legislation.

Health and safety in the workplace - ISO 45001:2018 and BS OHSAS 18001:2007

TPER is currently certified according to the UNI ISO 45001:2018 (certificate issued on 19 August 2019) and the BS OHSAS 18001:2007 standard (which will be replaced by the former no later than 2021). Compliance with the international standard ensures compliance with the requirements for Occupational Health and Safety Management Systems. The ISO 45001/OHSAS 18001 certification is based on the management of workplace health and safety and requires continuous improvement from organisations, thus providing all stakeholders with guarantees regarding compliance to the specified safety policies.

The most relevant aspects of an OHSAS management system can be summarised as follows:

- The management system represents an effective tool for optimising risk management for the health and safety of workers. INAIL has provided data that shows a 27% drop in the frequency index and a 35% drop in the injury severity index in certified companies.
- OHSAS 18001 certification is recognised as a possible system that exempts from the serious levels of liability introduced by Italian Legislative Decree no. 231/01 (as required by Italian Legislative Decree no. 81/08, article 30, paragraph 5).
- INAIL grants reduced insurance premiums to companies that have made improvements or have taken accident prevention measures to safeguard workers' health and safety conditions. The measures that permit access to these reductions are those foreseen by the OT 24 Model (fluctuation of the prevention premium rate). Of these measures, OHSAS 18001 standard certification allows the company to achieve the maximum score for the discount on the premium.
- It requires greater attention from all the organisational units in the company on matters of safety, with positive repercussions on the organisation at various levels.

In terms of health and safety, the new ISO 45001 standard was recently published and meets companies' growing need to implement their own Safety Management System in a constantly evolving scenario. The objectives of the ISO 45001 standard are as follows:

- Create an ISO standard that becomes the international benchmark for occupational health and safety management systems
- Use simplified language

- Establish requirements that are flexible and adaptable in different ways to small and large companies
- Facilitate "management" without necessarily increasing "documentation"
- Allow the management of occupational health and safety requirements (including legal ones) without additional resources being required to manage the system.

Corruption Prevention Management System - ISO 37001: 2016

In May 2019, TPER obtained ISO 37001 certification from the Certiquality institute, as an additional measure to ensure corruption prevention.

The ISO 37001 standard is an anti-bribery instrument and is designed to increase the culture of transparency and define effective measures for combating corruption scenarios. The ISO 37001 Anti-Bribery Management system also integrates with the other standards in the company in the area of quality, the environment and workplace safety.

Internal regulations

In compliance with regulatory measures and to ensure fairness and transparency in relations with third parties, TPER, through its Board of Directors, has also adopted the following regulations:

- Staff recruitment regulation
- Regulation for the execution of projects and the acquisition of goods and services at a lower price than the EU thresholds
- Safety policy
- Regulation for access to documents

Risk management

GRI 102-11 GRI 102-15 GRI 103-2 GRI 103-3

TPER's organisational structure and control model were designed and are managed as governance tools created to guarantee the identification, monitoring and management of potential risks, both current and prospective, with particular focus on the quality of its services, the monitoring of structures and plants, and the protection of worker health and safety.

TPER has developed a specific Risk Assessment project, with the aim of launching the implementation of a structured Risk Management process within the Group (Enterprise Risk Management - ERM). The first stage involved identifying and listing the risks at Group level, with the aim of consolidating the corporate culture on risk management and thus increasing awareness of its potential impacts on TPER.

The analysis examined the TPER context with regard to the Group's specific internal/external conditions in order to then identify, analyse and assess the types of risks to which the Group is potentially exposed, together with the methods and plans for managing them.

TPER - The risk management model

TPER's general model can be summarised as follows, in relation to the risk areas identified:

- External / sector risks**
- ⑩ Financial
 - ⑩ Suppliers
 - ⑩ Competition
 - ⑩ Natural events
 - ⑩ Regulatory - legislation
 - ⑩ External illegal acts
 - ⑩ Customers
 - ⑩ External accidents

- Strategic risks**
- ⑩ Definition and implementation of strategies
 - ⑩ Reactivity and changes
 - ⑩ Reputational

- Financial risks**
- ⑩ Interest rates
 - ⑩ Market
 - ⑩ Loans
 - ⑩ Liquidity

- Operational risks**
- ⑩ People
 - ⑩ Internal illegal acts
 - ⑩ IT systems, processes and procedures
 - ⑩ Health, Safety and Environmental
 - ⑩ Internal accidents
 - ⑩ Legal - compliance
 - ⑩ Product
 - ⑩ Technological systems

The specific identified risks to which TPER attributes greatest importance are highlighted below, together with a brief outline of the relative management methods (processes and procedures for responding to/mitigating the risk).

Respect for human rights - Combating active and passive corruption - Social - Environment - Personnel

Category/Description of risk	Underlying material topic	Reference areas Leg. Dec. 254/16	Management method
External/sector risks			
<p>Competition/Deregulation of the sector - This risk is by nature prospective and specifically regards the core "regulated/licensed" local public transport business activities.</p> <p>Based on specific service contracts, TPER manages local public road transport in the Bologna and Ferrara provincial areas and passenger transport in the regional railway sector (for a duration of 22 years starting from 2019), in partnership with Trenitalia.</p>	<p>Financial balance, creation and distribution of economic value</p> <p>Investments and innovation</p> <p>Accessibility and quality of services</p>	<p>Combating active and passive corruption</p> <p>Social</p> <p>Environment</p>	<p>TPER's strategic approach as regards market position and correlated risks consists of four main actions defined by the guidelines of the business plan:</p> <ul style="list-style-type: none"> ▪ Participation in tenders - Participation in tenders for the awarding of local public transport services in areas of interest (also outside the region), developing partnerships;

<p>The definition of the methods of licensing public transport services was initially regulated by Italian Legislative Decree no. 422/1997 and subsequently integrated by European Regulation 1370/2007. In Italy a transitory period is in force, as defined by Italian Law no. 99/2009; as of 2019 it will be mandatory to apply European law, whose objective of accelerating the process of putting the services out to tender was anticipated by Italian Law Decree no. 50/2017.</p>	<p>Intermodality and integration of services</p> <p>Development of local public transport - Sustainable urban development and mobility</p>		<ul style="list-style-type: none"> ▪ Development of group synergies - TPER as an aggregator of mobility, by strengthening synergies with subsidiaries and affiliates; ▪ Development of additional businesses/diversification - Control of passenger rail transport market in Emilia-Romagna through affiliate SFP, maintenance of businesses connected with parking and car-sharing and development in the rail freight transport sector through Dinazzano Po.
<p>Regulatory/legislation: environmental legislation - The transport sector is subject to environmental regulations, especially the features of means of transport in relation to CO2 emissions and other pollutants, and health and safety. Public transport companies are required to renew their fleets in order to ensure they are increasingly sustainable and have reduced environmental impact. The European Union (Directive 2009/33/EC) promotes the spread of efficient forms of transport fuelled by clean energies.</p> <p>The regulatory framework could register a rapid and not always predictable evolution, involving stricter requirements. These circumstances could change the reference scenario, significantly influencing the investment plan for the necessary adjustment.</p>	<p>Emissions and air quality - mitigating climate change</p> <p>Efficient use of natural resources: sustainable management of resources</p> <p>Investments and innovation</p> <p>Noise and vibration management</p>	<p>Environment</p>	<p>The renewal of fleets has shown an international convergence towards rolling stock fuelled by renewable sources.</p> <p>To align the company's strategies with the goals established by the PUMS and the MSP, TPER plans to launch a series of projects aimed at improving the quality of its services and reducing their environmental impact. The renewal of the fleet, which falls under the environmental, quality and sustainability and increased competitiveness goals defined by TPER, consists of three main action plans:</p> <ul style="list-style-type: none"> ▪ Urban area - Short-term investments in hybrid vehicles in the urban areas of Bologna and Ferrara, dedicated exclusively to specific lines and, in the mid-term, investments in electric vehicles in the

			<p>urban areas of Bologna, Ferrara and Imola;</p> <ul style="list-style-type: none"> ▪ Exurban area - Assessment on adding liquid methane and methane-fuelled hybrid vehicles to the fleet of intercity vehicles; ▪ Mid-long term - Development of a plan aimed at creating, in the mid- to long-term, an infrastructure that enables full-electric vehicles to be added to the service. <p>For the implementation of sustainable transport technologies and the renewal of existing infrastructure (Depot Workshops), TPER has launched processes to review the network and service model in order to improve their quality and environmental sustainability aspects in the Bologna and Ferrara areas.</p> <p>This risk is primarily overseen by the environmental management system certified according to the UNI EN ISO 14001:2015 standard.</p>
<p>Environmental / Natural Events - Risks arising from adverse and/or accidental natural/atmospheric events that damage the methane refuelling plants or technological trolleybus systems (power supply, telecoms), electrical systems and the fixed trolleybus system or its structures.</p>	Efficient use of natural resources: sustainable management of resources	Environment	TPER has adopted a control model for issues linked to the protection of corporate assets and has adopted control processes and procedures for issues regarding the protection of corporate assets and accident prevention.
Strategic risks			
<p>Reputational risk - Reputational risks arise from TPER's negative perception in the eyes of customers, suppliers and supervisory bodies due to the external spread of negative news.</p>	Financial balance, creation and distribution of economic value	Combating active and passive corruption Human rights	TPER has a good reputation for the quality of the service it provides and for its efforts in making widespread improvements.

<p>TPER is exposed to this type of risk due to the nature of the services it provides.</p>	<p>HR management, training and development</p> <p>Health and safety in the workplace</p> <p>Accessibility and quality of services</p> <p>Image - reputation / Relations with customers and the community</p> <p>Sustainability and responsible management of the supply chain</p>	<p>Social Environment Personnel</p>	<p>The Group strives to continuously improve the physical safety of employees and passengers and their perception of this issue. Furthermore, there are facilities and procedures for receiving and managing complaints and providing customer services.</p>
<p>Financial risks</p>			
<p>Economic risks</p> <ul style="list-style-type: none"> • Risks of delayed/non-payment/reimbursement of amounts due based on service contracts • Difficulty in meeting company objectives due to causes that can be traced to the external context • Adoption of unfavourable pricing policies by the regional council with a consequent fall in revenues • Substantial cuts to State-Region transfers <p>These events can lead to possible negative repercussions on the Group's business/operations due to a worsening of evolutionary dynamics in the macroeconomic context.</p> <p>In particular, there is a risk that the company's operations, services or ability to meet the objectives set with the regional council-mobility agencies may be compromised due to the long-term inaccessibility of</p>	<p>Financial balance, creation and distribution of economic value</p> <p>Development of local public transport - Sustainable urban development and mobility</p> <p>Sustainability and responsible management of the supply chain</p>	<p>Combating active and passive corruption</p> <p>Social Environment</p>	<p>Economic and financial planning represents a primary strategic tool for monitoring the resources to access and use to support business activities.</p> <p>The appropriate management of relations with investors guarantees the punctual availability of the liquidity required by the business.</p> <p>More specifically, TPER monitors the balance of the financial structure (investments and working capital with equity capital and long-term and short-term loans), identifying the most suitable counterparties for the specific requirements.</p> <p>TPER also monitors and internally manages the balance of assets and current liabilities (management of</p>

<p>funds. These aspects also include the implementation and realisation of the investment plan envisaged in the service contracts.</p> <p>All in all, these risks regard liquidity, credit and the market.</p>			loans, payables and inventory)
Operational risks			
Health, Safety and Environmental			
<p>Rail and Trolleybus safety - This area includes operational risk cases within the Group and not arising solely from external causes, such as:</p> <ul style="list-style-type: none"> Physical safety of vehicles and facilities - the first guarantee of safety is the proper maintenance of the assets, i.e. adequate and regular maintenance. Traffic safety "on the driver's side": includes all the devices that control the driver's work and prevent errors. Minimising of damage from external events and accidental injury to passengers and other citizens 	Customer safety (Security & Safety)	Human rights Social	<p>The area of transport safety is highly regulated in significant detail, both at national and EU level. These risks are therefore mitigated primarily by the set of requirements established by regulatory bodies that provide guarantees and support for the safe performance of activities, and secondly by the adoption of appropriate operating procedures and instructions.</p> <p>TPER has implemented the processes and controls needed to comply with existing legislation and to adapt to its future modifications.</p>
<p>Health and safety in the workplace - This risk mainly refers to:</p> <ul style="list-style-type: none"> Injuries or wounds suffered by personnel that work in depots, buildings and offices - that work in the road transport service - that work in the rail passenger and freight transport services Third-party aggression towards ticket inspectors 	Health and safety in the workplace	Human rights Personnel	This risk is primarily overseen by the Health and Safety Management System certified according to UNI ISO 45001:2018, with certificate issued in August 2019 (DNF ref: TPER / Integrated management system and policies).
Compliance			
TPER operates within a sector subject to strict regulations at national, European and international level. Local public transport is also subject to a	Governance and ethical business conduct	Combating active and passive corruption	<p>Compliance with regulations is an integral part of decision-making processes.</p> <p>More specifically, TPER has adopted an organisation, management and control</p>

<p>number of regulations at local and regional level.</p> <p>The risks refer to the possible consequences arising from a failure to comply with the rules and regulations to which TPER is subject.</p>		<p>Respect for human rights</p>	<p>model pursuant to Italian Legislative Decree no. 231/2001 which defines and establishes duties, roles and responsibilities with the aim of identifying and managing potential conflicts or sensitive areas (DNF ref: TPER / Control model and measures to combat corruption)</p> <p>In May 2019, TPER also obtained certification according to the UNI ISO 37001:2016 standard for the corruption prevention management systems. The standard was defined with the objective of supporting organisations and businesses in preventing and combating corruption, for the development and strengthening of a culture of transparency and integrity. Periodic compliance checks are carried out, including with regard to authorisation procedures.</p>
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The precautionary approach

Introduced in 1992 at the United Nations Conference on Development and the Environment (United Nations in Principle 15 of "The Rio Declaration on Environment and Development") in the context of environmental protection and biodiversity, this principle is based on the "better safe than sorry" assumption and has been implemented and used at various levels of government and put into practice in areas related to consumer protection and health.

The application of this principle implies, as an integral part of the risk management strategy, a preliminary assessment of the potential negative environmental and social effects that could arise from decision-making and/or strategic choices regarding products and processes. If the existence of a risk of serious or irreversible damage is identified, appropriate and effective measures must be considered, also in relation to benefits and costs, aimed at preventing and/or mitigating the negative impact.

The policies implemented and the methods for managing its own processes and provision of services by TPER take these principles into account.

Regulatory compliance

GRI 206-1 GRI 307-1 GRI 416-2 GRI 417-2 GRI 417-3 GRI 419-1

Anti-competitive and anti-trust behaviours and monopolistic practices

At the date of this document, there are no pending legal actions in relation to anti-competitive behaviour and violations of anti-trust regulations, nor were any cases of these types closed during 2019.

Environmental regulatory compliance

There are no pending disputes regarding violations of environmental provisions.

Non-compliance with social and economic laws and regulations

There are no pending disputes regarding violations of social and economic provisions. During the reference period, there were no instances of non-compliance regarding health and safety impacts or in relation to disclosure and/or marketing of transport services.

Cybersecurity and privacy protection

With regards to the protection of privacy, TPER has developed an organisational model designed to monitor the proper application of the reference regulations. The role of the Data Protection Officer was established, effective from the entry into force of Regulation EU 2016/679. Furthermore, the implementation of legal provisions and instructions of the Privacy Authority is ensured through the constant updating of regulations and policies.

During 2019, policies and procedures continued to be updated, including those that define data breach obligations and those that regulate the management of requests from data subjects related to the exercise of their rights regarding personal data protection, in addition to the ongoing ad hoc training activities on privacy, with particular regard to newly hired personnel and to specific areas such as call centres and parking inspectors.

Thus, the necessary actions have been taken to ensure the implementation, in internal processes, of the provisions regarding the right of access of data subjects (with the purpose, for example, of understanding the personal data processed by TPER or exercising other rights) and of the Privacy Authority (Requests and Inspection).

The Record of Personal Data Processing Activities was also revised and updated to further enhance its compliance with the GDPR provisions, to address the requirements of information systems, as well as to identify any areas for improvement and manage the related action plans.

Responsible management of the supply chain

GRI 102-9 GRI 103-2 GRI 103-3

Suppliers are a fundamental part of the production process and TPER engages with them in a transparent manner, enhancing where possible the technical and innovative contribution.

At a high level, relationships with suppliers are regulated by the Code of Ethics, which TPER shares with the former through initiatives envisaged in the communication and dissemination program of the Code itself. Breaches of the general principles of the Code may entail the immediate termination of the supplier relationship as per the supply

contract, which also includes statements regarding the knowledge of the principles contained in the Code, and the assumption of the obligation to comply with these principles.

As a Public Company operating in special sectors, TPER applies the national reference standards (Code of public contracts relating to works, services and supplies) for business-related purchases, oversees purchasing strategies and the relationship with the supply chain through the Tenders and Supplier Qualification Function. TPER has also drawn up regulations to govern the procurement of works, supplies and services for amounts under the EU threshold.

Selection procedures provide for publicity of notices and information on the tender outcome. Publicity requirements depend on the amount and nature of the tender and, pursuant to national and EU regulations, procedures are utterly streamlined to meet economy, effectiveness, and efficiency criteria.

The selection of suppliers takes place through clear and certain procedures based on objective criteria such as the quality of the products and services offered and the competitiveness of the proposal, paying attention to equitable remuneration of the services requested. For the awarding of the contract, TPER uses two criteria:

- The maximum discount is applied in cases where the company provides the technical specifications of the good or service to be purchased in detail, and in this case the offer with the lowest financial impact is considered;
- The contract is awarded to the most financially advantageous offer, in cases where the company's attention is focused on the technical contribution that the supplier can offer. In this case, the skill requirements that companies must have in order to participate are defined first; then the technical aspects of the offer are taken into consideration, while the financial content is the last aspect to be evaluated.

The second approach is preferred in all cases where it is considered that the supplier can offer a specialist provision giving added value to the company.

Below the thresholds indicated, the regulation envisages the application of simplified commitment procedures in relation to the modest value of the contract which anticipates for the call for at least three or five companies.

A unique characteristic of TPER's activity in this area is determined by the procedures for the purchase of fuels, which represent the most important item in costs for supplies. At the beginning of each year, a supplier pre-qualification phase takes place, allowing new operators to start a collaboration with TPER. The qualified suppliers are those that the company contacts to make their offer requests, which are almost daily in this area, to adapt to the continuous changes in the price of fuel. The suppliers' proposals arrive the day after the request and the supply is activated the following day with the chosen supplier on the basis of financial convenience.

In the process of choosing the means to be purchased for several years, TPER adopts a "life-cycle costing" logic, which allows it to consciously plan investments and the use of resources over the long term, with particular attention to vehicle spare parts.

The commitment of the Tenders and Supplier Qualification Function is currently aimed at structuring a register of suppliers to systematise the information and support the qualification phase of the suppliers.

TPER has also adopted internal rules for the assignment of professional appointments, based on the same objectives of efficiency, transparency and facilitation of competition.

TPER is a member of INTERCENT-ER, the regional agency for the development of electronic markets that plays the role of purchasing centre.

In the case of some specific investments financed with public resources, TPER has assumed the role of "purchasing centre" with regard to other local public transport companies. Specifically, TPER coordinated the purchase of new rolling stock for the transport companies of the other areas of Emilia-Romagna as well.

With specific reference to social and environmental responsibility, suppliers are expressly required to adhere to the TPER Code of Ethics.

Within the supply chain of TPER, there are no cases of suppliers with significant problems in terms of freedom of trade union association, child labour, conditions of forced labour or respect for human rights.

Since 2018, a system has been implemented for carrying out electronic tenders through the use of the Economic Operators Register. More specifically, the Tenders Portal was published for the creation of the register of operators for works, services and supplies and the management procedures for electronic tenders were activated.

This platform also provides the service for the publication of contracts in accordance with Italian Law no. 190/2012 on the TPER internet portal and generates the files in XML format for the annual statement to ANAC. These procedures apply to all TPER Group suppliers.

Economic sustainability

Distributed economic value

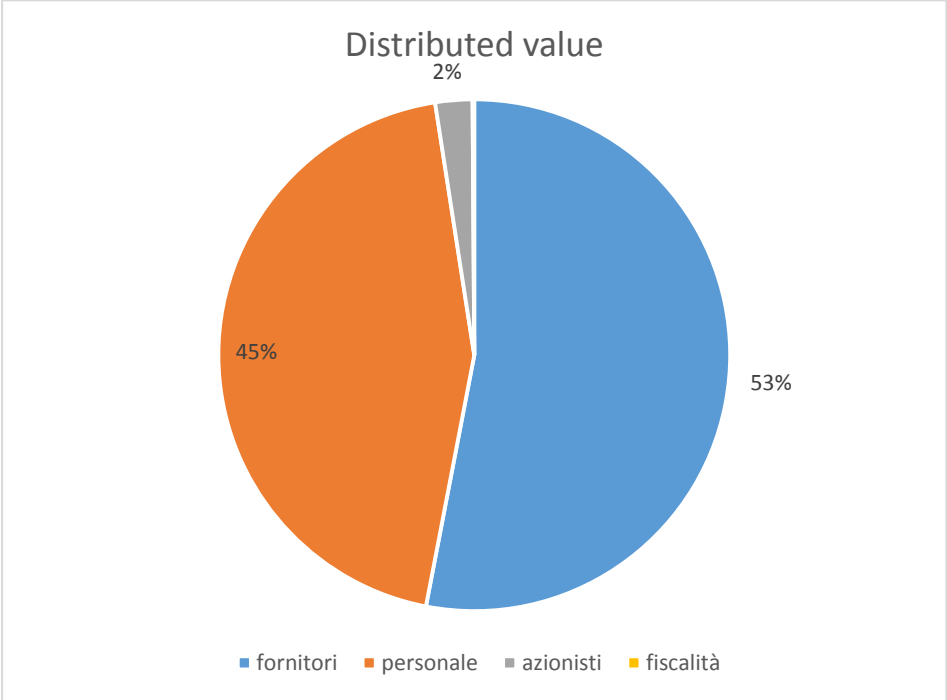
GRI 201-1 GRI 201-4

Below are the results from the Group's financial statements.

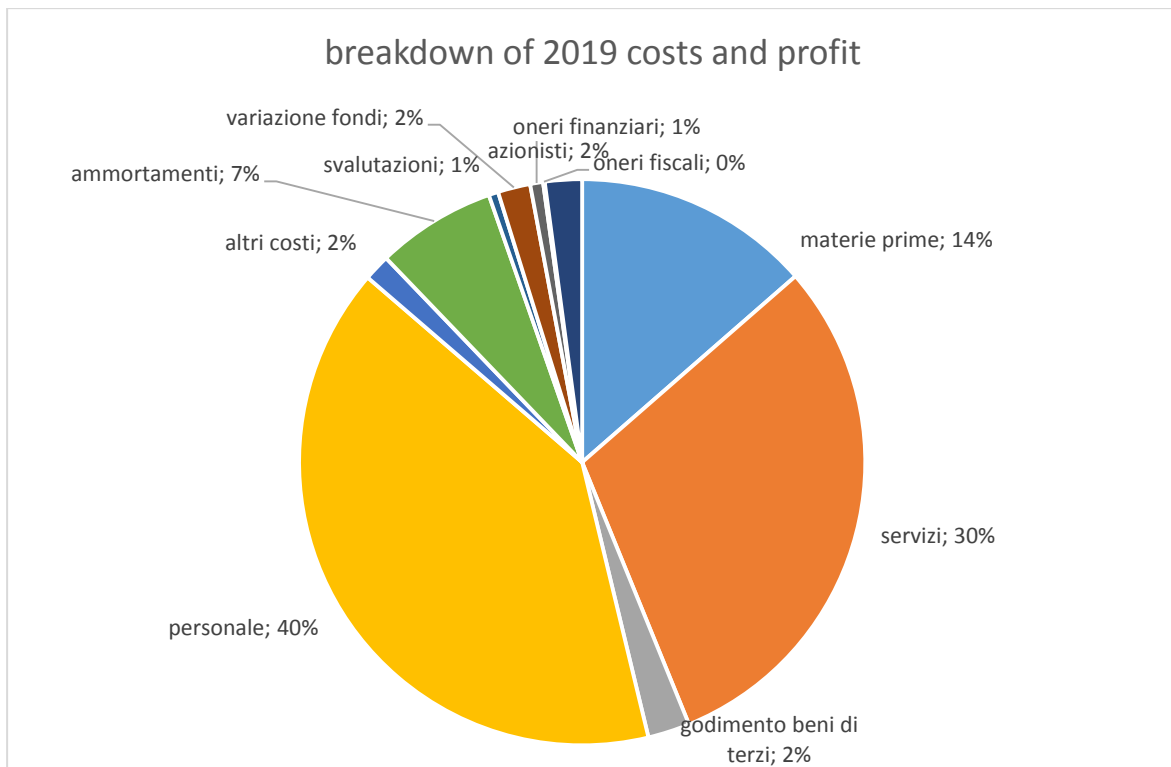
Conto economico consolidato

MIGLIAIA DI EURO	NOTE	2019	2018	2017
Ricavi		311.812	303.586	294.598
Servizi linea TPL	17	202.605	198.366	195.034
Servizi linea ferrovia	18	92.273	89.143	83.418
Parcheggi e car sharing	19	16.934	16.078	16.146
Altri proventi	20	16.859	13.789	13.890
Costi operativi		289.154	280.646	274.051
Costo del personale	21	131.921	128.155	126.939
Costo per servizi	22	99.566	95.539	98.799
Materie prime e materiali	23	44.719	41.319	36.427
Godimento beni di terzi	24	7.997	9.822	8.779
Altri costi operativi	25	4.952	5.810	3.107
Ammortamenti		22.487	16.075	12.794
Ammortamenti attività materiali		16.190	15.062	11.947
Ammortamenti attività immateriali		1.104	1.013	847
Ammortamenti attività per diritti d'uso		5.193	0	4.550
Svalutazioni / (ripristini) di valore	26	1.798	2.264	608
Variazione dei fondi per accantonamenti	27	6.104	2.184	0
Variazione fondo per ripristino e sostituzione materiale rotabile		0	0	608
Variazione altri fondi		6.104	2.184	
Risultato operativo		9.127	16.206	16.485
Proventi finanziari	28	501	421	208
Altri proventi finanziari		501	421	208
Oneri finanziari	29	2.428	2.424	1.412
Oneri da prestiti obbligazionari		1.978	1.973	574
Oneri da finanziamenti		82	301	582
Altri oneri finanziari		368	150	256
Totale proventi / (oneri) finanziari		(1.927)	(2.003)	(1.204)
Quota dell'utile / (perdite) delle partecipazioni contabilizzate con il metodo del patrimonio netto	30	66	843	134
Risultato prima delle imposte		7.266	15.047	15.415
Oneri fiscali	31	313	1.673	6.423
Imposte correnti sul reddito		1.102	726	6.488
Imposte anticipate e differite		(789)	946	(65)
Risultato netto d'esercizio (Gruppo e Terzi)		6.954	13.374	8.992

With reference to the distributed value pursuant to GRI 201-1, which considers shareholders, personnel, suppliers and public administration, note that 45% is distributed to employees, 53% to suppliers, 2% to shareholders and 0.1% to taxation.



Extending the analysis to consider all TPER's employees, considering specifically all costs of the consolidated income statement and the corporate profit, it can be demonstrated that 40% is distributed by TPER to human resources (personnel). This circumstance relates to the nature of the managed activity, which can be defined as "labour intensive". Most of the employees reside in the area where TPER operates. The distribution of value to employees therefore also indirectly contributes to the creation of value for the local community, as this wealth is then redistributed in the form of further consumption and purchases in the reference area. Suppliers account for 48% of the distributed value (which includes raw materials, services, lease and rental costs and other costs), while 7% of the value goes towards the reconstruction of invested capital (depreciation and amortisation expenses). Smaller proportions go towards taxation and lenders for loan payments.



Note: unlike the distributed value by recipient, the analysis of the distributed value based on the cost deriving from the income statement also takes into account depreciation and amortisation, write-downs, financial charges and the change in provisions.

Government grants

During the 2019, TPER received grants for capital expenditures totalling 6.1 million euros from the Region of Emilia-Romagna and 230,000 euros from the Ministry of Infrastructure and Transport (MIT).

During the year, TPER received approximately 2.1 million euros from the Customs Agency (excise duties for diesel fuel for transport), approximately 642,000 euros from MIT (contribution of the freight regulation Decree no. 61/2016), approximately 11.8 million euros from the SRM, AMI and FER mobility agencies as contributions for the higher costs in the national collective labour agreement. Lastly, TPER received 1.4 million euros from the Ministry of Labour as a grant for illness charges (Italian Law no. 266/2005).

Analysis of the economic impact on the area

In general, the development of a mobility company for public or collective transport in the area has significant impacts of both a direct and indirect nature. This impact concerns created and distributed wealth, the effect on the environment, on traffic congestion, on the reduction of road accidents, as well as on the development of knowledge and skills, the possibility of contributing to innovation and the creation of networks and relationships.

The increase in company size and its strengthening as an industrial group ensures a stable or growing demand for supplies and services on favourable terms. Whereas demand is guaranteed, favouring the retention of suppliers and service providers, on the other hand the definition of purchasing methods oriented to more economically advantageous offers means suppliers also become more efficient and are thus required to grow and focus on innovation and specialisations, thus creating a virtuous driving force in terms of maintaining employment and increasing specialisation and training.

The possibility of ensuring workers and families have an alternative and economical travel solution frees up resources which can be used on other things or put aside for savings, in both cases contributing to the welfare of consumers. In the event that the savings achieved by using public transport are used for other expenses, these expenses can have a direct and indirect impact on the area.

A first important effect can be seen on companies which should be viewed not only as suppliers but, including through their workers, as "customers" of transport services able to ensure consistent and comfortable transfers.

On this topic, with a view to regional planning with the competent bodies and dialogue with companies, it is possible to work on providing a widespread and prompt service that does not hinder, but rather advances, the development of businesses located in the area served.

At the same time, it is possible to envisage promotion / agreement initiatives for the workers of these companies, collaborating to ensure sustainable traffic flows, suitable connections and therefore an effective network between the workplace and housing, in other words convenient and punctual solutions for workers.

The use of local public transport systems represents an ecological alternative to the use of private cars powered by fossil fuels, contributing to an improvement in the ecological footprint, the reduction of CO₂ and other greenhouse gases released into the atmosphere, the reduction in road traffic congestion and the number of serious accidents.

A widespread transport network can facilitate and provide incentives for companies to locate themselves strategically with regard to traffic flows, generating a positive impact on real estate values, particularly near the hubs of this network.

In light of all these aspects, investment, innovation, technology development and the quest for quality in the public transport sector are key elements for economic strategies both at national level and at the level of regional, provincial and local administrations. In fact, investments and development in this sector have a real multiplier effect that benefits a wide range of stakeholders.

Investments

GRI 203-1

The TPER investment plan concerns the purchase of new vehicles for the road and railway sectors and the realisation, as an implementing entity, of projects aimed at developing more efficient and sustainable mobility, technological development and information technology.

The investments described refer to the 2019-2021 business plan, with the exception of the PIMBO and TPGV projects that have long-term value and for which the total value is indicated.

The investments respond to local, national and international sustainable development targets.

Investment	Amount (millions of euro)	Goals of the Metropolitan Strategic Plan and PUMS (Bologna and Ferrara areas)	Goals of the Urban Agenda for sustainable development	UN Sustainable Development Goals (SDGs)
ACQUISITION OF RAILWAY ROLLING STOCK AND SYSTEMS	11.8	Protection of the territory (air quality and climate change), city enhancement, and accessible and sustainable mobility	Adaptation to climate change and reduction of disaster risk	Building a resilient infrastructure, promoting innovation and fair, responsible and sustainable industrialisation Making cities and human settlements inclusive, safe, resilient and sustainable
ACQUISITION OF NEW VEHICLES FOR THE LOCAL PUBLIC ROAD TRANSPORT SERVICE AND RELATIVE INFRASTRUCTURE	17.7		Urban mobility	
INVESTMENTS IN PARKING SEGMENT	2.8			
TPGV - CREALIS PROJECT	182.0			
PIMBO - TROLLEYBUS CREATION AND METROPOLITAN RAILWAY NETWORK PROJECT	255.0	Metropolitan Bologna: Positioning and governance A genuine tourist destination Bologna Regional Hub: Economic development and the role of large functional and production centres	Air quality	Take urgent measures to combat climate change and its consequences
IT AND MODERNISATION (INCLUDES STIMER)	11.04	Territory, city and mobility. Towards the first integrated metropolitan mobility plan		

Investments in the purchase of rolling stock and plants include investments in infrastructure for the operation of electric buses for 3 million euros in the Bologna area and 1.5 million euros in the Ferrara area.

Investments in information technology include investments for video surveillance on buses, the installation of smart poles, the EMV ticketing project and upgrading of AVM systems.

The extended value of TPER (direct, indirect, induced)

GRI 203-2 GRI 204-1

TPER directs its business model towards the principles of innovation and sustainability, taking care to create "superior" value for its stakeholders, contributing to the sustainable development of the company and the territory in the broadest sense.

The indicators taken into consideration for assessing the impact of TPER are:

- The added value, i.e. the difference between the value of production and the costs incurred for the purchase of production input from outside the company (Economic Value Added, EVA), i.e. the value that the production factors used by the company, capital and labour, have "added" to the inputs purchased from outside and which thus remunerate the internal production factors
- Taxation, or the share of wealth generated that will then be redistributed as public goods to the community
- The number of workers employed directly and indirectly as a result of the Group's business activities.

It is therefore a matter of determining the direct economic impact due to the activity of the company, the indirect impact generated by lead suppliers, and finally the induced value, which, when combined, can contribute to the estimate of the value extended to the various social and economic players.

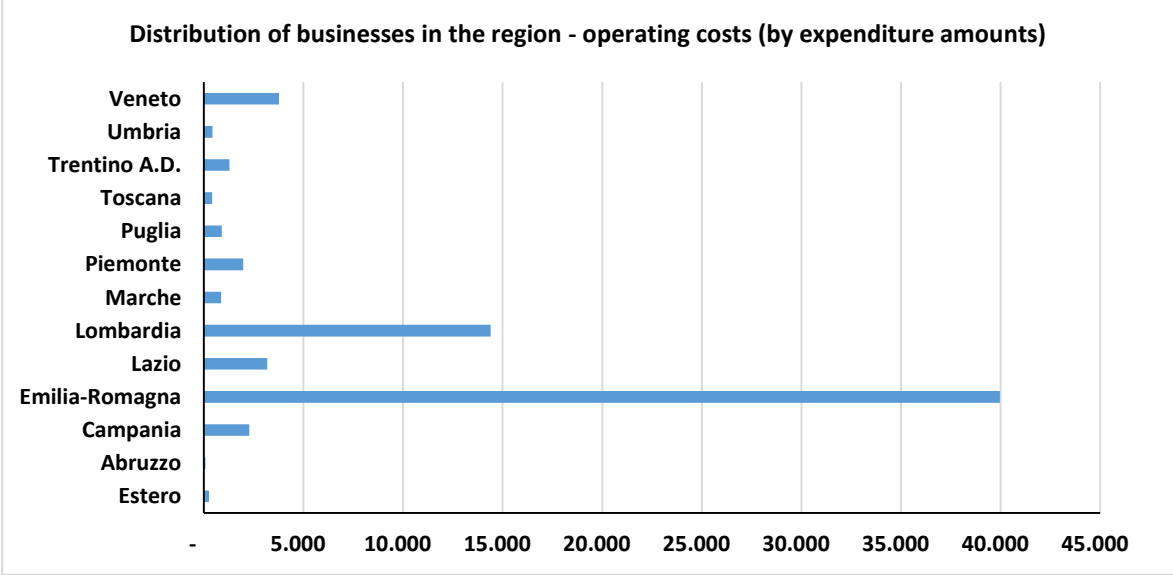
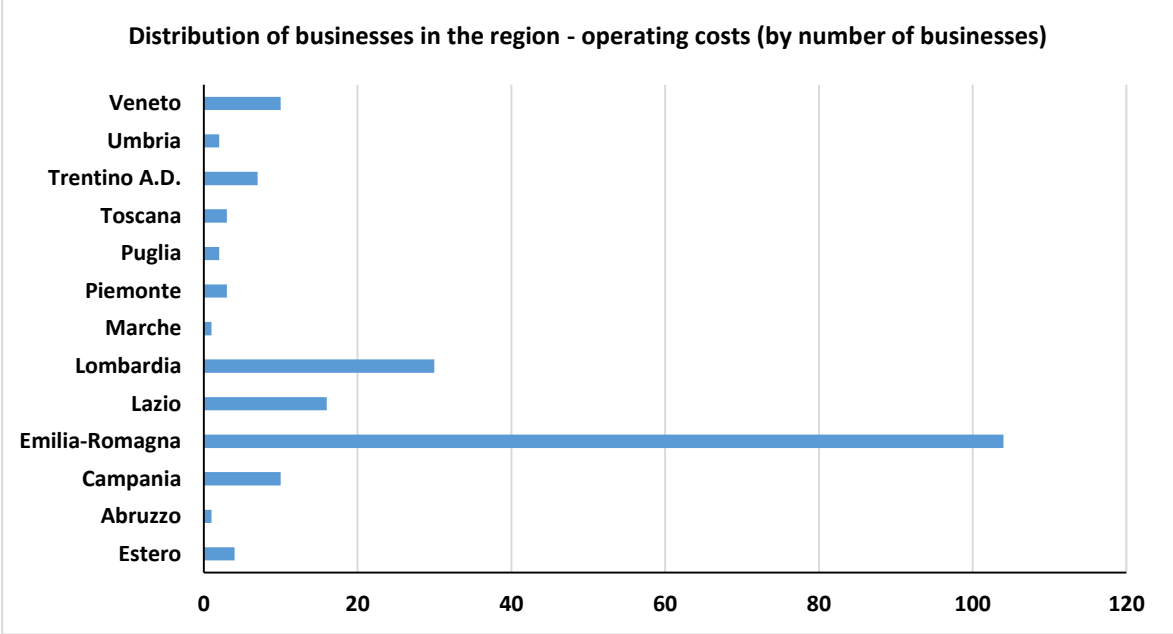
In particular, the direct impact of the business generated by TPER and its subsidiaries is defined as the impact that has a direct effect on households, businesses and the Public Administration, while indirect impact is that generated by the parties belonging to the TPER value chain, specifically TPER's lead suppliers.

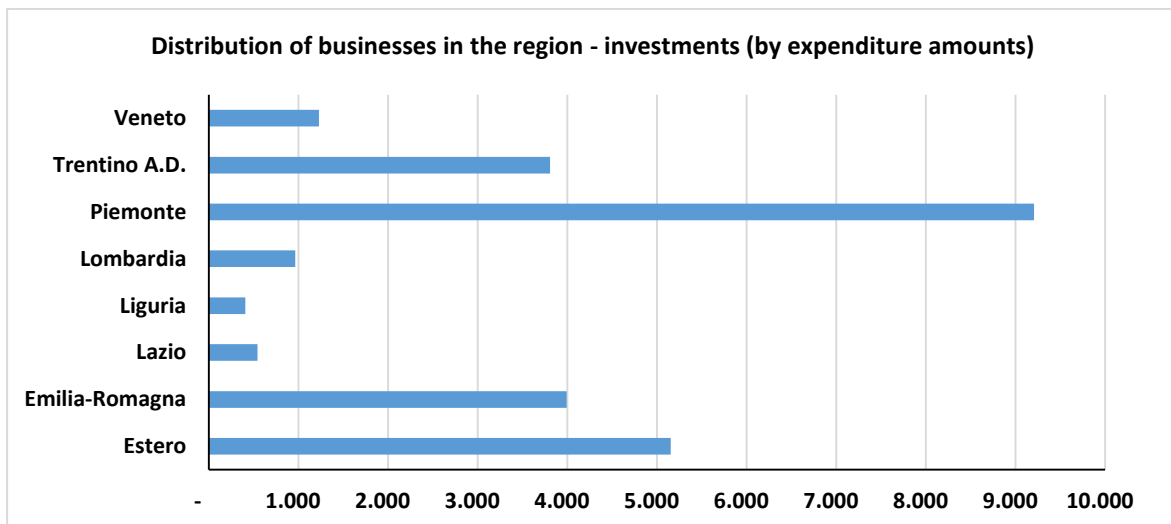
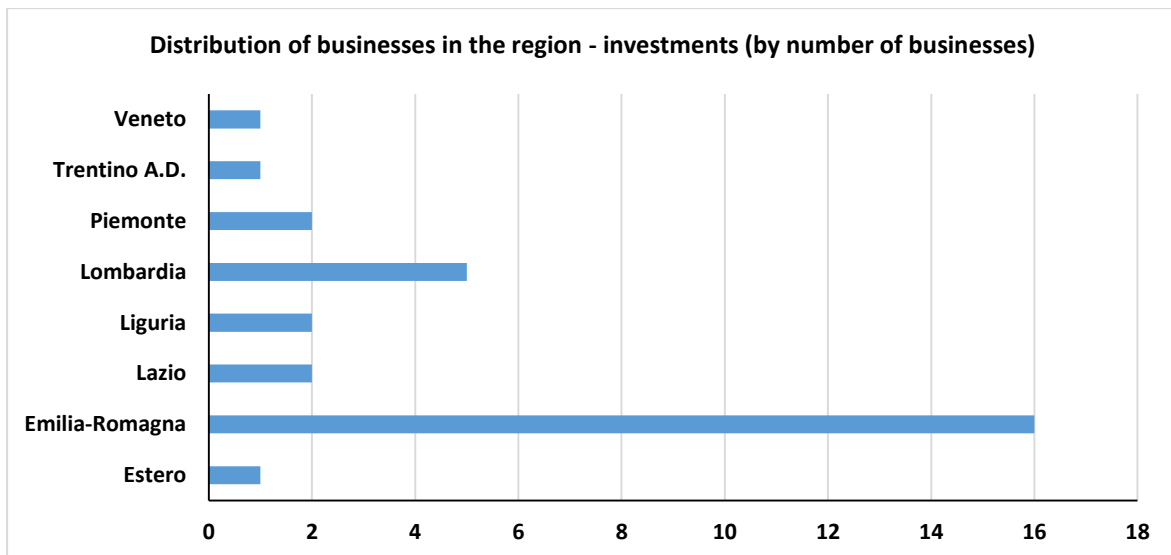
With reference to direct impact, the analysis is aimed at determining the economic impact due to the company's activity and was carried out taking into account the consolidated financial statements, considering both operations, i.e. income statement data, and investments.

Indirect impact is generated by the subjects belonging to the TPER value chain, and more specifically TPER's lead suppliers. For the assessment of indirect impacts, the information contained in the financial statements of suppliers collated in the AIDA - Bureau Van Dijk database was analysed. For the remaining suppliers, projections were made starting with the data measured for suppliers on which the highest percentage of cost is concentrated. The suppliers were divided according to product category and services carried out, in order to better represent the type of purchases made by TPER. The survey was carried out on a representative sample of companies, i.e. a number of suppliers representing over 41% of TPER's operating expenses (the companies analysed represented overall costs of 62 million euros, 2.7 million euros of which for lease and rental costs, 33 million euros for raw materials and 26 million euros for services) and 73% of investment costs. Overall, the annual reports of the top 158 companies in terms of expenses were analysed, that is, with an amount greater than 35,000 euros.

The analysis carried out shows the distribution of the main TPER suppliers in the area by number of suppliers and by amounts spent, taking into consideration both operating costs and investments. The data considered is that of the registered office as retrieved from the Bureau Van Dijk data.

The analysis shown in the following graphs was carried out on a representative sample of companies, for a total value of approximately 95 million euros, extending the same sample used for the analysis of extended value.





Many operating suppliers are in the region (intended as local suppliers) both in terms of number (approximately 54% of the sample analysed) and by expenditure amount (approximately 57% of the sample).

For investments, the distribution of businesses changes: they are localised in the region and are configured as local supplier for around 16% of the sample.

In light of the direct and indirect impact, the induced value was estimated, i.e. the increase in production connected to the increase in income of which those who contributed to the direct and indirect impact are beneficiaries. The final goal of the analysis was to provide a direct, indirect and induced assessment of the Added Value, Employment and Taxation items.

A portion of this income is likely spent on the purchase of other goods and services, and therefore translates into consumption / new production. To calculate the induced value, an estimate of 5% of the total direct and indirect value was used. For this type of analysis,

the margin for calculating the induced impact is an assumption that can vary from 3% to 15%.

Measuring the extended value is extremely important because the company is one of the potential drivers of growth in the region, its activities having a knock-on effect on other sectors of the economy and distributing wealth to its stakeholders. In this context, the analysis of the extended value generated by the activities of a business, calculated in terms of direct, indirect and induced impacts, effectively responds to the current need to expand the scope of reporting, going beyond purely economic-financial performance.

Direct impact

Thousands of euros

	Value added VA (euro)	Tax charges (euro)	Number of employees (no.)
2019	171,437	313	2,802
2018	164,885	1,673	2,717
2017	161,376	6,423	2,689

Indirect impact (lead suppliers)

Thousands of euros

2019:

	VA impact (euro)	Tax charges (euro)	Employees (no.)
Ordinary operations	37,643	1,336	639
Investment management	3,941	113	44
Total	41,584	1,449	683

2018:

	VA impact (euro)	Tax charges (euro)	Employees (no.)
Ordinary operations	42,721	1,201	736
Investment management	5,481	378	55
Total	48,202	1,579	791

2017:

	VA impact (euro)	Tax charges (euro)	Employees (no.)

Ordinary operations	45,845	1,583	1,040
Investment management	29,778	447	930
Total	75,623	2,030	1,971

Induced impact

Thousands of euros

2019

VA impact (euro)	Tax charges (euro)	Employees (no.)
2,079	72	34

2018

VA impact (euro)	Tax charges (euro)	Employees (no.)
2,410	79	40

2017

VA impact (euro)	Tax charges (euro)	Employees (no.)
3,781	101	99

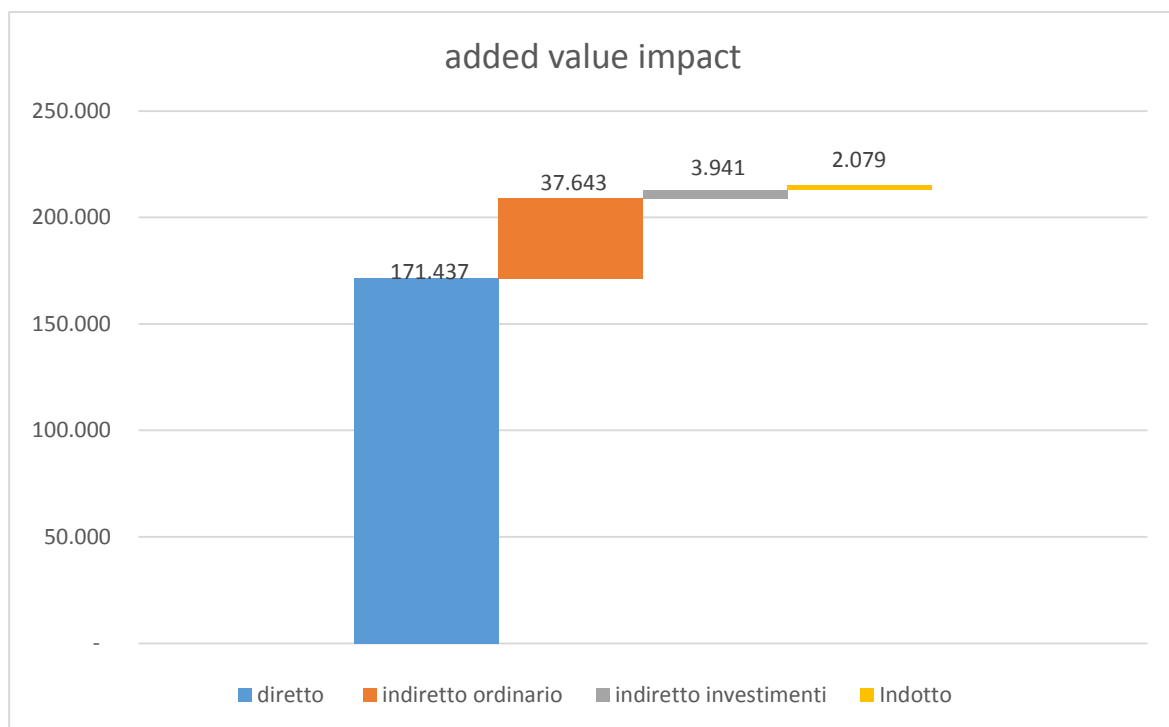
Extended value of TPER

	2017	2018	2019
VA impact (euro)			
Direct	161,378	164,885	171,437
Ordinary indirect	45,845	42,721	37,643
Indirect investments	29,778	5,481	3,941
Induced	3,781	2,410	2,079
Total extended value	240,781	215,497	215,100

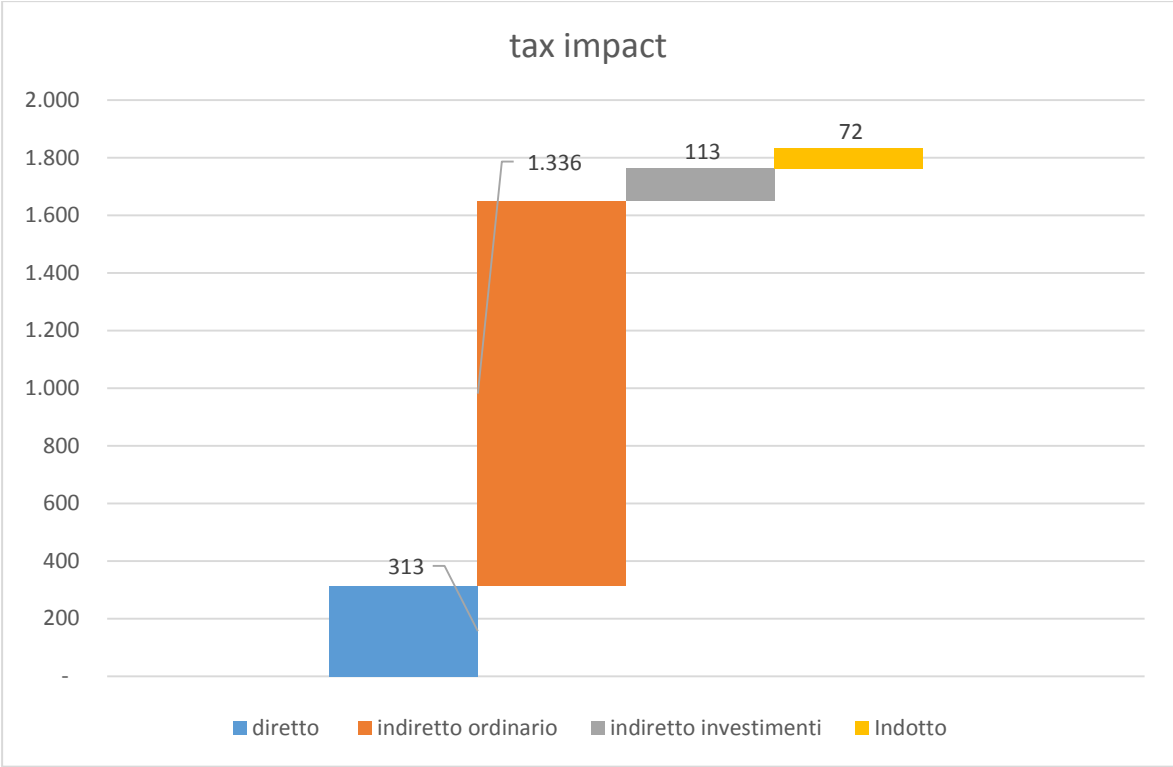
	2017	2018	2019
Tax charges (euro)			
Direct	6,423	1,673	313
Ordinary indirect	1,583	1,201	1,336

Indirect investments	446	378	113
Induced	101	79	72
Total extended value	8,555	3,331	1,834

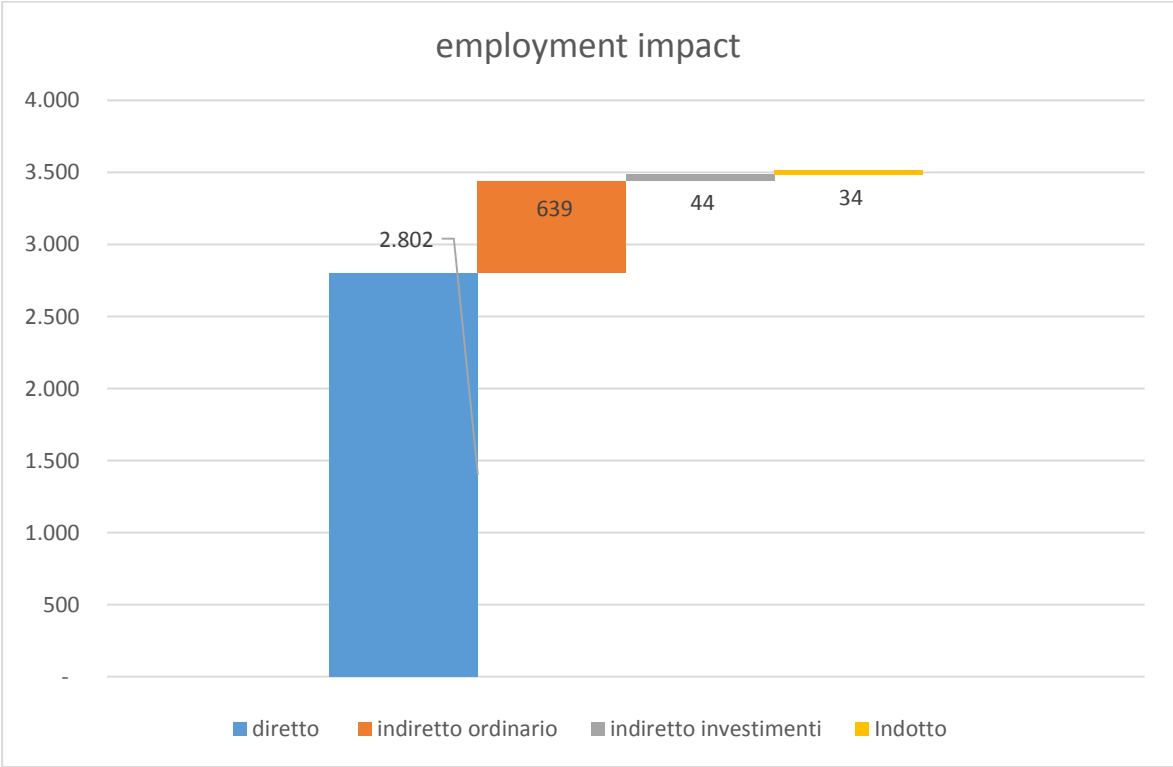
	2017	2018	2019
Employees (no.)			
Direct	2,689	2,717	2,802
Ordinary indirect	1,040	736	639
Indirect investments	930	55	44
Induced	99	40	34
Total extended value	4,758	3,547	3,519



Added value refers to resources intended for the remuneration of internal production factors. Therefore, these are resources intended for the remuneration of personnel, for costs for use of capital (depreciation and amortisation, financial charges), for economic redistribution and the purchase of public services (taxes), for shareholder remuneration or the creation of reserves (profits). The value created for ordinary management by TPER and subsidiaries, by lead suppliers and by investment management is indicated below.



Taxation indicates the portion of wealth generated which is intended for public goods and services.



The chart shows TPER’s effect on employment, indicating the number of people who work for TPER and its subsidiaries, the estimate of personnel involved in TPER’s lead suppliers, the number of people in investment management, and finally the induced effect.

Creating Shared Value

TPER has launched a project to define the model for creating and measuring Shared Value. The project seeks to define an appropriate form of representation ("model") of the portion of the Group's economic results (business lines / areas of activity / projects) consistent with objectives and principles not only of a financial nature, but which, at the same time, also respond to environmental and/or social needs. The model assumes that criteria, policies, reference methodologies and underlying metrics will be identified.

Internal organisation - Human resources

The organisation of TPER at the beginning of 2019 was the result of the integration process of pre-existing structures following the merger operations and changes adopted in 2015 in terms of governance, and following the merger in 2012, which consolidated the business lines of the ATC and FER road and rail public transport companies.

The main event that characterised the actions regarding the business organisation is undoubtedly the launch (on 1 June 2019) and the subsequent operating activities of the new service contract for SFP to manage the regional railway service with the commitment for TPER to complete the transfer of the business unit relating to the railway service within the year. This transfer was completed in December 2019, simultaneous with the renaming of SFP to Trenitalia TPER Scrl, with effect from 1 January 2020, the date on which the "new" company became effectively operational.

Thus, the changes to the organisational structure made during 2019 were a preliminary step in transferring the business unit to Trenitalia TPER, taking into account that in the transitional phase from 1 June to 31 December TPER maintained the operational management of the railway business as well as the sale of travel tickets and that even after the transfer of the business unit, it is expected that TPER will continue to perform services on behalf of Trenitalia TPER. Lastly, note that the subsidiary Mafer, which maintains the rolling stock under the coordination of TPER, remained within the TPER Group.

In fact, management undertook a major effort to ensure standardisation and integration between the different parts of the merging companies, with the aim of creating simplification, synergies and cost savings over time.

In addition, during 2019 the structure intended to manage the People Mover (established in 2018) was developed and provided with the necessary resources, the purchasing and logistics areas were reorganised, and the structure of the Permits Office was strengthened to manage the Mobility Bonus on behalf of the City of Bologna.

In 2019, certain organisational changes were made, as summarised below:

- The activities of the Planning and New Initiatives Office were redefined and it was renamed as the Business Intelligence and New Initiatives OU;
- The Railway Transport Projects and Development OU was eliminated and a new organisational unit was created, the Substitute Services OU, which continues to be part of to the Railway Transport Sector, for which the Company's Director is temporarily responsible.
- The extraordinary opening from November 2019 of branches for residents as part of the project to manage the Mobility Bonus for the City of Bologna, which followed the opening in July 2019 of a new information call centre service for citizens carried out in outsourcing.

Starting in January 2020, the organisational structure was therefore redefined following the extraordinary corporate transaction that led to the transfer of the railway business unit to Trenitalia TPER Scrl, effective 1 January 2020, and the resulting decisions adopted by the Board of Directors, with changes to the organisational structure and related business organisation chart.

Labour practices

GRI 102-41 GRI 103-2 GRI 103-3

Companies are made up of people. This is particularly true for local public transport services, the most human-intensive of all public services. The company, since its inception, has been committed to guaranteeing its people stable employment, accompanied by relevant training projects.

In fact, the fundamental goal is the enhancement of people's skills through training and the "personalisation" of labour relations. Communication with staff takes place through multiple channels, contributing to increase the dissemination of information and horizontal knowledge about the organisation.

As regards recruitment, TPER follows internal regulations based on the principles of equal treatment, non-discrimination and transparency. To this end, for the Bus Drivers category and for recruiting ideal candidates for the Maintenance Department we have used a special classification defined following a public selection process.

In 2019 turnover was managed with recourse to professional apprenticeship contracts which, as well as lowering the age of the workforce, also produced significant labour cost savings. In this regard, at 31 December 2019 the Parent Company had 226 apprentice staff (43 of whom female) with 106 new hires during the year.

For TPER, people are the "most important corporate asset". Values underlying our people management processes include:

- Diversification, promotion of differences
- Consistency and setting an example
- Leadership
- Presence, listening, feedback
- Responsibility (I am TPER)
- Sharing (TPER is not just me)
- Merit-based assessments
- Respect for rules
- Relationship personalisation
- Belonging
- Equal opportunities.

Starting from these reference management drivers, we have designed our code of conduct which, at every level of the organisation, forms the basis for cultural change and the development of professional skills. In particular:

- Taking responsibility for leadership, consistency and acting as role models
- A commitment, each in his/her role, to developing people and diversifying conditions
- Considering communication, relationship management, listening and feedback as fundamental elements of every role and every business activity
- Exhibiting courage and creativity in the personalisation of relationships with employees, consigning the excuses of "it can't be done", of cultural resistance, of "we've always done it this way" to the past

In this context, the project to assess the individual skills possessed by company resources continued in 2019 through the assessment methodology. This project, to which specific economic and organisational resources were dedicated, involved a further 20 units from both the staff areas and the business areas.

The goal was to provide a series of elements and data that could be used to:

- Determine the "as is" map of business skills
- Create training activities aimed at bridging any gaps between the skills possessed and those required by TPER
- Plan horizontal and vertical development paths to manage turnover in certain professional and management coordination positions regarded as strategic by the company
- Develop personnel recognition tools and policies, in full alignment with company needs and goals.

Intervention guidelines focus on the cultural, organisational and system level to introduce new management tools, able to support a merit-based assessment, provide different responses based on employees' expectations, and develop engagement and a sense of belonging.

Remuneration and incentive system

Remuneration policies are aimed at guaranteeing equality and acknowledging the professional and individual skills of each employee and their suitability for their role. The remuneration system and the structure of bonuses and incentives comply with the relevant legal and regulatory provisions, and are consistent with the principles of effectiveness, efficiency and economy. All employees work under contracts covered by level I and II collective bargaining agreements.

Valuing human resources

GRI 103-2 GRI 103-3

At TPER, remuneration progression is regulated, for the majority of the personnel, by national and company contractual regulations, often based on seniority. This approach, largely automatic in nature, can adversely affect employees' motivation to develop their professional skills.

In 2019 the "pay for performance" models continued, which currently only apply to managerial staff. This first trial aims to establish the possibility of gradually extending the model to other homogeneous clusters of company resources.

The aim is to introduce new management tools which are able to promote merit, to provide different responses to the different expectations of employees, and to develop engagement and a sense of belonging with the goal of implementing a clear and transparent system of rules.

Quality of life in the company - the corporate welfare system

The Corporate Welfare System

Great attention is focused on corporate welfare measures to respond positively to workers' needs, also in the broader sense of people's overall life conditions (family, children, health,

but also leisure), trying to achieve true diversification and personalisation both at regulatory and organisational level.

The main actions to boost quality of life in the company include support for parents, particular flexibility when choosing shifts in order to favour the work-life balance, and the extensive number of voluntary part-time roles.

The "WellforTPER" platform continued to be used in 2019, for all employees of TPER Group, offering a broad and varied range of services aimed at improving the quality of life of workers and their family members. The company also supports the Dozza Club, the recreational workers' club which for about 80 years has promoted numerous sporting and cultural events.

Finally, TPER's goals and interests also include the policy of the redeployment and effective use of personnel who are no longer suitable for driver positions, which remains largely stable at around 120 units in all.

Catering

TPER's head office has a self-service company restaurant and bar, both of which run by the Elior Group, with an internal kitchen that guarantees a wide variety of hot and cold foods prepared on site to favour a balanced diet from a nutritional point of view.

At the other sites - Bologna "Ferrarese", Bologna "Due Madonne" and Bologna "Battindarno" - the canteens are located in three depots and are all self-service with a bar. Finally, at the Imola depot there is a meal delivery service managed by a central kitchen also coordinated by the Elior Group.

The company has also developed partnerships with other catering companies in Bologna city centre in order to meet the various working requirements connected, above all, to the hours of travelling staff and their movements all across the city.

Intranet

A specific project to redesign the company intranet in terms of both layout and content was launched in 2019. The purpose is to improve the transfer and sharing of information with all staff, not just from a top down perspective but above all from the bottom up. With this in mind, the project involved around 60 resources from all company sites and areas in the phase of identifying requirements and designing the new company intranet. The new intranet platform is expected to be launched on a trial basis at the end of 2020, due to a delay in some projects caused by the COVID-19 emergency.

Industrial relations

GRI 103-2 GRI 103-3

With reference to the Industrial Relations policy, the company aims to establish a constructive dialogue amongst parties, respecting roles and reciprocal requirements.

In 2019, various key agreements were made with the regional and corporate trade unions, producing the following results:

- The introduction of resources on apprentice contracts and with specific experience in driving tasks to manage turnover and support generational change, through recourse to the market
- Finalisation of the supplementary second-level contract for the Parking Management and Mobility Support Department in Bologna
- Finalisation of the system of regulatory/economic rules for the newly created People Mover Department
- Implementation of the agreement to launch the experimental project on smart working in order to introduce this innovative method for carrying out job responsibilities also within our company.

Compliance with corporate regulations and codes of conduct

TPER's management of disciplinary matters seeks to direct individual behaviour towards excellence in work and proper internal and external relationships.

In the Road sector, with a view to overseeing compliance with company and national standards, we have established an advisory body (the Disciplinary Council) that issues opinions on measures that management should adopt. As well as a company manager, an official of the Regional Labour Office must also sit on this Council.

The relevance of this participation cannot be understated as it increases the body's authoritativeness with regard to all internal and external actors (workers, trade unions, labour magistrates, ownership, public opinion). Trade union representatives may also participate as observers. Discussions among Council members on suitable sanctions, even the most serious ones, therefore have a promotional nature and are recorded in the minutes.

The most important cases (for which there are sanctions ranging from suspension to dismissal) are all examined, while less serious ones (those for which sanctions ranging from reprimands to fines are applied) are only examined should the worker ask to be heard.

To favour an open discussion, the company provides trade unions with an annual report that shows the type of shortcomings, number of claims issued, the ratio between these and the sanctions actually imposed, in addition to the commendations to staff who have distinguished themselves for their professionalism.

Since 2013 TPER has adopted a Code of Ethics in application of Italian Legislative Decree no. 231 of 2001, highlighting the general ethical principles and reference values pursued by the company, and establishing rules of conduct and implementation and control mechanisms for compliance with the Code, also with an eye on continuous improvement.

Employment

GRI 102-8 GRI 401-1

Personnel management and employment protection are of fundamental importance to TPER, goals that the company pursues with increased focus even after the reorganisation processes of the last few years, which sought to increase corporate efficiency.

Employees: categories and contract types

The following table shows the employees at the end of the relative periods, i.e., the headcount. The Group has a total of 2,868 employees, but the subsidiary SST is excluded from the following tables.

Employees by role/gender	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior managers	1	12	13	1	12	13	1	12	13
Middle managers	12	42	54	13	43	56	13	44	57
White collar workers	128	190	318	131	190	321	138	186	324
Blue collar workers	344	1,911	2,255	336	1,848	2,184	344	1,825	2,169
Apprentices	3	41	44	28	115	143	43	196	239
Associates	-	5	5	-	-	-	-	-	-
Total	488	2,201	2,689	509	2,208	2,717	539	2,263	2,802

Note: data does not include the subsidiary SST. It should be clarified that the employees of the Parent Company TPER represent over 90% of total Group employees.

The workforce consists of 77% blue collar workers (primarily drivers) and 12% white collar workers. Senior managers represent 0.5% and middle managers 2% of the workforce. The employment figure is essentially stable.

Almost all personnel (99%) have permanent contracts, while 91% of contracts are full time. The majority of part-time contracts (58.1%) pertain to female staff. In fact, 27.3% of women chose part-time contracts, compared to 4.7% of men.

Employees by contract type/gender	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent contract				507	2,206	2,713	535	2,248	2,783
Fixed-term contract				2	2	4	4	15	19
Total	488	2,201	2,689	509	2,208	2,717	539	2,263	2,802

Note: data does not include the subsidiary SST. 2017 data is not available in this breakdown

Employees employment type/gender	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time				362	2,094	2,456	392	2,157	2,549
Part-time				147	114	261	147	106	253
Total	488	2,201	2,689	509	2,208	2,717	539	2,263	2,802

Note: data does not include the subsidiary SST. 2017 data is not available in this breakdown

Turnover

In 2019, there were a total of 231 new hires (39 women and 192 men) and 133 terminations (8 women and 125 men).

New hires and turnover	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
New hires									
Up to 29 years of age	4	38	42	25	108	133	27	106	133
From 30 to 50 years of age	10	18	28	9	32	41	10	74	84
Over 50 years of age	1	2	3	1	2	3	2	12	14
Total	15	58	73	35	142	177	39	192	231
Terminations									
Up to 29 years of age	1	7	8	3	17	20	2	28	30
From 30 to 50 years of age	6	22	28	7	22	29	3	20	23
Over 50 years of age	1	95	96	3	83	86	3	77	80
Total	8	124	132	13	122	135	8	125	133
Reason for termination									
Resignation				10	103	113	6	106	112
Retirement				-	-	-	-	-	-
Dismissal				2	13	15	-	13	13
Other (e.g. end of fixed-term contract)				1	6	7	2	6	8
Total				13	122	135	8	125	133

Note: data does not include the subsidiary SST. It should be clarified that the employees of the Parent Company TPER represent over 90% of total Group employees. Some 2017 data is not available in this breakdown

The following tables show the turnover rates for the last two years:

Turnover rate / by gender	2018			2019		
	Women	Men	Total	Women	Men	Total
Turnover rate - Terminations	2.7%	5.6%	5.0%	1.6%	5.7%	4.9%
Hiring rate - New hires	7.2%	6.5%	6.6%	7.7%	8.7%	8.5%
Total turnover	9.8%	12%	11%	9.2%	14.4%	13.4%

Note: Rates calculated on the workforce at the end of the previous year - Total turnover on net change in the workforce. For this reason, the 2017 data, the first reporting year, are not available. Data does not include the subsidiary SST.

Turnover rate / by age bracket - terminations	2018			2019		
	Women	Men	Total	Women	Men	Total
Up to 29 years of age	21.4%	13.8%	14.5%	7.4%	15.2%	14.2%
From 30 to 50 years of age	1.8%	1.7%	1.7%	0.8%	1.7%	1.5%
Over 50 years of age	3.5%	10.4%	9.7%	2.8%	9.4%	8.6%

Note: Rates calculated on the workforce at the end of the previous year. For this reason, the 2017 data, the first reporting year, are not available. Data does not include the subsidiary SST.

Diversity and equal opportunities

GRI 401-3 GRI 405-1 GRI 405-2

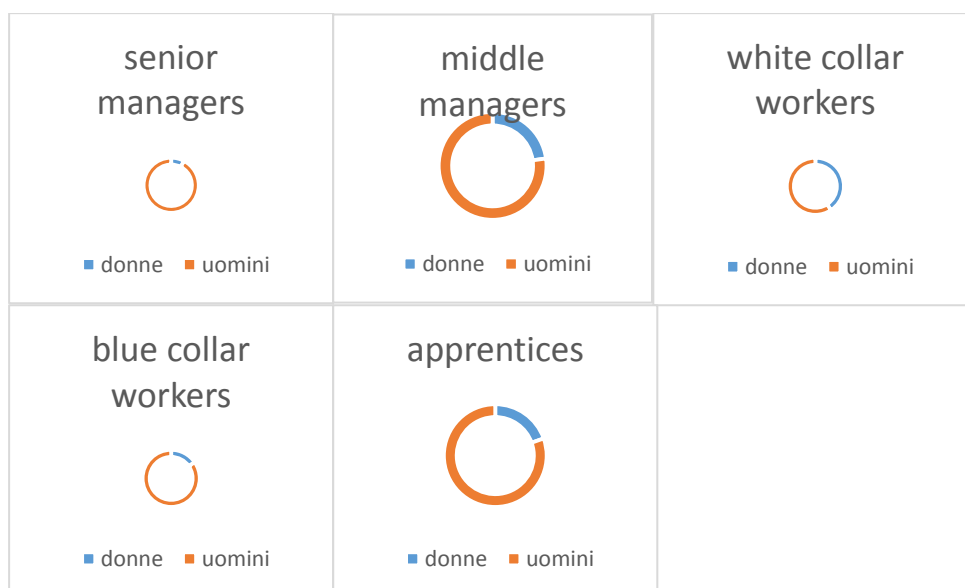
As reported in the previous paragraph, there were 539 female staff as at 31 December 2019, representing 19% of the total workforce, distributed in all business areas. Below is the breakdown by gender and age bracket.

Employees by age bracket / gender									
	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Up to 29 years of age	14	125	139	27	184	211	49	218	267
From 30 to 50 years of age	388	1,268	1,656	373	1,201	1,574	358	1,220	1,578
Over 50 years of age	85	809	894	109	823	932	132	825	957
Total	487	2,202	2,689	509	2,208	2,717	539	2,263	2,802

Note: data does not include the subsidiary SST.

Employees by age bracket / gender in %									
	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Up to 29 years of age	0.5%	4.6%	5.2%	1.0%	6.8%	7.8%	1.7%	7.8%	9.5%
From 30 to 50 years of age	14.4%	47.2%	61.6%	13.7%	44.2%	57.9%	12.8%	43.5%	56.3%
Over 50 years of age	3.2%	30.1%	33.2%	4.0%	30.3%	34.3%	4.7%	29.4%	34.2%
Total	18.1%	81.9%	100.0%	18.7%	81.3%	100.0%	19.2%	80.8%	100.0%

Note: data does not include the subsidiary SST.



Female bus drivers represent around 16% of the total. This is a significant percentage given that women only started doing this job a few decades ago. At the end of the 1990s, the company promoted this trend by opening the recruitment procedure also to people not yet in possession of the necessary driving qualifications and, for a number of years, by reserving a number of places in the recruitment tests to women. This has had particularly positive effects in terms of female employment while at the same time allowing TPER to use part-time roles to improve the work-life balance and employ certified professional standards for front-line roles.

In 2019, TPER signed the Capo D Pact with the City of Bologna and other local entities, in support of equal opportunities for men and women in the work environment.

Employees by category / gender %									
	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior managers	0.04%	0.45%	0.48%	0.04%	0.44%	0.48%	0.04%	0.43%	0.46%
Middle managers	0.45%	1.56%	2.01%	0.48%	1.58%	2.06%	0.46%	1.57%	2.03%
White collar workers	4.76%	7.07%	11.83%	4.82%	6.99%	11.81%	4.93%	6.64%	11.56%
Blue collar workers	12.79%	71.07%	83.86%	12.37%	68.02%	80.38%	12.28%	65.13%	77.41%
Apprentices	0.11%	1.52%	1.64%	1.03%	4.23%	5.26%	1.53%	7.00%	8.53%
Associates	0.00%	0.19%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	18.15%	81.85%	100.00%	18.73%	81.27%	100.00%	19.24%	80.76%	100.00%

Note: data does not include the subsidiary SST.

As regards pay, there are no significant wage differences between men and women with equal roles and seniority, nor are there different criteria for defining or awarding company bonuses. The ratio between women's and men's salaries is shown in the following table: The data refers to the average of the overall compensation for the various categories.

The difference reflects the larger number of female staff working part time.

Average salary (men/women)	2017	2018	2019

Senior managers	87%	86%	88%
Middle managers	107%	100%	108%
White collar workers	75%	97%	82%
Blue collar workers	82%	80%	82%
Apprentices	105%	99%	99%

Note: data does not include the subsidiary SST.

With reference to the base salary, note that the application of the national collective labour agreement does not envisage differences between men and women, therefore there are none.

Base salary (women/men)	2017	2018	2019
Senior managers	100%	100%	100%
Middle managers	100%	100%	100%
White collar workers	100%	100%	100%
Blue collar workers	100%	100%	100%
Apprentices	100%	100%	100%

Note: data does not include the subsidiary SST.

Parental leave (maternity/paternity leave) is recognised in accordance with current legislation for all employees of TPER Group (100% of workers).

During 2019, 358 people took advantage of this right.

Parental leave	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of employees who took parental leave, by gender	97	304	401	105	349	454	84	274	358
Days	5,483	4,875	10,358	5,647	4,379	10,026	4,946	4,197	9,143
Number of employees who returned to work during the reporting period after having taken advantage of parental leave, by gender	97	303	400	105	349	454	84	274	358
Number of employees who returned to work after having taken advantage of parental leave and who are still employed by the organisation 12 months after returning, by gender	95	300	395	104	345	449	84	272	356

Percentage of employees who returned to work after taking parental leave, by gender (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Retention percentage of employees who took parental leave, by gender (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: data does not include the subsidiary SST.

Health and safety

GRI 403-2

Occupational injuries mainly consist of falls or accidental collisions when travelling personnel get into or out of the driver's seat, and injuries suffered by inspectors when checking tickets (due to aggression or violence by passengers without valid travel tickets). Only 8 road accidents occurred in 2019. The overall trend of accidents decreased from 152 in 2017 to 104 in 2019.

Accidents in the workplace	2017	2018	2019
Number of accidents in the workplace			
Fatal accidents	-	-	-
Serious accidents	-	2	11
Other accidents	152	106	93
Total accidents recorded	152	108	104
Of which traffic accidents (2019)			8

Note: Data does not include the subsidiary SST.

Absence due to accidents	2017	2018	2019
Days of absence due to accidents ₁	3,139	3,032	2,228
Total days of absence ₁		72,039	141,301
Total hours worked		3,815,850	3,585,993
Total possible working hours		4,933,193	4,590,638

Note: data does not include the subsidiary SST. Some 2017 data is not available.

The frequency index is 29, calculated as the number of accidents per 1 million hours worked, and is essentially in line with 2018. The severity index of these accidents stands at 0.49 days lost for every 1000 days worked, and the average duration of injuries was 21.4 days.

In 2019 the absenteeism rate was 25%.

Accident indicators	2017	2018	2019
Accident indicators			
Accident Frequency Index (Number of accidents / hours worked x 1,000,000) ₁	32.03	28.30	29.00

Accident Severity Index (days of absence for accidents / possible working hours x 1,000) ₂	0.63	0.61	0.49
Absenteeism rate (days of absence/possible working days)		12.5%	25%
Accidents - average duration			
Average duration of accidents in calendar days (total days lost, holidays included)	22.80	26.71	21.4
Accidents while travelling (%) (2019)			7.7%
Days of absence by type % (2019)			
Accidents			2%
Illnesses			24%
Leave (maternity - parental)			5%
Other ₃			69%
Total			100.00%

Note: data does not include the subsidiary SST. Some 2017 data is not available.

₁ 2018 index recalculated on hours worked

₂ 2017 and 2018 indices recalculated on possible working hours

₃ Other: other types of leave, Italian Law no. 104, blood donation, trade union authorisation, strike, other.

The accident data for 2019 by gender are shown in the following table.

The accident frequency index is in line with previous years.

2019 accidents by gender	women	men	total
Fatal accidents	-	-	-
Serious accidents	1	10	11
Other accidents	18	75	93
Total accidents recorded	19	85	104
Frequency index: no. of accidents / hours worked * 1,000,000	28.39	29.14	29.00
Severity index: days of absence for accidents / total possible working hours (no. days lost on average due to accidents per 1,000 days worked)	0.31	0.53	0.49

Note: data does not include the subsidiary SST. Accident data by gender is not available for previous years.

Occupational illnesses

In 2019 there were no cases of occupational illnesses reported and/or recognised.

Training and education

GRI 103-2 GRI 103-3 GRI 404-1

The 2019 training plan was structured around various areas of specific relevance:

- Managerial training for senior and middle managers
- Middle management training
- Front-line staff training
- New hire training

- Mandatory training on workplace safety issues pursuant to Italian Legislative Decree no. 81/2008
- Legality training.

In the course of 2019, the company provided a significant amount of training (over 82,000 hours in total, of which over 15,000 concerning occupational safety training programmes). Training activities involved 2,021 employees, with an average of 29 hours of training per person (calculated on the total number of employees, pursuant to the applied GRIs).

Training initiatives were designed and defined to develop human capital and improve their professional skills, a priority goal of HR management policies.

Key figures on the company's training activities are presented below.

Average training hours per employee category / gender									
	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior managers	64	55	55	4	14	13	12	31	29
Middle managers	59	31	37	28	26	26	21	23	22
White collar workers	11	11	11	9	12	11	15	24	20
Blue collar workers	11	7	8	4	12	11	11	16	15
Apprentices	222	166	169	152	144	145	142	180	173
Total	13	11	11	14	19	18	23	31	29

Note: data does not include the subsidiary SST.

Average training hours provided per employee	2019		
	Women	Men	Total
Total training hours			
Senior managers	12	370	382
Middle managers	278	1,004	1,282
White collar workers	2,051	4,429	6,480
Blue collar workers	3,896	28,807	32,703
Apprentices	6,089	35,217	41,306
Associates	-	22	22
Total	12,326	69,849	82,175
Number of employees who received training			
Senior managers	1	13	14
Middle managers	9	32	41
White collar workers	95	139	234
Blue collar workers	265	1,212	1,477
Apprentices	45	209	254
Associates	-	1	1
Total	415	1,606	2,021
No. employees given safety training			
Senior managers	-	2	2
Middle managers	8	22	30

White collar workers	86	129	215
Blue collar workers	205	854	1063
Apprentices	17	110	127
Associates	-	-	-
Total	316	1,121	1,437
No. employees given legality training			
Senior managers	-	-	-
Middle managers	-	3	3
White collar workers	7	4	11
Blue collar workers	3	5	8
Apprentices	11	18	29
Associates	-	-	-
Total	21	30	51
No. of training sessions			210
Of which on safety			67
Of which on legality			11

Note: data does not include the subsidiary SST.

Total training hours	2019
Total	82,172
Of which:	
Safety	15,670
Legality (anti-bribery, transparency)	1,227
No. of training sessions	210

Note: data does not include the subsidiary SST.

Approximately 1,300 of the employees involved in training activities are bus drivers, train drivers and conductors, roles that are provided with a significant number of technical training courses, in addition to courses for the acquisition of behavioural skills for front-line roles.

TPER's training places a strong focus on compliance with the law and corporate compliance, in particular with transparency and anti-bribery regulations.

Environmental sustainability

The transportation of both goods and people impacts on all aspects of human activities, from our homes to work and leisure.

Public transport and the environment

GRI 103-2 GRI 103-3 GRI 307-1

Emissions

From an environmental impact perspective, transport is the sector most responsible for the emissions of greenhouse gases into the atmosphere after the energy production and transformation industries. In fact, transport is responsible for around 20% of the EU's GHG emissions.

According to European studies, the main source of greenhouse gas emissions in the transport sector is the road transport of goods and passengers, accounting for around 94% of the greenhouse gases produced, and 23% of total greenhouse gases (not just CO₂ but also CH₄, N₂O, CO, SO₂, NMVOC). The reduction of greenhouse gas emissions in the transport sector has been lower than in other industries. Total EU emissions have fallen by 10.9% since 2007, but only by 9.7% in the transport sector.

Noise pollution (sound and vibrations)

Environmental impact is worsened by noise pollution, which has a strong impact on people's lives and on the environment. Such is its relevance that the EU has decided to address the issue of noise as a priority in the immediate future, since excessive noise levels often cause adverse effects on quality of life and health.

Studies on the exposed population show that, in urban areas, the prevalent noise source is vehicular traffic, confirming that noise, in particular that produced by road traffic, constitutes a key sustainability consideration.

The organisation has not identified any non-compliance with environmental laws and/or regulations.

Environmental impact

In this situation, it is extremely important to define transport optimisation goals, mainly by reducing private vehicle mobility and by encouraging alternative options involving shared or collective mobility. For this reason, it is paramount to boost efficiency and safety levels, to guarantee the use of more sustainable transport modes, to strengthen public railway and road transport, to renew rolling stock and road fleets, and to develop technological innovation, logistics and a new culture of movement.

In light of the notable impact of transport on the environment and on people's quality of life, it is necessary to pursue a sustainable mobility goal which, on the one hand, allows citizens to move freely and comfortably and, on the other, reduces the negative impact of private traffic, mainly as regards harmful gases emitted by the fleet into the atmosphere.

In this regard, strengthening public transport is the most sensible approach, in particular in medium-sized and large cities where high population density would make it impossible for all citizens to use their own vehicles.

With the increase in vehicle efficiency, the evolution of technology and the improvement of road infrastructure (reduction of congestion), it is possible to achieve a significant drop in the emissions of air pollutants produced by road transport. The use of vehicles powered by less polluting technologies and traction systems (electric, hybrid and methane vehicles) offers a major reduction in atmospheric emissions, noise generated and vibrations.

TPER's environmental policy

GRI 103-2 GRI 103-3

As regards the reduction of road congestion and accidents, improving air quality through the use of cleaner energy sources and the overall reduction of CO₂ produced, TPER has launched a series of initiatives and implemented plans to develop the service, both with a view to creating a viable alternative to private transport, and through efficiency improvements in its fleet consumption levels.

Service quality and efficiency

Improving the quality and efficiency of the service is a strategic element in incentivising people to choose public transport over private forms of transport. TPER has sought to ensure cleanliness, punctuality and suitable frequency for specific routes, expanding the offer of alternative solutions such as electric car sharing.

As for railway services, in addition to replacing rolling stock with newer and more comfortable vehicles, we have focused on intermodality, both through the Stimer ticketing system and solutions such as taking bicycles on the train to move between cities or the further elimination of architectural barriers for people with reduced mobility. On all transport means, we have strived to guarantee, through increased checks by our multi-functional personnel, a feeling of greater safety, whilst the cleaning programmes aboard vehicles have helped to improve people's perception of quality during their travels.

The introduction of innovative ways of purchasing tickets and the promotion and information campaigns on the service have the additional goal of raising awareness and encouraging the use of public transport (trains or buses) and shared transport solutions (car or bike). Through quality surveys and more accurate measurements of transport use, it is possible to design and deliver a service effectively oriented towards consumers and their needs, with the aim not only of providing quality services to regular customers, but also of acquiring new customers who do not regularly use public or shared services as a first choice.

Environmental impact - means of transport

TPER seeks to reduce the environmental impact of its fleet by reducing pollutants and CO₂ production.

More specifically, the company has started to renew its vehicle fleet by purchasing new vehicles and using less polluting energy sources, such as electricity or methane. With regard to the latter source, TPER commissioned the first methane buses in 2001. In 2004 it built

and commissioned the first high-speed methane filling station in Italy, an investment necessary to efficiently manage a large fleet of methane-powered buses. Today, TPER operates three methane gas supply facilities (two in Bologna, one in Ferrara) to refuel its vehicles.

TPER has developed a project to develop an innovative system to refuel LNG-powered buses. This particular fuel will make it possible to exceed the range of CNG buses, enabling methane buses to be used also for suburban and exurban services.

The impact analysis of the noise produced by TPER can help verify overall compliance with the noise limits established by law, in particular following the investments in the vehicle fleet of recent years.

TPER believes that, through the widespread use of public or shared transport, it can contribute to reducing traffic and improving circulation.

Environmental sustainability and circular economy

In 2019 the TPER Group and the Hera Group launched a circular economy project.

Specifically, the project involves the production and use by TPER of the biomethane produced in the Hera Group plant in S. Agata Bolognese. The biomethane produced in this plant is a 100% renewable fuel, generated by processing prunings, residues and organic waste. At full capacity, the plant is able to produce 7.5 million cubic metres of methane (as well as 20,000 tonnes of quality compost mainly destined for agriculture) and introduce it into the electricity grid, generating savings of 6,000 tonnes of oil equivalent.

This circular process, which begins with the general public correctly sorting their waste and ends with providing a renewable fuel to the region, will have a transparent and certified supply chain.

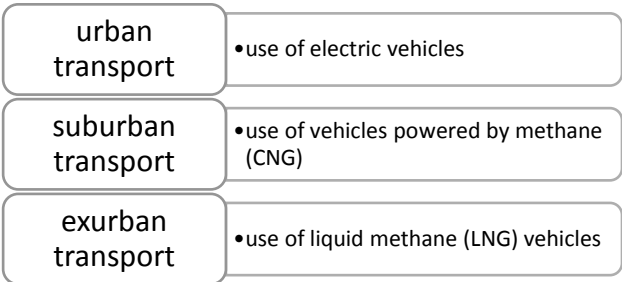
TPER fleet

GRI 102-2 GRI 302-4 GRI 302-5

Fleet - road vehicles

The fundamental lever of TPER's environmental sustainability consists of its activities to reduce - in line with available resources - the environmental impacts of its fleet, according to three guidelines:

- Urban transport: use of electric vehicles
- Suburban transport: use of vehicles powered by methane (CNG)
- Exurban transport: use of liquid methane (LNG) vehicles



The strategy for the acquisition of natural gas vehicles (CNG) was launched back in 2001. We are currently planning to convert vehicles from diesel to liquid methane with dual fuel mode, diesel-LNG, or pure LNG, which has lower emissions also compared to the Euro 6 standard because it does not produce "particulates".

As a result of our constant investments in this area, TPER today has around 321 natural-gas buses on the road.

In total, the TPER Group had 1,173 vehicles at 31 December 2019 (1,150 at 31 December 2018 and 1,154 at 31 December 2017).

Breakdown of TPER vehicles by fuel type and service (At 31 December 2019)	Diesel	Electric	Hybrid	Methane	Total
Interurban	357	-	-	3	360
Suburban	188	-	28	62	278
Urban	134	101	44	256	535
Total	679	101	72	321	1,173

In the areas managed by subsidiaries TPB and TPF, the vehicles of its partners are also used (220 vehicles in total).

Partner - no. of vehicles	2019
AGI	29
Coerbus	44
Cosepuri	69
SACA	78
Total	220

Below is a detailed analysis of TPER Group vehicles only.

Breakdown of TPER vehicles by fuel type and emission class (At 31 December 2019)	Diesel	Electric	Hybrid	Methane	Total
EURO 1	12	-	-	-	12
EURO 2	216	-	-	-	216
EURO 3	237	-	21	15	273
EURO 4	26	-	-	15	41
EURO 5	76	-	2	6	84
EURO 6	112	-	49	56	217
EEV	-	-	-	229	229
ZEV	-	101	-	-	101
Total	679	101	72	321	1,173

The main source of fuel is still diesel. TPER uses a diesel fuel with very low sulphur content (10 parts per million) which limits emissions of sulphur dioxide and sulphates.

Particularly for urban services, TPER uses zero-emission electric trolleybuses and buses run on methane, a fuel that does not release benzene, sulphur dioxide or particulate matter (PM10) and whose carbon dioxide and nitrogen oxide emissions are, respectively, 25% and 90% lower than those of traditional fuels.

In addition to 321 natural gas vehicles, of which 229 are Enhanced Environmentally Friendly buses, there are 101 ZEV electric vehicles (95 trolleybuses and 6 electric buses), 72 hybrid buses, 217 Euro 6 buses and 84 Euro 5 buses. Almost all buses are equipped with devices to reduce emissions (with the exception of the new Euro 5, Euro 6, Zero Emission Vehicles and EEV, which have a reduced impact or no impact).

Considering the EEV (Enhanced Environmentally Friendly Vehicles) and ZEV vehicles, which are emission-free, 28% of the vehicles in the TPER fleet therefore have very low emissions.

27% of the vehicles are powered by methane. These vehicles are mainly used in urban and suburban areas. To meet the needs of the natural gas fleet, TPER has fuelling stations at two depots in Bologna and at the Ferrara depot. TPER is the only company in Italy that uses three methane refuelling stations for its fleet, as methane does not release benzene, sulphur dioxide and particulate matter, though it does release carbon dioxide and nitrogen oxides.

Breakdown of TPER vehicles by service type and emission class									
(At 31 December 2019)	EURO 1	EURO 2	EURO 3	EURO 4	EURO 5	EURO 6	EEV	ZEV	Total
Interurban	2	90	133	6	67	62	-	-	360
Suburban	1	60	81	6	11	90	29	-	278
Urban	9	66	59	29	6	65	200	101	535
Total	12	216	273	41	84	217	229	101	1,173

(1) EEV - Enhanced Environmentally Friendly Vehicles

(2) ZEV - Zero Emission Vehicles

TPER investments for urban routes are aimed at increasing the number of electric vehicles. The Bologna trolleybus network was already present in the 1960s and 1970s and, although unused for several years, was always maintained and has recently been refurbished. The current electric fleet consists of 101 trolleybuses, 49 of which are Crealis Neo.

Regarding the type of vehicles used, there are 79 short buses, 35 buses of medium length, 62 regular buses, 632 long and 365 super-long and articulated buses.

Breakdown of vehicles by size and service						
At 31 December 2019	Short	Middle	Regular	Long	Articulated / super-long / ultra-long	Total
Interurban	21	11	15	221	92	360
Suburban	-	-	-	219	59	278
Urban	58	24	47	192	214	535
Total	79	35	62	632	365	1,173

With regards to architectural barriers, 855 buses are equipped with a platform to facilitate access for people with reduced mobility. 955 buses have a lowered platform.

Buses with platform		Without platform	With elevator platform	Overall total
Interurban	Standard platform	210	2	212
	Lowered platform	16	132	148
Interurban total		226	134	360
Suburban	Standard platform	1	-	1
	Lowered platform	40	237	277
Suburban total		41	237	278
Urban	Standard platform	-	5	5
	Lowered platform	51	479	530
Urban total		51	484	535
Total		318	855	1,173

In 2019 TPER continued to make new investments to improve the efficiency of the fleet and improve the quality of its services.

In particular, TPER purchased 12 Mercedes Citaro Hybrids in 2019, concluding the purchase of a total of 28 vehicles, 16 of which were purchased in 2018. The Citaro hybrid system consists of a disc-shaped electric engine positioned between the engine and the automatic transmission. When the bus slows down, the engine functions like a generator that produces electricity stored in the rechargeable batteries, mounted on the back of the roof in order to minimise the occupied space. The batteries have a high power density and make the diesel engine more efficient, i.e. able to save resources. These buses were first used on the suburban 90 and 96 lines, two important links between Bologna city centre and the metropolitan belt. In fact, the 90 serves Bellaria Hospital, San Lazzaro di Savena and Ozzano, while the 96 goes to Rastignano, Pian di Macina and Pianoro. The development of the "suburban" network - a cross between the exclusively city-based lines and the longer exurban services - is a distinctive trait of Bologna, which has succeeded in anticipating the trends of the area, facilitating its metropolitan growth. Today, thanks to this new supply of buses, an increasing number of services on these lines can guarantee the complete accessibility and the advanced environmental compatibility that already distinguishes the service in the urban area.

Furthermore, 17 Iveco Urbanway 18-meter Euro 6 diesel buses were also purchased, which feature brighter and more comfortable interiors as well as the characteristic low floor, which reduces barriers for people with ambulatory difficulties.

TPER also purchased 7 Lion R60 buses manufactured by Man, with a Euro 6 diesel engine, 12 meters long, capable of accommodating up to 75 passengers each (49 seated). There is

a space for a wheelchair on board, which will be able to enter the vehicle thanks to the electric platform. The vehicles are all equipped with an internal video surveillance system. These vehicles are expected to enter into service during 2020 (the first 6 are already in service from the initial months of 2020).

Finally, 15 LNG-powered Scania Interlink LDs were purchased, which offers environmental advantages in terms of reducing noise levels and emissions. Of these, three became operational in 2019, while the others will be launched in 2020.

For a company with a large fleet such as TPER, the huge renewal costs also make it necessary to employ other less costly measures to reduce CO2 emissions. A considerable part of the service delivered by the company is thus carried out using buses equipped with diesel engines whose environmental impact has been significantly reduced by equipping older vehicles with an anti-particulate filter that uses the HJS - CRT system, thanks also to regional funding.

As for the future, TPER's goal is to double down on its commitment to renewing its fleet, a necessary investment to further improve the environmental sustainability and quality of its service. That said, TPER is also aware that to tackle this challenge effectively far greater resources are required than those provided to this end by the public system.

Vehicles - Rail transport

TPER's rail service is also managed using new technologies that favour sustainability. In recent years, the railway vehicle fleet has undergone a significant renewal process: the number of electric trains, eight in 2007, has more than tripled and currently 69% of the kilometres covered by TPER uses electric traction, which will continue to grow thanks to the intermodal development project.

Seven new ETR 350 (from the new series) have been in service since 2017, in addition to the 19 ETR 350 (including seven from the new series) already in service. Each ETR has around 270 seats but can carry a total of around 600 passengers. The service improvements made to the 14 new ETR trains include an additional toilet on board.

TPER has 15 electric and 2 diesel trains. The average life of trains owned by TPER is 5 years.

TPER also provides its services using an additional 69 trains made available by the Region of Emilia-Romagna. Below are the details on the trains provided under concession by the Region:

Breakdown of TPER vehicles by fuel type and service	Diesel	Electric	Total
<i>1 25 2-piece ALn railcars (of which 14 ALn 663, 17 ALn 668, 19 Ln trailer cars)</i>			
<i>2 9 Vivalto railcars (10 E 464 locomotives with 20 carriages and 9 Vivalto control cars)</i>			
2019			
2-piece ALn (1)	25	-	25
ALn 72422	16	-	16
Pesa ATR220	10	-	10
Stadler ETR 350	-	4	4
Ale 054	-	2	2
Ale 228	-	2	2

Ale 088	-	1	1
Vivalto (2)	-	9	9
Total	51	18	69

Materials

TPER's material purchases mainly comprise spare parts and other materials relating to vehicle maintenance. In terms of its activities, these purchases are not particularly relevant for the purposes of this document. Purchases are managed according to the company policy - also in terms of the selection of local suppliers - bearing in mind TPER's nature as a company owned by Public Administrations. The percentage of recycled materials purchased is not significant.

Climate change, energy consumption and emissions

GRI 302-1 GRI 302-3 GRI 305-1 305-2 305-3 305-4 305-5 305-6 305-7

The European Union and TCFD recommendations

In June 2019, the European Commission published "Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01)".

This communication, which constitutes a supplement to the guidelines issued by the Commission in 2017 for non-financial reporting required by EU Directive 95/2014, contains the (non-binding) guidelines for information to be provided by companies on climate change, supplementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board.

The TPER reporting system

The following table summarises the current CSP reporting system related to climate-related information with respect to the indicated references.

Areas	TPER reporting
Scenarios, risks and opportunities (business model)	<p>The effects of climate change may have a significant impact on the urban public transport sector, in terms of the type and structure of demand, as well as on the organisation of the service.</p> <p>To date, TPER has not developed specific medium/long-term scenarios that quantify the resilience and economic-financial effects of an increase in temperatures of less than or equal to 2 °C and a scenario greater than 2 °C (20 [TCFD recommendation, strategy c]).</p>
Governance - policies	<p>TPER's environmental policy (this chapter / Environmental sustainability)</p> <p>TPER fleet</p> <p>Energy policy - see specific information at the bottom of this table (sections Energy - Emissions)</p>

Targets	<p>TPER has made and plans to make significant investments in energy efficiency and the renewal of its fleet (TPER fleet) and for the resulting reduction in emissions.</p> <p>Currently, no specific targets have been defined for further interventions to reduce energy consumption and emissions.</p>
Performance - indicators and metrics	<p>The current TPER reporting system provides the following information:</p> <ul style="list-style-type: none"> ▪ Energy consumption: direct and external (partner vehicles) ▪ Direct and indirect emissions (GHG Scope 1 and Scope 2) + other types of emissions relevant for the reference sector ▪ GHG Scope 3 emissions (partner vehicles) ▪ Energy and emissions intensity indexes

Energy consumption

The policy of reducing the company's environmental impact is positively reflected in its consumption of electricity, diesel and methane.

Like other public transport companies, TPER's energy consumption (and therefore environmental impact) mainly stems from its transport operations, which, on average, represents between 75% and 90% of its consumption and resulting emissions (Source ASSTRA).

The overall energy consumption of many local public transport companies has increased over the last few years as they have gradually expanded their services. The challenge lies in increasing energy efficiency by reducing fuel consumption while becoming more competitive. Below is a breakdown of overall consumption by type of use.

The data presented refer to internal energy consumption and the portion of external (indirect) consumption related to partners in public transport services. The data for this consumption refers in particular to carrying out the public transport service and does not include general consumption in offices or for other purposes.

Internal energy consumption

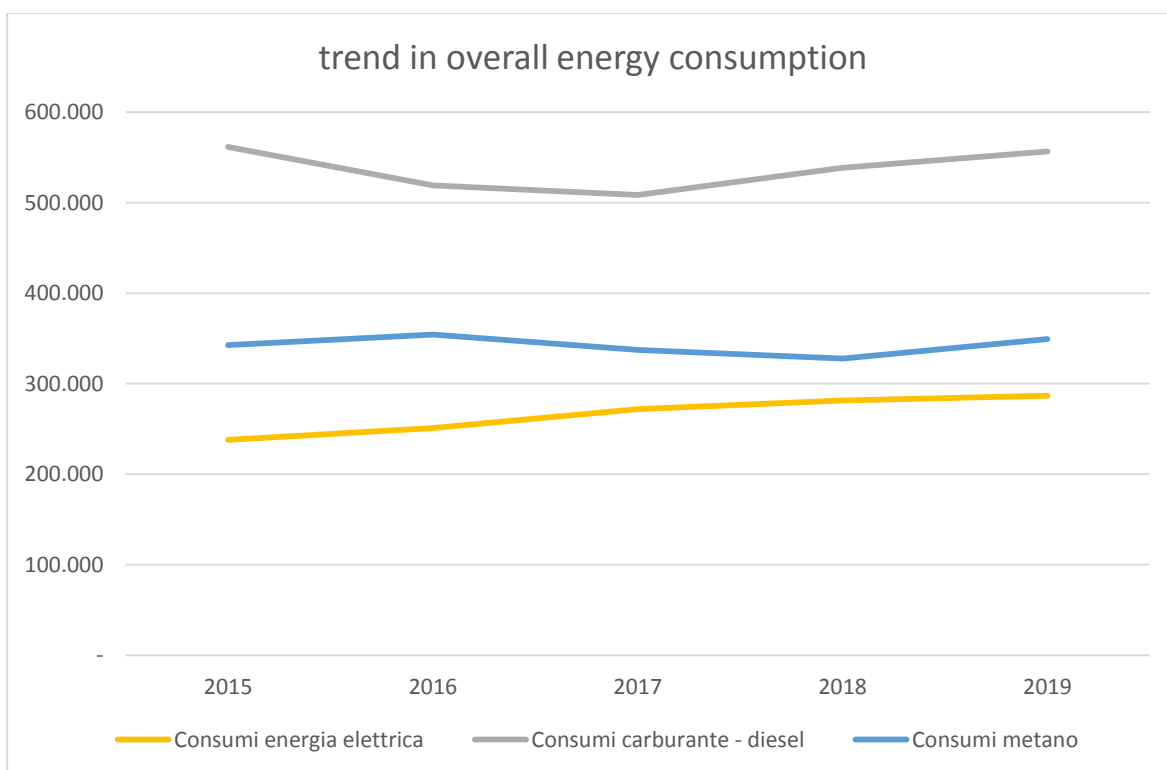
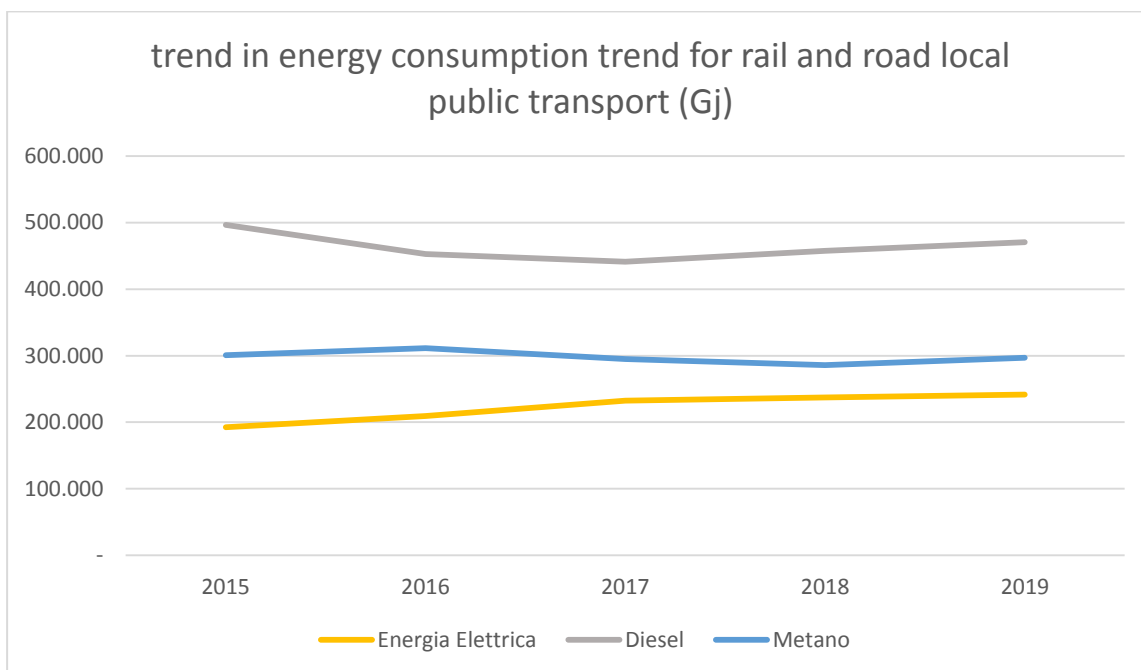
Internal consumption includes the Parent Company TPER and the subsidiaries included within the scope of consolidation. The data are summarised in GJoule and then analysed in detail by individual energy source (in the respective unit of measurement).

Overall energy consumption

Overall energy consumption (GJoule)	2017	2018	2019
Transport	968,611	984,535	1,009,436
Other mobility services	6,879	7,984	13,654
Offices - Terminals and other	140,511	147,677	169,677
Total	1,116,001	1,140,196	1,192,767
Trend in overall energy consumption	-0.61%	2.17%	5%

Trend in overall energy consumption	2017	2018	2019
Electricity consumption	271,704	281,528	286,972

Fuel consumption - diesel	506,649	526,636	556,554
Methane consumption	337,649	332,032	349,241
Total	1,116,001	1,140,196	1,192,767



Energy consumed - Gjoule	2017	2018	2019
Electricity consumption			

Transport (buses)	11,921	18,142	20,405
Transport (trains)	220,505	219,250	221,525
Thermal kWh - offices and terminals	3,631	3,702	3,749
Offices and other	30,360	33,793	34,443
SST	-	-	-
Mafer	3,907	5,262	5,545
Dinazzano Po	1,380	1,380	1,304
Total	271,704	281,528	286,972
<i>Of which from renewable sources</i>	2,384	70,819	104,272
Trend in overall electricity consumption	8.29%	3.62%	1.93%
Fuel consumption - diesel			
Transport (buses)	385,289	392,553	385,350
Transport (trains)	56,067	64,777	85,361
Other mobility services	2,402	2,223	2,600
SST	3,841	3,841	14,484
Mafer	-	-	-
Dinazzano Po	60,331	64,522	68,759
Total	507,929	527,917	556,554
<i>Of which from renewable sources</i>	-	-	-
Trend in fuel consumption	-2.07%	3.94%	5.42%
Methane consumption			
Transport (buses)	294,830	285,971	296,794
Other mobility services	571	499	963
Offices and other	39,925	39,397	44,311
SST	1,281	1,281	1,402
Mafer	-	-	4,546
Dinazzano Po	1,043	1,043	1,225
Total	337,649	328,190	349,241
<i>Of which from renewable sources</i>	-	-	-
Trend in methane consumption	-5%	-3%	6%
Total consumption	1,116,001	1,140,196	1,192,767
<i>Of which from renewable sources</i>	2,384	70,819	104,272

Electricity

Electricity consumption Kwh	2017	2018	2019
Transport (buses)	3,311,292	5,039,544	5,668,169
Transport (trains)	61,251,453	60,902,720	61,534,796
Thermal kWh - offices and terminals	1,008,703	1,028,292	1,041,375
Offices and other	8,433,429	9,386,815	9,567,478
SST	-	-	-
Mafer	1,085,158	1,461,665	1,540,392
Dinazzano Po	383,204	383,204	362,225
Total	75,473,239	78,202,240	79,714,435
<i>Of which from renewable sources</i>	662,258	19,672,083	28,964,505

In 2017, TPER began a process for the purchase of "clean" electricity, i.e. electricity produced from renewable sources, by participating in the Intercenter "Energia Elettrica 11" project.

TPER's electricity supply contract was signed based on the agreement with INTERCENTER, the agency for the development of electronic markets in the Emilia-Romagna Region and the contracting authority. Since 2017, in all lots of all the agreements stipulated by the Emilia-Romagna Region through INTERCENTER for electricity supply, a sustainability requirement has been included in the tender specifications and documents, according to which all lots involve the supply of only green energy from renewable sources (wind, solar thermal, photovoltaic, hydraulic, geothermal and biomass energy) without the production of new CO2 deriving from fossil fuels. In particular, in the technical specifications, the sustainability requirements require that the electricity supplied is produced exclusively from renewable sources, as defined by letter b) of Resolution ARG/ELT no. 104/11 and subsequent amendments.

Using this type of contract resulted in a (limited) surcharge for each MW purchased, albeit still within the budget and in line with the company's sustainability commitments. Since 1 January 2018, TPER trolleybuses and systems have been 100% powered by energy from renewable sources.

TPER does not manage the purchase of electricity in the railway sector.

Fuel - diesel

Fuel consumption - diesel tonnes	2017	2018	2019
Transport (buses)	9,022	9,192	9,023
Transport (trains)	1,313	1,517	1,999
Other mobility services (including VAZ)	56	52	61
SST	99	99	339
Mafer	-	-	-
Dinazzano Po	1,413	1,511	1,610
Total	11,903	12,371	13,032
<i>Of which from renewable sources</i>	-	-	-

Methane

Methane consumption cubic metres	2017	2018	2019
Transport (buses)	8,535,220	8,389,978	8,592,085
Other mobility services (including VAZ)	16,516	14,432	27,868
Offices and other	1,155,819	1,140,529	1,282,798
SST	37,077	37,077	40,597
Mafer	-	-	131,596
Dinazzano Po	18,631	18,631	35,461
Total	9,763,263	9,600,647	10,110,405
<i>Of which from renewable sources</i>	-	-	-

External energy consumption

The external consumption includes partners that operate the service in the Bologna and Ferrara areas, through subsidiary consortium companies TPB and TPF. Consumption refers to fuel (diesel) and methane for transport.

Energy consumption - Partners GJoule	2017	2018	2019
Fuel consumption - diesel			
Transport (buses)	87,080	91,573	109,407
<i>Of which from renewable sources</i>	-	-	-
Methane consumption			
Transport (buses)	634	739	2,251
<i>Of which from renewable sources</i>	-	-	-
Total consumption	87,714	92,312	111,658
<i>Of which from renewable sources</i>	-	-	-

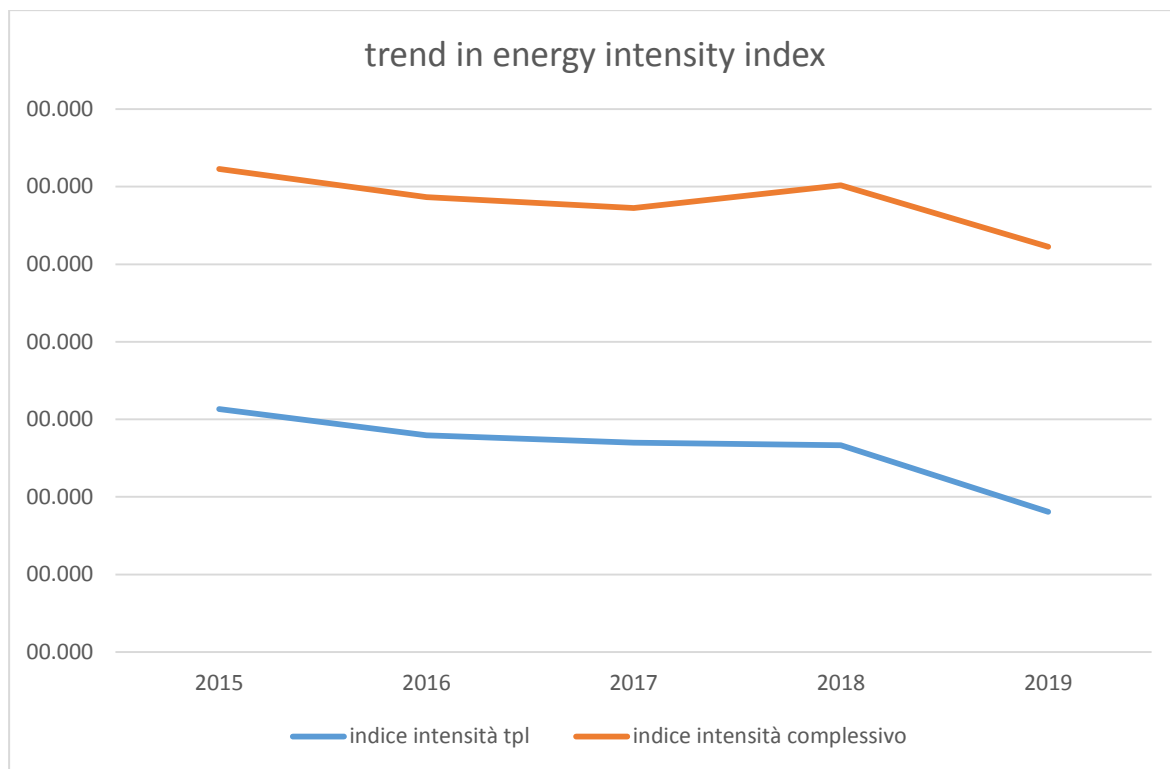
These consumption figures are reported, in the following table, in the specific units of measurement of the energy sources.

Energy consumption - Partners	2017	2018	2019
Fuel consumption - diesel / tonnes			
Transport (buses)	2,039	2,144	2,562
<i>Of which from renewable sources</i>	-	-	-
Methane consumption (cubic metres)			
Transport (buses)	18,351	21,391	65,169
<i>Of which from renewable sources</i>	-	-	-

Energy consumption intensity index

The following are the intensity indices related to the reduction of energy consumption. The km travelled with the car-sharing service are not included. At equivalent levels of energy usage, TPER has directed its choices toward more sustainable energy sources.

local public transport intensity index	Unit	2017	2018	2019
Energy consumption	GJ	968,611	984,535	1,009,436
total km travelled	km	49,168,556	49,865,865	53,661,884
Intensity index	Gj/kmx1000	19.70	19.74	18.46
overall intensity index	Unit	2017	2018	2019
Energy consumption	GJ	1,116,001	1,140,196	1,192,767
total km travelled	km	49,168,556	49,865,865	53,661,884
Intensity index	Gj/kmx1000	22.7	22.87	22.2



Emissions

Environmental performance. TPER's contribution to emission abatement

The issue of environmental sustainability is extremely relevant for the EU.

Back in 2007, the Green Paper "Towards a new culture for urban mobility" identified five challenges to address in order to resolve the critical issues in urban transport systems: the fluidity of traffic, improving air quality, incentivising the spread of Smart Mobility, improving accessibility and reducing road accidents.

The subsequent Action Plan on Urban Mobility (2009) included 20 specific measures for the creation of an efficient transport system and the improvement of social cohesion.

These goals and actions were consolidated by the European Commission White Paper of 2011 "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system", which defined the European transport strategy for 2050, making particular reference to the use of sustainable fuels and harmful emissions to the environment (in terms of global warming and pollution) and human health.

To combat dangerous climate change, the EU leaders subsequently adopted the Energy and Climate Policy Framework 2030 in October 2014, which envisaged a CO₂ reduction target of at least 40% by 2030 over the 1990 figures.

This objective is also part of the EU's commitment to the Paris Climate Change Agreement. The Paris Agreement in particular identifies the targets and deadlines to meet in terms of reducing harmful emissions in order to achieve the climate change goals.

These necessitate a new global approach to development and transport habits. The 196 signatory countries declared their intention to limit global warming to less than 2 °C

compared with pre-industrial levels in order to achieve zero greenhouse gas emissions by 2050. After the agreement was signed, EU Member States set the binding target of reducing greenhouse gas emissions by 40% compared to 1990 by 2030. As such, the reduction of emissions in the transport sector is crucial to lowering overall emissions. And in this regard, collective and shared mobility represent a great way of achieving the above goals.

TPER's activities are geared towards respecting the sustainability goals established by the PUMS in the areas in which it provides public bus services, and more generally those of the regional PRIT. The company therefore plays an active role in achieving the goals that have been set.

In addition to improving its performance over the years in terms of reducing its fossil fuel consumption and emissions, TPER provides an economical and environmentally-friendly alternative to private transport. In fact, people save money when using TPER public transport as an alternative to their own vehicles.

- 150,110 tonnes of CO2 in the Bologna area, of which 230,000 tonnes for the "Corrente" car-sharing service
- 9,560 tonnes of CO2 in the Ferrara area
- 18,111 tonnes of CO2 for regional rail transport service it manages.

These figures were calculated considering an estimate of trips made with a car powered by fossil fuels instead of local public transport.

The parameters for the calculation are based on public studies (sources: www.CO2nnect.org, www.isprambiente.gov.it, www.sviluppoeconomico.gov.it).

CO2 emissions

As with the consumption analysis, the reporting scope for emissions comprises the subsidiaries, including SST, and partners.

The tables show, for the most significant types, the data relating to direct emissions (Scope 1 GHG - Greenhouse Gas) and indirect emissions associated with the consumption of electricity purchased from the grid (Scope 2 - GHG).

The reduction in emissions from 2018 onwards was mainly due to the fact that all the electricity acquired by TPER for road transport, offices and other services derives from renewable sources. This has led to a substantial drop in emissions, since in the calculation the indirect emissions, or those deriving from the source for the electricity production, are zero, as the electricity was purchased from renewable sources. This significant impact is also taken into account in 2019.

As previously noted, TPER does not manage the purchase of electricity in the railway sector. In the railway sector local emissions deriving from electric transport are also zero. However, in counting the Scope 2 emissions, a partial production of this energy from renewable sources was considered, compared to a prudent energy mix.

The quantitative data presented, determined based on estimates, refers specifically to the quantities of transport fuel and electricity used by the TPER fleet (road and rail transport).

In addition, data is presented on emissions from fuel consumption by partners, particularly in carrying out the portion of transport service provided by TPER (Scope 3 GHG).

The parameters for the emissions calculation starting from fuel consumption are based on public studies (sources: www.isprambiente.gov.it, www.sviluppoeconomico.gov.it).

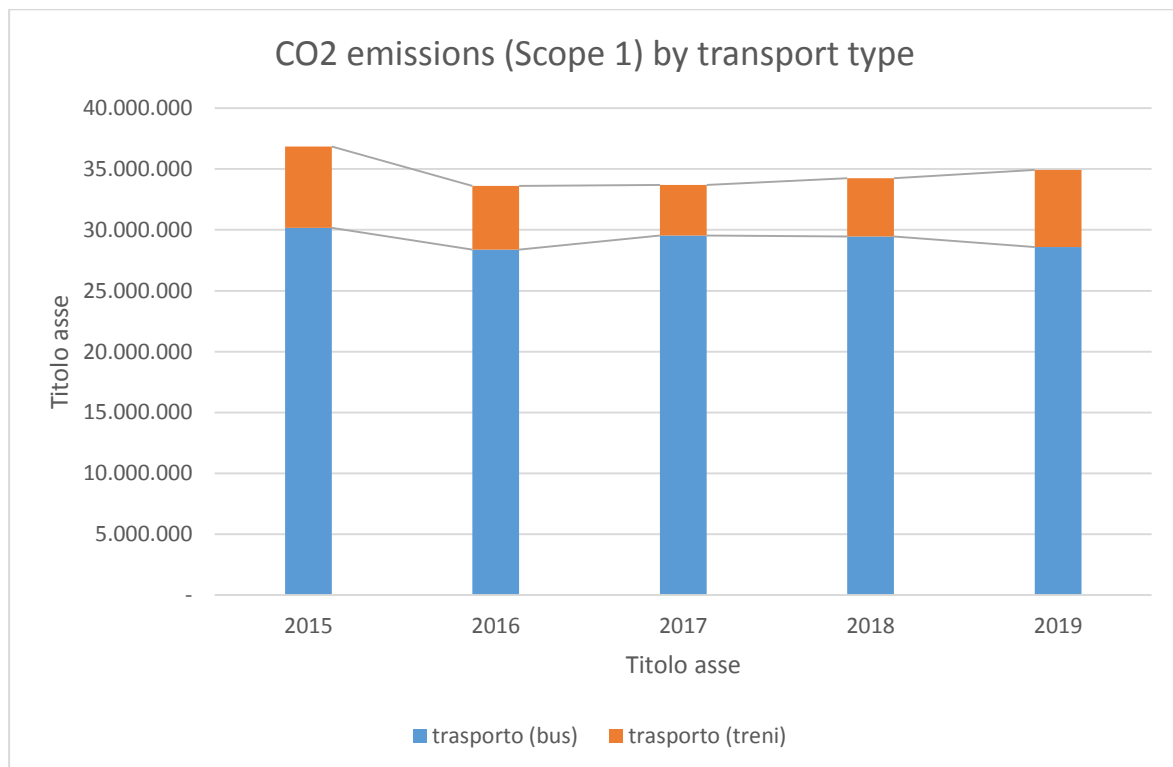
Total emissions / by GHG Scope kg CO2e	2017	2018	2019
Scope 1 emissions	54,551,801	55,392,651	57,683,538
Scope 2 emissions	23,887,280	19,859,612	16,062,353
Scope 3 emissions	6,491,558	6,830,242	8,224,619
Total	84,930,639	82,082,504	81,970,510
trend in overall emissions	-0.05%	-3.39%	-0.16%

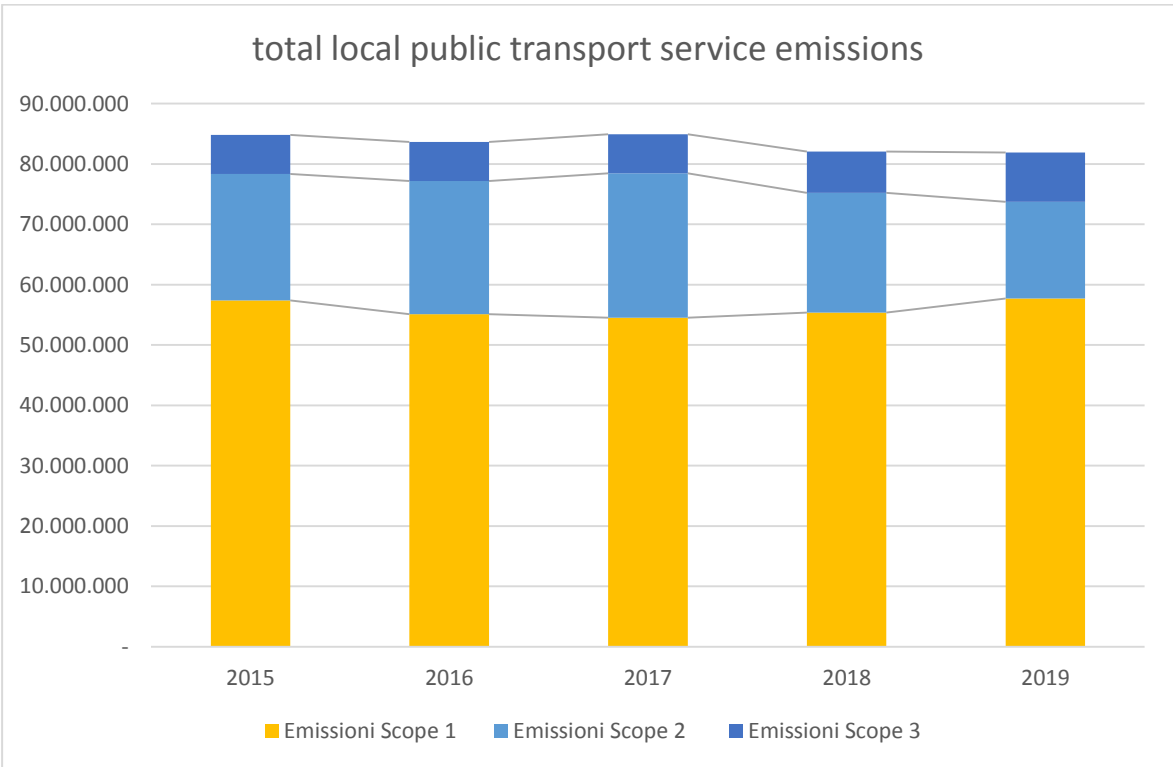
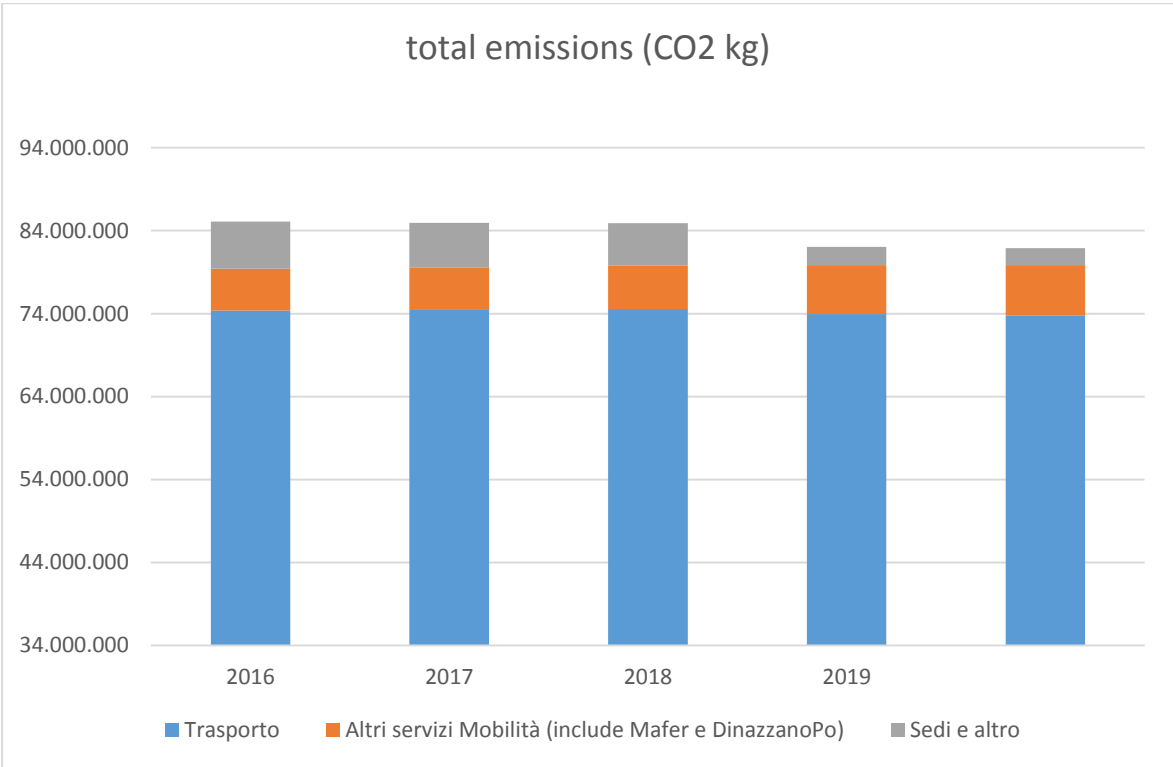
Sources for emissions calculation

Total emissions / by activity type kg CO2e	2017	2018	2019
Transport	74,576,411	73,953,206	73,797,253
Other mobility services (includes Mafer and DinazzanoPo)	5,177,062	5,905,240	6,093,277
Offices and other	5,177,066	2,224,058	2,079,980
Total	84,930,639	82,082,504	81,970,510
trend in overall emissions	-0.05%	-3.39%	-0.16%

In the three-year period, the overall impact is -3.54%. This figure must be considered in light of the higher km offered, therefore, the indicator to be assessed is the emissions intensity, to which reference should be made.

Analysing only the transport sector, the effect of decisions and investments to replace vehicles with a lower environmental impact for road transport is evident. In fact, although the overall km offered increased, there is a reduction in CO2 emissions. This derives from the use of diesel vehicles with lower consumption or that an increasingly large part of the service is carried out with electric, hybrid or methane vehicles.





The following paragraphs analyse the impacts on the region of road transport with reference to other relevant emissions that are harmful to the environment and human health.

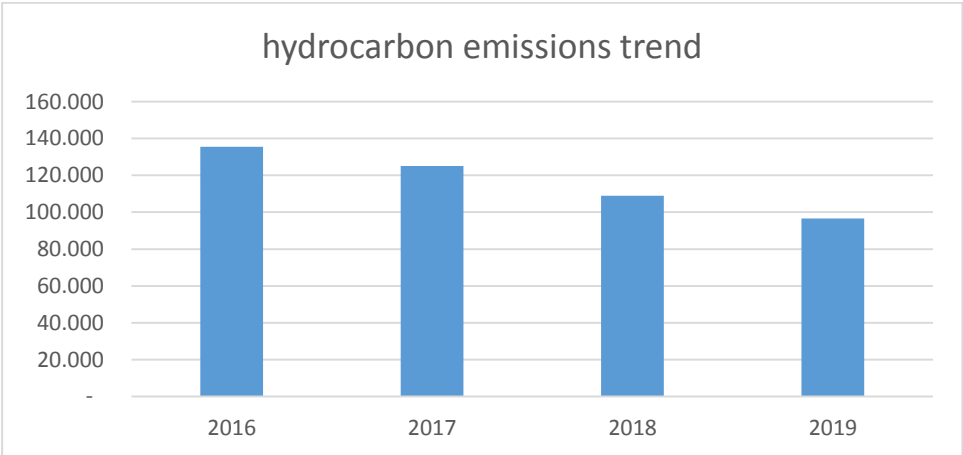
The positive effect of TPER’s decisions in defining the mix of power sources (electric, methane, diesel) and of the decision to gradually replace more polluting vehicles with new lower impact vehicles can be seen in the data. All emissions analysed show a gradual decline from year to year.

The following paragraphs present the emissions that are harmful to the environment and human health. In fact, TPER measures the emissions of hydrocarbons, carbon monoxides, particulates and nitrogen oxide.

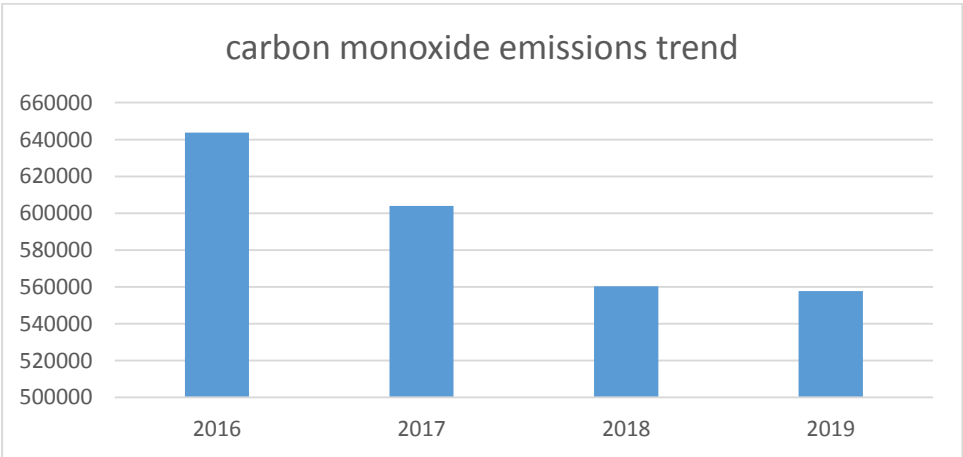
Harmful environmental emissions

The emissions of hydrocarbons and carbon monoxide are dangerous for the environment.

HC emissions (kg)	2017	2018	2019
Total hydrocarbon emissions	125,143	108,892	96,536
Not including methane	36,375	34,320	34,576
Trend	-7.66%	-12.99%	-11.35%
In the three-year period		-20%	-23%



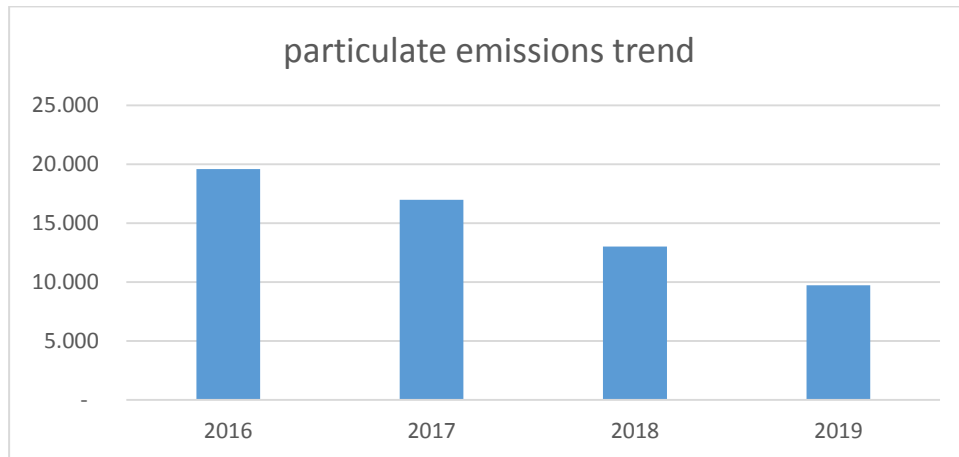
CO emissions (kg)	2017	2018	2019
Total carbon monoxide emissions	603,868	560,277	557,656
Trend	-6.18%	-7.22%	-0.47%
In the three-year period		-12.95%	-7.65%



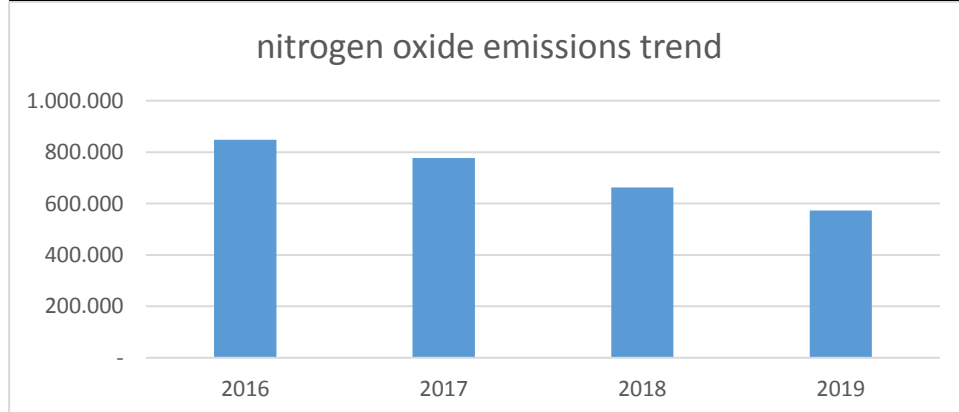
Emissions that are harmful to human health

The emissions of hydrocarbons and carbon monoxide are dangerous for the environment.

PM emissions	2017	2018	2019
Total particulate emissions	16,984	13,014	9,732
Trend	-13%	-23.37%	-25.22%
In the three-year period		-34%	-42.70%



NOX emissions	2017	2018	2019
Total nitrogen oxide emissions	776,800	662,979	572,819
Trend	-8%	-14.65%	-13.60%
In the three-year period		-21.87%	-26.26%



As with the data related to the energy intensity index, these data use km travelled as the reference parameter.

Emission intensity index

The emission intensity index is presented below.

Emission intensity	Unit	2017	2018	2019
Transport intensity index (bus + train)				
Local public transport CO2 emissions	kg CO2e	74,576,411	73,953,206	73,797,253
total km travelled	km	49,168,556	49,865,865	53,661,884

Intensity index	CO2/km	1.52	1.48	1.38
Index trend		0.20%	-2.22%	-7.08%
in the three-year period				-9.4%
Overall intensity index				
Total CO2 emissions	kg CO2e	84,930,639	82,082,504	81,970,510
total km travelled	km	49,168,556	49,865,865	53,661,884
Intensity index	CO2/km	1.73	1.65	1.53
Index trend		-0.05%	-4.74%	-7.2%
in the three-year period				-11.6%

As with the data related to the energy intensity index, these data use km travelled as the reference parameter.

Biodiversity

Biodiversity is the variety of living things that inhabit the Earth, and is measured in terms of genes, species, populations and ecosystems. A variety of organisms, beings, plants, animals and ecosystems, all interdependent, all equally indispensable. Thanks to biodiversity, nature provides food, water, energy and resources for our daily lives. Biodiversity guarantees the survival of life on Earth and every organisation has a duty to preserve the environment and the resources on Earth for future generations (Source: WWF Italia).

Bearing in mind the requirements of the specific GRI standards on this topic, the issues inherent to biodiversity, so important for truly sustainable development at global level, do not have any specific or particular relevance for the TPER Group's activities. TPER's role with regard to the aspects connected with climate change (see the paragraph on emissions) also contributes indirectly to influencing the protection of biodiversity.

Waste management

GRI 306-2

In 2019, TPER produced a total of around 1,903 tonnes of waste, of which around 731,000 were classified as non-hazardous.

Overall in 2019, around 71% of the waste produced by TPER was sent for recycling (paper and cardboard, oils, batteries, ferrous and non-ferrous materials, demolition of vehicles, etc.), while the remainder was disposed of according to the regulations in force.

Waste production trends over the years depend on the number of vehicles demolished, which affects the total quantity of waste produced.

Waste by category and method of disposal (tonnes)	2017	2018	2019
Hazardous waste			
Recycled - recovered	610,209	617,805	827,998
Disposed	316,598	355,207	351,343
Total hazardous waste	926,807	973,012	1,179,341

Non-hazardous waste			
Recycled	454,115	449,656	521,970
Disposed	81,339	115,439	202,175
Stored	-	28,980	
Other	184	-	
Total non-hazardous waste	535,638	594,075	724,145
Total	1,462,445	1,567,087	1,903,486

Waste produced (in thousands of tonnes)	2017	2018	2019
From Total Waste Management	1,462	1,567	1,903
Of which recycled	961	1,067	1,350
Of which disposed	489	471	553
Of which hazardous	927	973	1,179

TPER does not transport hazardous waste nor does it dispose of relevant quantities of waste in water basins or in drainage basins in valuable areas of high biodiversity (protected areas).

Water resources

GRI 303-1 GRI 303-2 GRI 303-3

The reporting standard for water resources (GRI 303) was updated in 2018 by the Global Reporting Initiative in order to introduce the best practices in water management. The standard is consistent with the United Nations 2030 Sustainable Development Goals (SDGs), in particular with Goal 6, which addresses the problems of drinking water, sanitation and hygiene, as well as quality and the sustainability of water resources worldwide. The updated version of the standard introduces a framework for gathering information about an organisation's water use, associated impacts, and how to address them. The goal is also to better understand the impacts on fresh water resources, particularly in areas classified as "water stressed". CSP applies the GRI 303 standard starting from this DNF.

Water withdrawal policies - shared resource

Sources of withdrawal - As part of an environmental policy of responsible consumption of resources, withdrawal from water sources have been planned by TPER based on an impact-reduction approach.

TPER's water withdrawal refers mainly to the vehicle washing systems and depend on both the number of buses in service and the number of washes per bus. This type of consumption is also influenced by weather conditions and the resulting vehicle washing frequency.

Water stress - Water stress refers to the ability or inability to meet water demand, both human and by ecosystems as a whole. Water stress can refer to the availability, quality or accessibility of water. As a tool for assessing water-stressed areas, reference was made to the Aqueduct Water Risk Atlas wri.org/aqueduct of the World Resources Institute.

The reference area where TPER's operating offices are located is classified as a "high water-stressed" area (High 3-4). For this reason, the use of water for industrial processes must consider this situation. Nevertheless, it is not believed that the TPER systems have a significant impact on the availability of water for the reference area.

Larger depots are equipped with plants that treat the water before discharge as well as systems that allow the reuse of significant volumes of water after treatment, specifically for washing vehicles. TPER has also endeavoured to improve the sustainability of its water discharges. Today, as a result of various measures that have been mostly implemented at depots, all water discharges are monitored and authorised for discharge in public sewers in accordance with current regulations.

Water withdrawal

TPER consumed around 58 megalitres of water in 2019. The water used comes from the local water distribution network (aqueduct). These are accurate values, derived from the consumption invoiced to TPER by the water service utility company.

The increase compared to previous years is the result of a change in scope, which in 2019 includes the water consumption of all the subsidiaries.

Water withdrawal	2017	2018	2019
Third-party water resources / aqueducts			
Fresh water (≤1,000 mg/l total dissolved solids)	49,156	45,542	57,561
Other types of water (>1,000 mg/l total dissolved solids)	-		
Total (cubic metres)	49,156	45,542	57,561
Total in litres	49,156,000	45,542,000	57,561,000
Total in megalitres	49	46	58

Note:

The definition of fresh water / other types of water, adopted by the GRI Standards, is based on the ISO 14046:2014 standard and the USGS (United States Geological Survey) document, "Water Science Glossary of Terms" (water.usgs.gov/edu/dictionary.html - accessed on 1 June 2018) and on the World Health Organisation (WHO) document, "Guidelines for Drinking-water Quality" of 2017.

Water discharges

Discharges of waste water flow into the public sewage system of the region, in accordance with the laws and regulations in force.

TPER's commitment to the region

GRI 103-2 GRI 103-3

TPER is attentive to the development of the region and the community in which it operates and promotes accessibility to the service and the most widespread coverage possible, with the aim of improving choice of travel options.

Some accessibility choices are of a financial nature and are defined as policies by local regulators, in dialogue with the company. Others concern the culture of mobility and the diffusion of the service and are carried out by TPER directly or in partnership with other subjects, some as single initiatives, others on an ongoing basis.

As regards economic accessibility, it is clear above all that the cost of the public service is lower than using private means of transport, since it does not involve an initial investment (such as buying a car or a scooter) or maintenance costs (insurance, maintenance, tax, custody) and guarantees a service at a moderate price (total cost coverage is guaranteed by government grants to ensure users are not burdened with excessive costs). Right from the start, the choice of public transport is, therefore, a choice that is surely cheaper than others.

In any case, local regulators define ticket pricing systems that take into account the different needs of users. In accordance with the reference institutions, in fact, the rate system provides reductions for certain categories of users, or even free use. The lower income resulting from such subsidies is, however, offset by public resources to cover social costs. To take account of the most typical social needs, discounted fares are provided for those under the age of 27 or over 70.

In the municipalities of Bologna, Casalecchio di Reno, Granarolo nell'Emilia and San Lazzaro di Savena, use of the bus is free for young primary school students (generally children under 10 years). In Bologna, specifically, thanks to a contribution from the city, students from secondary schools also travel for free.

Moreover, for people who use the transport system constantly, different solutions are provided that further reduce the cost of the single journey (daily ticket, city pass, eco pass, monthly and annual passes). Since September 2018, the students in their last year of secondary school residing in Ferrara travel for free in the urban area thanks to a contribution from the city.

The choice of the ticket prices to be applied is not a lever that can be managed independently by the company: they are determined, in fact, by the Service Contract which aims to protect the interests of the user in relation to the provision of a public utility service.

Furthermore, in Bologna and Ferrara there is full fare integration for the services managed by TPER on the road and rail network, as well as with SETA tickets in the Seta areas of Modena and Reggio Emilia. In fact, the integrated regional fare system "Mi Nuovo" allows the use of a single travel ticket. The project involves the use of magnetic and microchip travel tickets throughout the regional territory and the subdivision of the territory into zones for the purpose of fare control, which is determined on the basis of the number of zones crossed during the trip.

In terms of physical accessibility, it must be considered that an individual who is disabled, elderly or with a stroller must have the freedom to travel within the region, in order to exercise their right to freedom of residence and freedom of movement. To uphold this right, it was therefore fundamental to make the service accessible and usable by all users.

Starting in September 2018, on the initiative of the Emilia-Romagna Region, those who subscribe to a monthly or annual pass for a railway line can use the urban transport of the departure/arrival city.

Local communities

GRI 103-2 GRI 103-3

Local communities are composed of the population that lives in the areas in which it operates and its associated forms. As a local public company that operates in competition for the market, TPER carries out a business that has a strong impact on the region, is highly visible and can have a strong impact both on the quality of life and on the development or modification of behaviours.

For this reason, TPER's first commitment is to a transparent and responsible approach, highlighted through its various communication channels, including the website. In addition, TPER has relationships with organisations of different types that represent citizens to better understand their needs and constantly improve its ability to provide effective answers.

Impact on the region

Local Public Transport (LPT) is a sector of absolute importance for the national economy, since it is part of the more general transport industry, which in turn is the 5th largest economic sector in Italian industry.

Approximately 5.3 billion passengers are transported annually in Italy, i.e. over 14 million people moving daily. It is therefore an important industry, which generates total revenues of 10.6 billion euros.

Moreover, the current public expenditure for LPT, equal to about 7.2 billion euros, is the second biggest expenditure for the regions, after healthcare.

The public transport sector has a strategic nature that goes beyond the mere economic size of the industry, since quality local transport systems can affect the overall competitiveness of a country, not counting the positive external effects in terms of protecting the environment and general quality of living conditions.

In addition to having an important economic impact, transport systems play a fundamental role in the daily lives of citizens: they ensure the fundamental right to mobility and contribute to improving the competitiveness of the economy as a whole.

Greater use of public transport as an alternative to the use of private vehicles would also produce a series of positive effects of an economic nature, as well as possibly improve the quality of life and the environment. The benefits could be summarised as follows:

- Reduction of road congestion and traffic
- Improvement in air quality

- Reduction in noise pollution
- Guarantee of the right to mobility for the disabled, the elderly and students
- Possible "stress-free" alternative to the private car
- Stimulation of economic growth
- Economic advantages for families, businesses and the community
- Safety
- Guaranteed availability
- Financial savings
- Lower cost of living

Subscribers and loyalty

In recent years, TPER has consolidated the methods for rewarding its subscribers' loyalty in two ways. The first is to offer advantages in terms of leisure and consumption: the TPER subscription incorporates value in itself by allowing discounts, rebates and deals in the main theatres of Bologna, its museums, its film archive and major classical and contemporary music events. The second is to reward subscribers who regularly validate their travel document through a competition reserved for those who register in the TPER Web Club. The Web Club aims to promote loyalty with its most frequent users, reserving special offers from partner companies for them, as well as more "personalised" online information on mobility.

There are currently about 3,000 TPER users subscribed to the Web Club. During 2019 the competition reserved for pass-holders, "Validate and Win", resulted in the distribution of 500 prizes.

The prizes were divided into three groups: Theatre and Exhibitions, Sports and Classical Music.

The Theatre and Exhibitions group involved the following: Teatro Arena del Sole, Teatro Duse, Teatro Europa Auditorium, Teatro delle Celebrazioni, Palazzo dei Diamanti in Ferrara and Palazzo Fava - Genus Bononiae. For the Sports group, the partners were Bologna FC and Spal in Ferrara. Finally for music lovers, winners were given the opportunity to attend scheduled shows at Teatro Comunale, Teatro Manzoni and Teatro EBE Stignani in Imola.

Any prizes which were not claimed or assigned (not including those which were refused) were donated to the non-profit association GRD Bologna for children with Down's syndrome.

Safety for over 65s

TPER financially contributes to an initiative of the City of Bologna in favour of those over 65 who are victims of scams and theft. The project entails the direct transfer of lump sum contributions by the municipality (until December 2020).

Alongside the contributions, through collaboration with Anteas, Bologna Volunteers and the Revivere Association, free one-stop psychological support is available to provide support in dealing with the trauma resulting from theft, fraud and deception.

The grant provides for the maximum coverage of 100 euros per claim, raised to 500 euros on days that pensions are paid out. When theft occurs with or without break-ins that results

in the need to repair doors, locks and windows, a refund can be obtained up to a maximum of 300 euros with the presentation of an invoice/professional receipt for the intervention.

Reports must be submitted to the desks of CGIL-SPI, CISL-FNP, UIL-UILP, CNA Pensionati and San Bernardo Association, active within the area of the City of Bologna.

Support for the associative and cultural life of the cities

TPER's interest in the community and the organisation of cultural activities is demonstrated through partnerships with local cultural institutions. In particular, holders of annual season tickets have advantages and reductions on admission for all permanent and temporary exhibitions of the Bologna Musei institution, the Duse and Europa Auditorium theatres and projections of the Fondazione Cineteca Bologna. TPER supports the activities of the Teatro Comunale di Bologna and cultural and sport initiatives in the city of Ferrara with a financial contribution.

TPER also actively participates in all initiatives related to public transport and sustainable mobility, as well as events for which it is particularly effective to develop awareness actions on good rules, the correct use of the service and environmental sustainability.

An agreement has been in place for several years with the Italian Paralympic Committee Emilia-Romagna in order to encourage ever greater social integration of people with disabilities.

TPER also supports a team in the 5-a-side football league organised by the Italian Paralympic Sports Federation for the visually impaired and the blind.

Public shareholders - Local institutions in the areas of operation - Mobility agencies

For a public transport and mobility company, the local institutions of the regions in which it operates have multiple roles. In fact, they may be shareholders of the company, with certain expectations regarding its results including from an economic point of view. At the same time they also play a role in planning and defining service guidelines and, lastly, representing the needs and interests of the regions, thanks to the mandate received from the voters (who are themselves Users of the TPL services).

The management of relations with Local Authorities is therefore very complex, precisely because they hold different functions: in addition to being shareholders, or holders of share capital, public shareholders play a stakeholder role, that is, of wider interests with impact on the community.

The mobility agencies, enacted by local authorities, on the other hand, have a service regulation role and represent the interlocutors with which the public transport company consults to define the characteristics of the service and monitor the activities carried out in compliance with the signed service contract, once the contract has been awarded by tender.

TPER interacts with the shareholders regarding corporate trends and business development strategies, while it consults government bodies on the construction of mobility development plans in the area. Finally, it maintains continuous relationships with

the Agencies to meet the transport needs of the region and for the necessary monitoring of the activities.

The leaders and management of TPER frequently interact with these stakeholders on individual planning and monitoring actions, providing answers to questions and queries, and presenting responses to all the questions on the subjects for which they are responsible, on a weekly basis. Many joint initiatives with the institutions are also reflected in the press conferences organised together.

Training and education

GRI 103-2 GRI 103-3 GRI 413-1

The culture of mobility

A daily meeting place, a preferred space for gathering stories and characters, a public square condensed into a few square metres where, above all, respect for the rules and neighbours must prevail: a public means of transport is this and much more. To foster dialogue and culture on mobility, TPER has launched a series of initiatives in the region, aimed at the different users of the service, in different ways.

Small students

To educate on collective mobility, respect for the rules and care of the environment, TPER promotes initiatives for elementary school students, in particular educational activities and classroom meetings with company operators, exhibitions, prize competitions, guided visits at the operations centre and the depots.

In media stat bus

"In media stat bus" is a project-competition created for secondary school students to promote an active awareness on the issues of compliance with the rules and the importance of public transport. Students and teachers of all the secondary school classes in Bologna receive the manifesto and the publication "Lines of Respect" at school, an opportunity to discuss the rules of travelling on public transport. Alongside the publications, the schools are also the scene of some special meetings with the sporting champions in Bologna. Starting from the story of their sporting achievements, the students are invited to discuss with them the role of the rules in the field and in everyday life, on their *raison d'être* and on the consequences of following and infringing the rules.

"In media stat bus" ends each year with a special competition, a click-day in which schools are invited to connect to the TPER website to respond directly to questions on the subject of good rules.

Young students: the community-to-community bus

Since 2013, TPER has created an initiative for discussion and growth on the themes of sustainable mobility and respect for the rules in collaboration with the Centro Antartide, which deals with social and environmental communication and training. Debate has developed on the topics of the correct use of public transport, compliance with the rules of conduct in the dynamics that are created every day, from ticket validation, to collaboration in the maintenance of cleanliness. A student blog has been set up, confirming

the success of the project that during the second year was extended to secondary schools in the Bologna area. In particular, meetings were held with secondary and high school students from Bologna and Ferrara, involving a group of drivers and inspectors who participated on a voluntary basis.

Thus over 1200 students in the metropolitan areas of Bologna and Ferrara from more than 50 secondary and high school classes have met TPER drivers and inspectors, in an exchange on the approach and visions of the common good that is "public transport", the good performance which depends on the contribution and the ability to collaborate of the staff and users of the bus and the road.

Company growth

GRI 103-2 GRI 103-3 GRI 413-1

TPER compliance with rules

TPER has established some internal rules for staff who interface with users. Specifically, all staff in contact with the public are required to demonstrate willingness to listen and not to impede the exercise of rights, to respond to requests for information with courtesy and to avoid discussions while maintaining a correct and available attitude.

As far as the journey is concerned, the driver is not permitted to smoke in the vehicle and is obliged not to use telephones or other devices for personal reasons. He/she avoids any behaviour that could reduce attention to driving and safety. If passengers are waiting at the stop, he/she is required to slow down in order to stop safely even without specific signs or in the event that passengers show their intention to get off at the last minute. At the stop, the driver opens all the entrance doors of the bus and during the service maintains a correct posture, in keeping with the safety of the service and the image of the company.

With regard to the management of the service, the driver is expected to turn off the engine when at the terminus, properly update the line and destination indicators, properly use the devices and on-board systems, such as air conditioning, access ramps, signs on operation of the ticket machines, etc.

In addition to these rules regarding staff behaviour, TPER is committed to ensuring standards of quality, accessibility, regularity and punctuality and service safety as provided for by the contract and service charter, with the aim of improving the guaranteed standards over time and the overall perceived quality.

Compliance with the rules for passengers

In combating fare evasion, TPER has identified a fundamental activity to strengthen the economic sustainability of the company but also to promote the culture of public transport as a common good to be used in compliance with the rules and with a sense of civic duty.

To counter fare evasion, TPER has defined the "Io vado e non evado" [I go but I don't evade the fare] project in the last few years. The aim is to contribute to the establishment of a positive and loyal relationship between the company and users, which can strengthen the ability to listen on the one hand and raise awareness of compliance with the rules on the other. On several occasions, the project has involved all the company staff who on a voluntary basis can support their inspector colleagues, in order to directly understand the

operational context and potential critical issues and strengthen the sense of belonging to the company.

Io vado e non evado

One of the special features of the anti-evasion campaign put in place by TPER was that of involving all the employees in the project of checking travel documents, by accompanying and supporting the ticket inspectors.

This experience implemented by TPER, in addition to having produced concrete results in the anti-evasion campaign, can be considered a true team-building activity. The staff involved, regardless of the normal roles and body of company rules, were encouraged to collaborate in an activity completely different from the usual. It involved people of different business backgrounds who worked as a team to help improve the relationship between the company and its users.

To prepare the activity in the field, the company activated staff awareness-raising actions on the messages to be conveyed, providing suggestions and technical and behavioural information. The teams employed day by day take part in an initial briefing for the setting up of the activity and a de-briefing meeting to compare what was found and experienced directly.

Marketing communication

GRI 103-3 GRI 103-3

A message that travels: TPER's choices for communication on transport vehicles

Despite having entrusted the management of advertising activities on its vehicles to an external concessionaire for several years, TPER carries out a check on the relevance and nature of the promotional activities present on its vehicles via its Communications Office. In particular, TPER has adhered to a memorandum of understanding with the Department of Security of the City of Bologna, assuming the commitment - also with the advertising concessionaire - to avoid the promotion of gambling or images that are damaging to the image of women or are harmful to minors on buses.

Among the various spaces dedicated to advertising on the company means of transport, TPER reserves the space behind the driver for promoting activities and events linked to institutional, cultural and non-profit initiatives, bearing witness to its commitment to deserving initiatives of the community.

In recent years, TPER has decided to provide some stops with a double name, to remind people of the Museum, Theatre or centre of cultural or institutional interest in the vicinity. The stops that have a double name include Opificio Golinelli, Mast, Teatri di Vita, Mambo, Genus Bononie, AVIS, Piazza dei Colori, Accademia Filarmonica di Bologna, MEIS, and the Museo nazionale dell'Ebraismo italiano e della Shoah in Ferrara. In 2019 Fondazione Cirulli of San Lazzaro di Savena was added to the agencies to promote, as a new museum complex of the Bologna metropolitan area.

Other initiatives

GRI 413-1

All the activities listed below entail the involvement of the local community in various ways.

Promotion of institutional activities

In view of the dialogue with public stakeholders, TPER has supported local and regional authorities and other institutions in implementing major projects in the social area. Below is a list of the main initiatives.

- Urban Innovation Foundation - communication and awareness-raising campaigns on sustainable mobility in Bologna, in particular in terms of visibility of the communication campaign regarding participatory budgeting, with a presentation of ideas by residents of Bologna and voting on proposals
- Bo Welcome - provided TPER transport network map as an insert to the Lonely Planet guide
- Youth Policies Department - visibility for a training and career guidance campaign aimed at young people (18-25 years) of the City of Bologna (We Need You); participation in the Technical Culture Festival, which involved thousands of students from technical institutes in Bologna, who presented innovative technical projects
- Ferrara Agency - conferences and exhibitions on sustainable mobility in Ferrara (MOBI)
- Genus Bononiae - visibility with posters on bus shelters and customisation with window stickers of the exhibition schedule at the Fair ticket office
- Visibility for the communication campaign of the Emilia-Romagna Region on the proper use of antibiotics
- Continuation of the activities envisaged within the Collaboration Pacts between residents and the Administration for the care and regeneration of urban communal property.
- Collaboration pact with the City of Bologna for Arte Città - educational path at the elementary and secondary schools of the Navile District with the theme of the history and future of public transport, with a final award ceremony
- Solidarity Contribution - collaboration with the Emilia-Romagna Region to give visibility to a project of greater awareness for the sensitive issue of poverty
- Capo D Pact, signed by the City of Bologna with eight outstanding entities from the Bologna area, including TPER, in support of equal opportunities for men and women in the work environment. Creation of a video with participation of a female instructor of TPER and presentation to high school students at Teatro Arena del Sole
- Collaboration pact with the City of Bologna and the Navile District for the realisation of a docu-film on Bolognina, the district in Bologna where TPER is based.

Circolo Dozza activity promotion

TPER supports the Circolo Autoferrotranvieri, collaborating in activities that involve employees and members. The initiatives concern the world of sports, including Paralympic sports, culture and school. The 2019 initiatives included the Dieci Colli [Ten Hills] cycling event, now in its 35th edition, that includes the entire city of Bologna and its province.

Cultural and Sporting Initiatives

Some of the main initiatives in the cultural and sporting sector are listed below, with details of the organisations with which TPER has collaborated:

- ANTARCTICA UNIVERSITÀ VERDE - in media stat bus school project, community-to-community bus
- BOLOGNA SUMMER 2019 - calendar of events from June to October which included the distribution of informative material, also relating to the Pass-holder Campaign.
- BOOKCROSSING - construction of three bookcase spaces where employees and guests can leave or take the books exhibited, registered with a TPER stamp and sticker
- Participation in the development of the third and final phase of the FAIR PLAY communication campaign of the Regional Observatory on Road Safety, which consists of producing a promotional and informative video on road safety. In particular, TPER provided a bus and company staff for the filming carried out at FICO. The video was then presented at Teatro Arena del Sole and broadcast on local and national networks.
- In collaboration with CIP FERRARA (Italian Paralympic Committee), support to ensure athletes with disabilities have the structures and tools to play sports and attend sporting events, including by delivering the necessary equipment for playing the various sport specialities.
- RUN TUNE UP - paid bus service offered with free travel tickets
- STRABOLOGNA - paid bus service offered with free travel tickets
- MINI-OLYMPIC GAMES at Villa Pallavicini. Large promotional educational and sporting event involving more than 4,000 families and many schools in the region.

Events and festivals

Below are the main demonstrations and events in which TPER participated:

- Participation in the memorial event "Not to forget - 2 August 1980" with the restoration and refurbishing of the historic bus service with photographic and commemorative panels
- Participation in FaRete, meeting point for companies to develop collaborations and excellence
- BOLOGNA SUMMER: support in terms of visibility and logistical support to the City of Bologna for the program of events and summer shows
- Participation in the awareness-raising event Race for the Cure, in collaboration with Bellaria Hospital and the Komen Association, which is involved in the fight against breast cancer.
- Participation in the Dieci Colli event, with the Circolo Autoferrotranvieri
- Open day in the company for schools and at weekends for Bologna citizens
- Participation in the third edition of the Electric Vehicle (EV) Show at Fico Eataly World, a national event dedicated to the strategic theme of sustainable mobility and a green circular economy
- Participation, with a TPER stand in Piazza Maggiore in Bologna, and support for the European Week of Sustainable Mobility, an event promoted by the European

Commission with the objective of promoting the use of public transport or alternatives to private cars for daily commuting.

Support for non-profit associations

The institutions and associations TPER supported in various ways are listed below.

- Rivestiti - Terra Equa - Fair Trade Festival
- Friends of We Love Football - social promotion association that uses sporting and cultural events to spread the culture of sport and solidarity in Africa through We Love Rwanda
- Association Dopodinoi - foundation which leads more than 500 families in gradually developing a life plan for families with disabilities, providing legal and patrimonial assistance
- Franciscan Festival - conferences, shows and educational activities related to the Franciscan themes
- Casa dei Risvegli Amici di Luca - innovative facility dedicated to rehabilitation, training and research in the field of severe brain injury
- AMOA - ophthalmologists association for Africa - specialist ophthalmology and optical services and supply of glasses
- UDI - Union of Italian Women - support for organised campaigns against violence against women and media visibility with posters for the dissemination of drop-in centres
- Donne al Centro - Contro la Violenza - support for organised campaigns against violence against women and media visibility with posters for the dissemination of drop-in centres
- MOZART14 - visibility for the Mozart14 Association initiatives, created to carry on the social and educational projects started by Claudio Abbado. TPER supports and contributes to the implementation of the association's main project, which is to bring music to prisons and hospitals, to adults and adolescents, including through the purchase of tickets for all events, distributed to employees or subscribers, as in the case of charity concert in memory of the maestro Claudio Abbado
- ALL - association that promotes and supports scientific research into the treatment of leukaemia, lymphoma and myeloma. It assists the sick and their families, and raises awareness on the fight against blood diseases. Support and visibility for ALL campaigns, providing space for posters on board vehicles and the possibility to sell products in solidarity at TPER terminals
- ANT - non-profit foundation in Italy to provide in-home social and healthcare assistance to cancer patients. Support and visibility for ANT campaigns, providing space for posters on board vehicles and the possibility to sell products in solidarity at TPER terminals
- TELETHON - TV marathon created in 1965 in the United States on the initiative of the famous actor Jerry Lewis with the aim of raising funds for research on muscular dystrophy; support and visibility for TELETHON campaigns. Contribution during holiday season
- Doctors Without Borders - international non-governmental organisation, founded on 22 December 1971 in Paris by doctors and journalists, including Bernard Kouchner, with the purpose of providing healthcare and medical assistance in the

areas of the world where the right to healthcare is not ensured. Contribution during holiday season

- Save the Children - independent international organisation that since 1919 has fought to improve the lives of children, working in 120 countries. Contribution during holiday season
- KOMEN - volunteer organisation at the forefront in the fight against breast cancer. In addition to the contribution during the holiday season, TPER participates with its corporate team led by the president of the sporting event that takes place in the centre of the city of Bologna, with high public participation
- BIMBO TU NGO - association which offers psychological support to children and their families, to bring the warmth of home to the hospital: a soothing care path towards a future free from the disease. Contribution during holiday season.

GRI Content Index

GRI 102-55

GRI Sustainability Reporting Standard		Chapter / Paragraph / Redaction Reference
101	REPORTING PRINCIPLES	
102	GENERAL DISCLOSURES	
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	TPER
102-2	Activities, brands, products and services	TPER
		TPER: Legal framework
		Responsible management of the business: Services provided - Ticket distribution - Sector positioning and benchmarking
		Environmental sustainability: TPER fleet
102-3	Location of headquarters	Governance: Governance and corporate structure
102-4	Location of operations	TPER
102-5	Ownership and legal form	Governance: Governance and corporate structure
102-6	Markets served	TPER
		Responsible management of the business: Services provided - Ticket distribution - Sector positioning and benchmarking
102-7	Scale of the organisation	TPER summary data
		TPER
		Responsible management of the business: Sector positioning and benchmarking
102-8	Information on employees and other workers	Internal organisation - Human resources: Employment
102-9	Supply chain	Governance: Responsible management of the supply chain
102-10	Significant changes to the organisation and its supply chain	Responsible management of the business: Services provided - Sector positioning and benchmarking
		Economic sustainability: The extended value of TPER (direct, indirect, induced)
102-11	Precautionary Principle or approach	Governance - Risk management
102-12	External initiatives	Governance: Governance and corporate structure
102-13	Membership of associations	Governance: Governance and corporate structure
STRATEGY		
102-14	Statement from senior decision-maker	Letter to stakeholders
102-15	Key impacts, risks, and opportunities	Significant events after the end of the year: COVID-19 emergency
		TPER: Scenarios, strategies and sustainability
		Governance - Risk management
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	TPER: Profile and Identity
		Governance: Control model and measures to combat corruption

102-17	Mechanisms for advice and concerns about ethics	Governance: Control model and measures to combat corruption
GOVERNANCE		
102-18	Governance structure	Governance: Governance and corporate structure
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	TPER: Stakeholders and materiality analysis
102-41	Collective bargaining agreements	Internal organisation - Human resources: Labour practices - Industrial relations
102-42	Identifying and selecting stakeholders	TPER: Stakeholders and materiality analysis
102-43	Approach to stakeholder engagement	TPER: Stakeholders and materiality analysis
102-44	Key topics and concerns raised	TPER: Stakeholders and materiality analysis
REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	Presentation and note about the method
102-46	Defining report content and topic boundaries	Presentation and note about the method
102-47	List of material topics	TPER: Stakeholders and materiality analysis
102-48	Restatements of information	Presentation and note about the method
102-49	Changes in reporting	TPER: Stakeholders and materiality analysis
102-50	Reporting period	Presentation and note about the method
102-51	Date of most recent report	Presentation and note about the method
102-52	Reporting cycle	Presentation and note about the method
102-53	Contact point for questions regarding the report	Presentation and note about the method
102-54	Claims of reporting in accordance with the GRI Standards	Presentation and note about the method
102-55	GRI content index	GRI Content Index
102-56	External assurance	Report by the external auditors
MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its boundary	TPER: Stakeholders and materiality analysis
103-2	The management approach and its components	<i>The management approach (policies applied) are reported in the different chapters of reference of the DNF, which address general and specific themes. In particular and for the most important aspects:</i>
		TPER: Scenarios, strategies and sustainability
		Governance: Control model and measures to combat corruption - Integrated management system and policies - Risk management - Responsible management of the supply chain
		Customers: Quality of services - Accessibility - Communication, information, listening - Safety - Users' Advisory Committee - Customer satisfaction - Complaint mechanisms
		Internal organisation - Human resources: Labour practices - Valuing human resources - Industrial relations - Training and education
		Environmental sustainability: Public transport and the environment - TPER's environmental policy - TPER fleet
		TPER's commitment to the region: Local communities - Training and education - Company growth - Marketing communication
103-3	Evaluation of the management approach	

GRI 200	ECONOMIC PERFORMANCE	
201	ECONOMIC PERFORMANCE	
201-1	Direct economic value generated and distributed	Economic sustainability: Distributed economic value
201-4	Financial assistance received from government	
203	INDIRECT ECONOMIC IMPACTS	
203-1	Infrastructure investments and services supported	Responsible management of the business: projects
		Responsible management of the business: Innovation
		Economic sustainability: Investments
203-2	Significant indirect economic impacts	Economic sustainability: The extended value of TPER (direct, indirect, induced). The data and information provided are proprietary indicators defined using economic-statistical models. Therefore, they are not included in the scope of limited assurance activities.
204	PROCUREMENT PRACTICES	
204-1	Proportion of spending on local suppliers	Economic sustainability: Analysis of the economic impact on the area
		Economic sustainability: The extended value of TPER (direct, indirect, induced). The data and information provided are proprietary indicators defined using economic-statistical models. Therefore, they are not included in the scope of limited assurance activities.
205	ANTI-CORRUPTION	
205-1	Operations assessed for risks related to corruption	Governance: Control model and measures to combat corruption
205-3	Confirmed incidents of corruption and actions taken	
206	ANTI-COMPETITIVE BEHAVIOUR	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Governance: Regulatory compliance
GRI 300	ENVIRONMENTAL TOPICS	
302	ENERGY	
302-1	Energy consumption within the organisation	Environmental sustainability: Climate change, energy consumption and emissions
302-2	Energy consumption outside of the organisation	
302-3	Energy intensity	
302-4	Reduction of energy consumption	Environmental sustainability: TPER fleet
302-5	Reductions in energy requirements of products and services	
303	WATER AND EFFLUENTS - 2018	
303-1	Interactions with water as a shared resource	Environmental sustainability: Water resources
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
305	EMISSIONS	
305-1	Direct (Scope 1) GHG emissions	Environmental sustainability: Climate change, energy consumption and emissions
305-2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	

305-6	Emissions of ozone-depleting substances (ODS)	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	
306	WASTE	
306-2	Waste by type and disposal method	Environmental sustainability: Waste management
307	ENVIRONMENTAL COMPLIANCE	
307-1	Non-compliance with environmental laws and regulations	Governance: Regulatory compliance
GRI 400	SOCIAL TOPICS	
401	EMPLOYMENT	
401-1	New employee hires and employee turnover	Internal organisation - Human resources: Employment For GRI 401-1 point a) redaction - inadequate information
401-3	Parental leave	
403	OCCUPATIONAL HEALTH AND SAFETY - 2016	
403-2	Accidents at work, occupational diseases, absenteeism and work-related deaths	Internal organisation - Human resources: Health and safety
404	TRAINING AND EDUCATION	
404-1	Average hours of training per year per employee	Internal organisation - Human resources: Training and education
405	DIVERSITY AND EQUAL OPPORTUNITY	
405-1	Diversity of governance bodies and employees	Governance: Governance and corporate structure
		Internal organisation - Human resources: Employment For point b.ii redaction - inadequate information
405-2	Ratio of basic salary and remuneration of women to men	Internal organisation - Human resources: Employment
413	LOCAL COMMUNITIES	
413-1	Operations with local community engagement, impact assessments, and development programs	TPER's commitment to the region: Local communities - Training and education - Company growth - Other initiatives
416	CUSTOMER HEALTH AND SAFETY	
416-1	Assessment of the health and safety impacts by product and service categories	Customers: Accessibility - Safety - Complaint mechanisms
416-2	Incidents of non-compliance concerning the health and safety impacts of product and services	Governance: Regulatory compliance
417	MARKETING AND LABELLING	
417-2	Incidents of non-compliance concerning products and service information and labelling	Governance: Regulatory compliance
417-3	Incidents of non-compliance concerning marketing communications	Governance: Regulatory compliance
419	SOCIO-ECONOMIC COMPLIANCE	
419-1	Non-compliance with laws and regulations in the social and economic area	Governance: Regulatory compliance

Report by the external auditors

GRI 102-56



TPER SPA

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED
NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND
ARTICLE 5 OF CONSOB REGULATION 20267 OF JANUARY 2018**

YEAR ENDED 31 DECEMBER 2019



***Independent auditor's report on the consolidated non-financial statement
pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB
Regulation 20267 of January 2018***

To the Board of Directors of Tper SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation 20267/2018, we have performed a limited assurance engagement on the consolidated non-financial statement of Tper SpA and its subsidiaries (hereafter the "Group" or "Tper Group") for the year ended 31 December 2019, in accordance with article 4 of the Decree, and approved by the Board of Directors on 27 May 2020 ("NFS").

Responsibility of the Directors and of the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "Global Reporting Initiative - Sustainability Reporting Standards", defined in 2016 by the GRI - Global Reporting Initiative and subsequent versions (the "GRI Standards"), described in paragraph "Presentation and note about the method" of the NFS, identified by them as the reporting standards.

The Directors are responsible, in the terms prescribed by law, for such internal control they deem to be necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

The Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and features of the Tper Group and, to the extent necessary to ensure an understanding of the Tper Group activities, performance, results and its related impacts.

The Directors are responsible for defining the business and organisational model of the Tper Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Tper Group and for the identification and management of risks generated and/or faced.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board ("IAASB") for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures aimed at obtaining evidence as appropriate.

In particular, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and features of the Tper Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and the with the reporting standards adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with that reported in the Tper Group's Consolidated Financial Statements;
4. understanding of the following matters:
 - business and organisational model of the Tper Group, with reference to the management of the matters specified by article 3 of the Decree;
 - policies adopted by the Tper Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - main risks, generated or faced, with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and we performed the procedures described under point 5 a) below.

5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.
In particular, we held meetings and interviews with management of Tper SpA, and we performed limited documentary validation procedures, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and features of the Group:

- at a group level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures and limited testing, in order to assess, on a sample basis, the accuracy of the consolidation process;
- with reference to Tper SpA, which was selected on the basis of its activities and its contribution to the performance indicators at a consolidated level, we discussed with management and gathered supporting documentation regarding the appropriate application of the procedures and of calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Tper Group as of 31 December 2019 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

Parma, 18 June 2020

PricewaterhouseCoopers SpA

Signed by

Christian Sartori
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers. We have not performed any verification procedures on the English translation of the NFS of Tper Group as of 31 December 2019.