



2020 SUSTAINABILITY REPORT





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LETTER TO STAKEHOLDERS



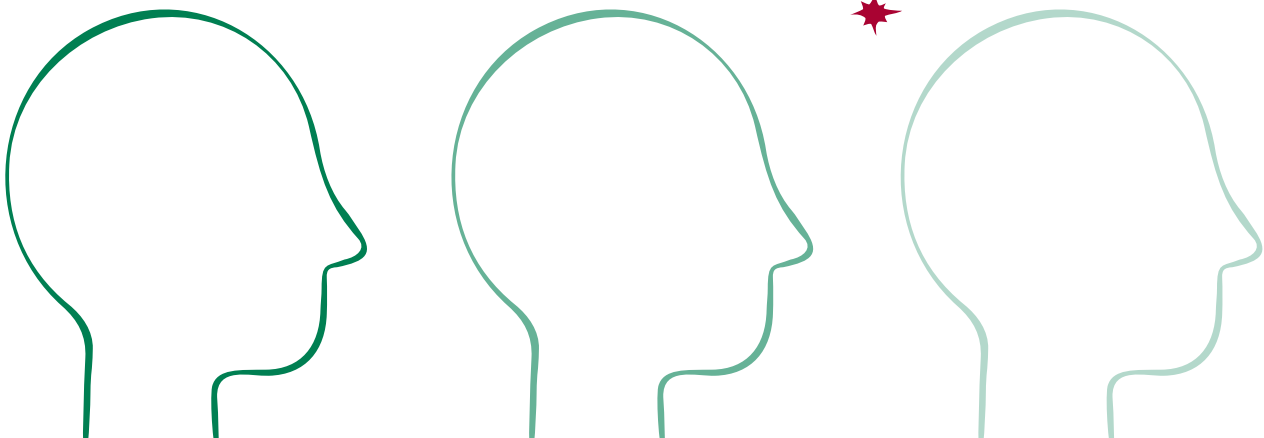
Gianbattista La Rocca
Chief Executive Officer

Dear Stakeholders

We are very proud to publish our 2020 Sustainability Report, which presents Italo's performance over the last year.

The impact of COVID-19 made 2020 an extraordinary year for Italy and around the world, and has had severe impacts for Italo. Our top priority throughout has been the health and safety of our passengers and our staff, and keeping services operating to maintain the vital connections provided by our rail services. Continuous monitoring of anti-covid regulations and the adoption of systems to adapt our services to these regulations has been a key responsibility for continuity of service and customer relationships.

Our strategy of safety, hospitality, service quality and sustainability has continued to shape our near and medium term plans. These values are at the core of Italo's corporate culture, proving once again to be the drivers of the company's strong adaptability and resilience.





Our commitment to sustainable transport is stronger than ever. We are proud, despite the difficult circumstances of 2020, to have refreshed our sustainability strategy, aiming to lead the way in our sector. Our strategy is aligned around 6 key pillars, with 12 clear goals and targets for the next 3 years, and concrete actions and KPIs to monitor progress. Moreover, Italo has underlined its commitment to sustainability linking each delivery of the plan to the UN Sustainable Development Goals, most of which underpin Italo's Euro 1 billion green loan, the largest green loan in the transport sector, linked to key environmental and social KPIs, which has enabled the renewal of Italo's fleet and improving its already leading environmental performance.

As this report sets out, despite the challenges of the last year, we have continued to deliver on our sustainability goals. During this past fiscal year, we hired 127 new employees, of which 76% under the age of 30. All our employees underwent individual professional development and growth paths, leading the Company achieving an average of around 21 hours of recurrent training per

employee per year. We have focused even more on the health and safety of our employees and passengers, equipping our trains with brand new HEPA Filters preventing the spread of bacteria, allergens and viruses, and recording a 49% lower work-related injury rate compared to 2019. Overall customer satisfaction has continued to grow, reaching 91.7, and the company supported the organization of 18 cultural and social events.

Finally, in the knowledge that 2020 results would not have been achieved without the commitment demonstrated by every employee and collaborator of every Department of the Company, I would like to extend my heartfelt thanks, also on behalf of the Management and the Shareholders, to all those who have contributed to the results obtained.





HIGHLIGHTS



The Company

47 trains in fleet

35 towns served in 2020

41 stations served

92 million passengers served since 2012

1.8 billion € equity

71 million € investments

0 cases of non-compliance in the field of business ethics

100% HEPA filters on trains



Environment

-42% energy purchased in 2020 compared to 2019

100% of trains equipped for recycling

480 TOE annual saving thanks to ETR trains

0 cases of non-compliance with environmental legislation



Customers

91.7 overall satisfaction in 2020

9.3 9.3 out of 10 was the perceived quality of ITALO's assistance services to people with reduced mobility

1.46 million followers on social media



People

1,360 employees in 2020

31% employees are younger than 30 years old

4% turnover in 2020



Safety

-49% of work-related injury rate compared to 2019

9,000 safety kits for all workers

0 non-compliances with customers health and safety law



Society

95% of total purchase spending on domestic suppliers

272 million € expenditure on domestic suppliers

18 social and cultural events in 2020



Engagements

1.1 billion € Green Loan also qualifying as sustainable

1st sustainability Plan

3 stakeholder categories engaged in Materiality Analysis



GLOSSARY

AGV: acronym for French “Automotrice à grande vitesse”, is a standard gauge, high-speed, electric multiple-unit train designed and built by Alstom.

ANSF: the national rail safety agency (*Agenzia Nazionale per la Sicurezza delle Ferrovie*)

CO₂ footprint: the total greenhouse gas (GHG) emissions caused by an individual, event, organization, service, or product, expressed as carbon dioxide equivalent.

Corporate governance: set of rules regulating company’s governance, including relationships with the Stakeholders and corporate goals. It often identifies the organizational structure and the functioning of corporate governing and controlling bodies as well.

ESG: acronym for Environmental, Social and Governance, it refers to the three major aspects of sustainability.

EVO: the New Pendolino EVO trains are part of Alstom’s Avelia range of high-speed trains. The train is the first proven high-speed train fully compatible with the latest Interoperability Technical Specifications (TSI 2014), common conditions and standards established by the European Union.

Ethical Code: the document defining values and responsibilities acknowledged and accepted by the company within and outside the organization. It requires all the operations to be conducted in compliance with the law, in an ethical and fair way and respecting the interests of company’s

Greenhouse gases (GHG): any gas that has the property of absorbing infrared radiation (net heat energy) emitted from Earth’s surface and reradiating it back to Earth’s surface, thus contributing to the greenhouse effect. Carbon dioxide, methane, and water vapor are the most important greenhouse gases.

Green loan: any type of loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects.

GRI Standards: internationally acknowledged standards for non-financial reporting issued by the Global Reporting Initiative.

Intermodality: transport framework involving two or more modes of transportation in a journey.

Load factor: the ratio of passengers to available seats of a train.

Material topics: the topics that reflect organization’s relevant economic, environmental and social impacts.

Operational staff: staff involved in on-board operations and including drivers, train managers, hostesses and stewards.

Passenger-kilometer (pkm): the unit of measurement representing the transport of one passenger by a defined mode of transport over one kilometer.

Pure player: a company whose revenue is generated entirely or primarily from activities entailing a low level of CO₂ emissions and that is therefore capable of combating climate change.

Stakeholders: all the individuals or groups of individuals that influence or are influenced by the organization, its products, its activities or its services and by performance results related to these.

Stakeholder engagement: the process aimed at identifying, analyzing and consulting Stakeholders through different channels.

Sustainability linked loan: any types of loan instruments and/or contingent facilities which incentivize the borrower's achievement of ambitious, predetermined sustainability performance objectives.

Supply chain: a system of organizations, people, activities, information, and resources involved in supplying a product or service to a consumer.

Sustainability KPI: key performance indicators aimed at monitoring strategic goals related to sustainability practices.

Tonne of Oil Equivalent (TOE): unit of energy defined as the amount of energy released by burning one tonne of crude oil. It is approximately 42 Gigajoules or 11.630 M, although as different crude oils have different calorific values, the exact value is defined by convention; several slightly different definitions exist. The toe is sometimes used for large amounts of energy.

Train-kilometer (train-km): the unit of measure representing the movement of a train over one kilometer.

White certificate: a document issued by an authorized body formalizing the achievement of a specified amount of energy saving.





UN AGENDA 2030 SDGS ITALO CONTRIBUTES TO

The integration of the SDGs into the Sustainability Report and, moreover, into Italo's sustainability plan, is a direct consequence of the company's belief that its commitment to sustainability should actively contribute to a new and more sustainable world. That is why each macro area of the plan, as well as each chapter of this Report, is linked to specific SDGs on which the company aims to directly impact, as reported in detail in the following sections.



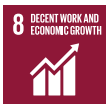
Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Gender quality

Achieve gender equality and empower all women and girls.



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Industry, innovation and infrastructure

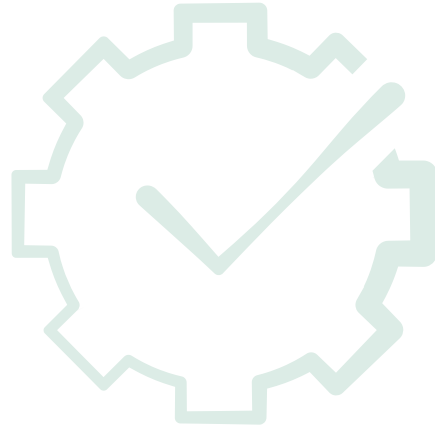
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



Reduced inequalities

Reduce inequality within and among countries.





Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable.



Responsible consumption and production

Ensure sustainable consumption and production patterns.



Climate action

Take urgent action to combat climate change and its impacts.



Peace, justice and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



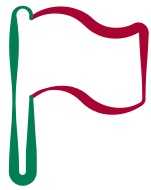
Partnerships for the goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development.





COMPANY PROFILE



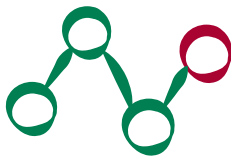
2012

first commercial journey



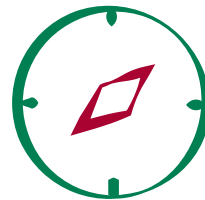
47

trains in fleet



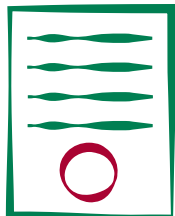
35

towns reached
in 2020



41

stations served
in 2020



0

cases of non-compliance
in the field of business ethics



100%

HEPA filters on trains



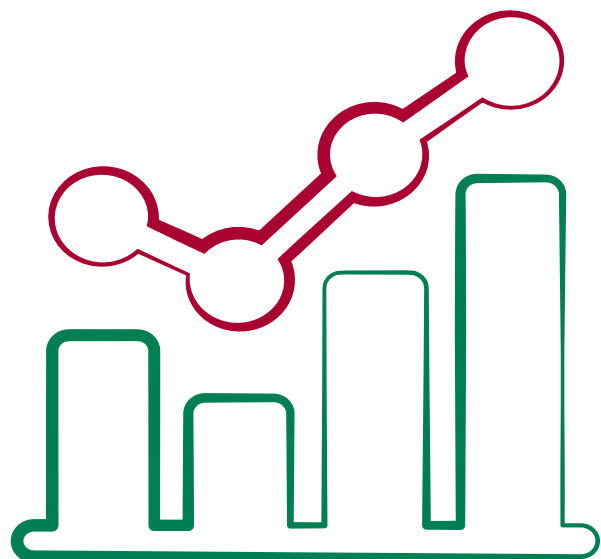
History

Italo is Italy's first and only private high-speed rail operator. It is a sector leader in Europe and today Italo and Italian deregulation are a case study and international rail operators look to the Company's business model and the effects of deregulation on rail transport.

Italo has proven to be a unique example of private excellence in the rail transport sector. It was founded in 2006, with the first commercial services operational in 2012. After the start-up phase, in 2015 the Company successfully entered a turnaround phase, which ended in 2018 with the acquisition by GIP.

Since its foundation, the company has been strongly committed to respecting and protecting the environment: from the choice of its fleet of electric trains, the best in their category, built with 95% of recyclable materials, to its approach to environmental protection, which includes participation in initiatives aimed at raising awareness of the best ways to save energy. Sustainability has always accompanied Italo's growth since its founding. In fact, the strong environmental performance has been one of the distinctive traits that differentiate the company and the railway sector as a whole, allowing a 95% saving of CO₂ emissions as compared to air transportation. However, over the years, Italo has progressively expanded its commitment to build a 360° sustainable business. This behavior, which is part of Italo's DNA, has led the company to take an interest in all ESG issues, making its commitment to sustainable transport stronger every day.

Over the last year, the COVID-19 pandemic has had a significant impact on the Company's business, and has faced one of the most difficult periods of operations. Nevertheless, Italo has maintained the vital connections provided by the rail network throughout even in the most critical months of the emergency, ensuring health and safety for both our passengers and our employees has been the priority. In addition, in order to respond to the COVID-19 emergency, the Company has put in place several initiatives aimed at mitigating the consequences of the pandemic on its staff and customers.



Mission

Italo's mission is to provide passengers safe, reliable, and technologically advanced high-speed rail services, and our strategy is focused on quality, sustainability, market presence, safety, hospitality.

Italo, with its high-quality services, is ready to meet Italy's demand for mobility. Its value-for-money offering aims to enable everyone to satisfy their right to travel for work, study, or for leisure purposes.

Italo provides comfortable and relaxing travel options, allowing passengers to avoid the stress of having to take their cars, especially over longer distances and in the most congested areas.

With its station and onboard staff, the Company has introduced a new approach to rail passengers. At all stages of the customer experience, from when a passenger decides to travel with Italo to when they get to their departure station, and while on the train, they can contact the Company, tell it their needs, and obtain the right solution.

Italo's mission envisages ongoing improvement in the service to continuously ensure that we can provide what our customers are looking for.

The results achieved so far have been made possible by a corporate culture based on our strategic values: quality, sustainability, market presence, safety, hospitality.



QUALITY

Availability and courtesy of the staff are always ready to satisfy the needs of passengers in a professional and careful manner.

SUSTAINABILITY

Sustainability issues are of primary importance for Italo. In 2019 a 1.1 billion euro Green Loan was allocated to investments aimed at reducing environmental impact, and subsequently linked to Company's sustainability performance.

MARKET PRESENCE

The importance of connecting people is reinforced through the ever-growing network of stations served (41 in 2020 and +22.5% over 2019) and up to 116 daily trips in early 2020.

SAFETY

Italo pursues the maximum levels of safety and security for its travelers, workers and rail traffic as the basic standard of its services. Dedicated training to its personnel, train structural features, Polfer (railway police) agents onboard and first aid kits are some of the tools used to guarantee a safe service.

HOSPITALITY

Italo is committed to adapting its services to the needs of each traveler, constantly innovating and improving the service offered.

Fleet

Italo uses 25 Alstom's AGV (Automotrice Grande Vitesse) trains that use the same traction system as the train that, on 3 April 2007, set the world rail speed record of 574.8 km an hour.

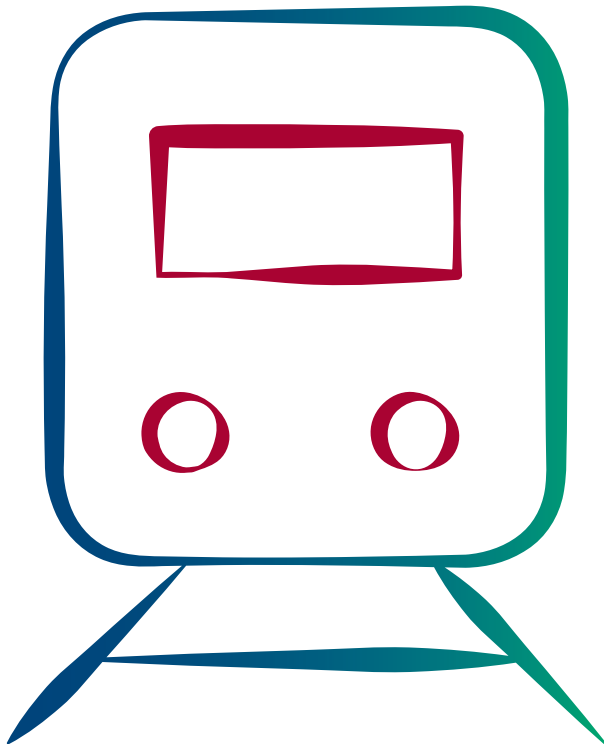
The trains, built at the Savigliano (near Cuneo) and La Rochelle (FRA) plants, first took to the rails of the Italian railway network in April 2012.

Since inception, Italo has invested in an advanced-conception, innovative and sustainable train, which is 98% made of such recyclable materials as aluminum, steel, copper, and glass. The AGV combines technology, safety, energy savings and respect for the environment.

Starting in 2015, the Company purchased also 22 EVO trains from Alstom, for a total fleet of 47 trains.

The Italo EVO trains are the latest version of the "Pendolino" range, of which more than 500 trainsets are in circulation around the world. This "evolution" aims to improve the comfort for passengers. In addition, this particular train is fully compatible with the latest 2014 Technical Specifications for Interoperability (TSI-2014), and complies with all European and Italian safety and environmental regulations.

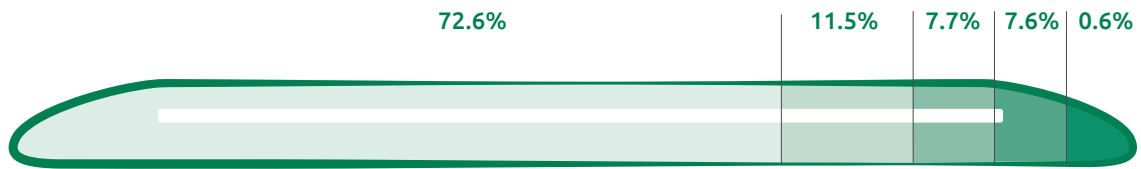
In keeping with the AGV fleet, also the EVO trains are "green", as they are manufactured with recyclable materials and are designed in accordance with eco-sustainability criteria to reduce CO₂ emissions. The distributed traction system improves efficiency and recovers energy by regenerative braking. In 2020 Italo installed on all trains the latest generation of the innovative ventilation system "HEPA filters", with EN1822-1 certification and allowing to prevent the spread of polluting particles, bacteria, allergens and viruses thanks to its vertical air flow and frequent air change, is a confirmation of Italo's commitment to the safety of people on board trains even in the challenging context of Covid-19 pandemic.





Shareholding structure

Italo's shareholder structure reflects the acquisition of a majority interest by GIP - Global Infrastructure Partners fund. As part of the transaction, several former shareholders reinvested in Italo (the "Reinvesting Shareholders"). The following infographic reports the current shareholder structure:



72.6%

GIP III GLOBAL INVESTMENT Sàrl

11.5%

ALLIANZ Spa
of which 10% held through Allianz Infrastructure Luxembourg II Sàrl

7.7%

REINVESTING SHAREHOLDERS
Luca Cordero di Montezemolo through MCG HOLDINGS Srl
Flavio Cattaneo through PARTIND TRE Srl
Giovanni Punzo through MDP TRE Srl
Isabella Seragnoli through MAIS Spa
Alberto Bombassei through NEXT INVESTMENT Srl
Peninsula Capital through PII1 Srl

7.6%

IP INFRA INVESTORS LP

0.6%

MOLAGERS

Management Bodies

Pursuant to the corporate by-laws, Italo is currently managed by a Board of Directors and an Executive Committee. The Board of Directors and Executive Committee in office in 2020 were composed as follows.

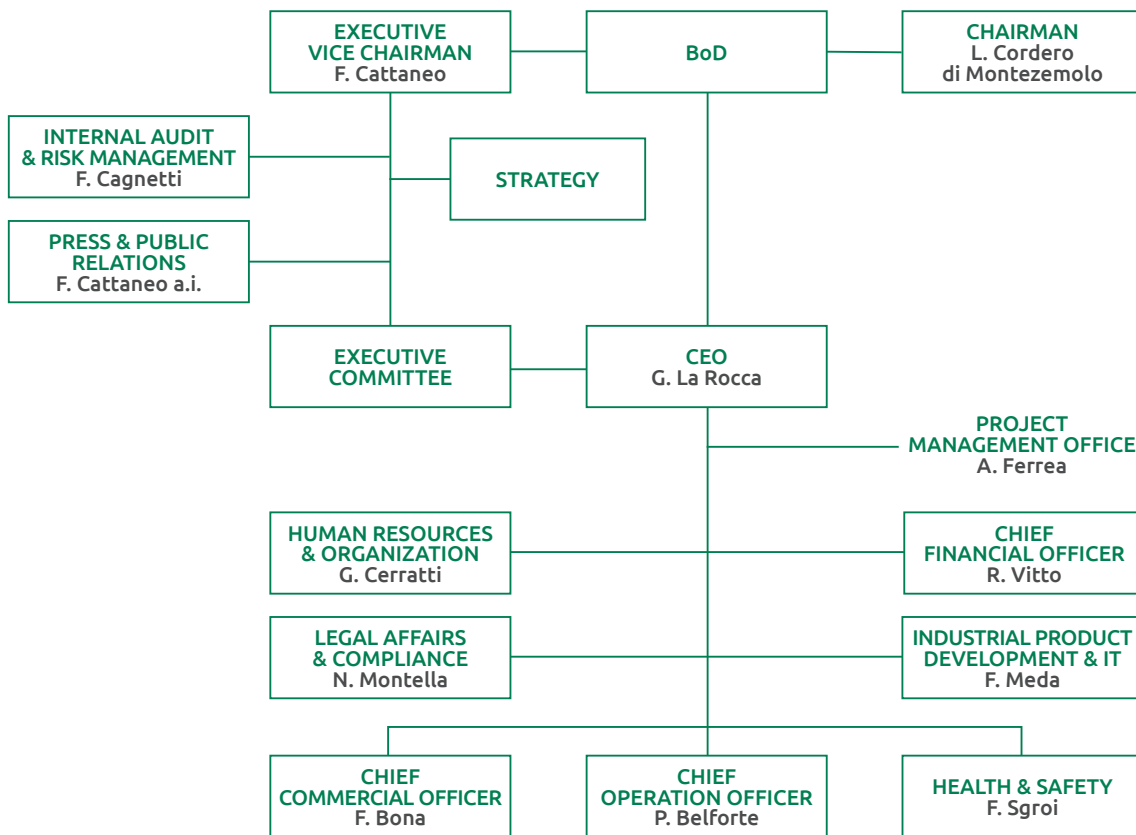
Board of Directors

Chairman	Luca Cordero di Montezemolo
Executive Deputy Chairman	Flavio Cattaneo
CEO	Gianbattista La Rocca
Directors	Lucy Chadwick
	Ines Gandini
	Philip Marc Iley
	Christoph Holzer
	Michael McGhee
	Scott Allen Stanley

Executive Committee

Chairman	Flavio Cattaneo
Members	Philip Marc Iley
	Gianbattista La Rocca
	Michael McGhee
	Scott Allen Stanley

Organizational structure



The Directors remain in office for the period determined by the appointment deed, which may not in any case exceed three years and may be re-elected. The Shareholders’ meeting has appointed both a Board of Statutory Auditors and an Independent Auditor.

In the above organizational structure 3 operating divisions – Commercial, Operations and Head Office – with technical-functional autonomy, financial autonomy and specificity of production processes, have been identified.

The Manager of each Production Unit is provided with all the decision-making, management, strategic, organizational, financial and control powers - and the consequent responsibilities - necessary for the autonomous management of the related Production Unit, including the role of Employer and Environmental Manager of the latter.



RESPONSE TO COVID-19

To cope with the Covid-19 pandemic emergency, the Company has adopted a defined system aimed at **continuous monitoring of regulations** in order to promptly adapt the required security measures.



Internal Audit and Risk Management

Italo has adopted a risk management and internal control system, implemented considering the recommendations of the “Internal Controls - Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“CoSO Report”)¹.

At the time of reporting, Italo’s main risks are represented by:

- **Strategic / Business Risks:** risks of failure to achieve business objectives, including market and social factors;
- **Financial Risks:** risks that may compromise Italo’s ability to meet its financial obligations (e.g. credit risk, liquidity risk, funding risk, interest rate risk);
- **Operational Risks:** risks of incorrect performance of process activities, due to the inadequacy and malfunction of internal procedures, system malfunction and/or external events, including environmental factors;
- **Compliance Risks:** risks of incurring legal or administrative sanctions or reputational damage.

**Vice President - BoD
Board of Statutory Auditors Surveillance Body
ex L.D. 231/01**



¹ For further details about Italo’s risk management and internal control system please see Italo’s 2019 Sustainability Report.

In 2020 the Enterprise Risk Management process has been integrated through analyses carried out by each of Italo's Risk Management and Control Functions. The implementation has been carried out with the aim of adopting a holistic and efficient approach to the management of corporate risks and related improvement plans.

Business ethics and anti-corruption

Italo understands the importance of business ethics, correct competitive practices, and compliance with the applicable laws.

To ensure strict compliance with the principle of legality and to prevent all forms of corruption, the company has adopted:

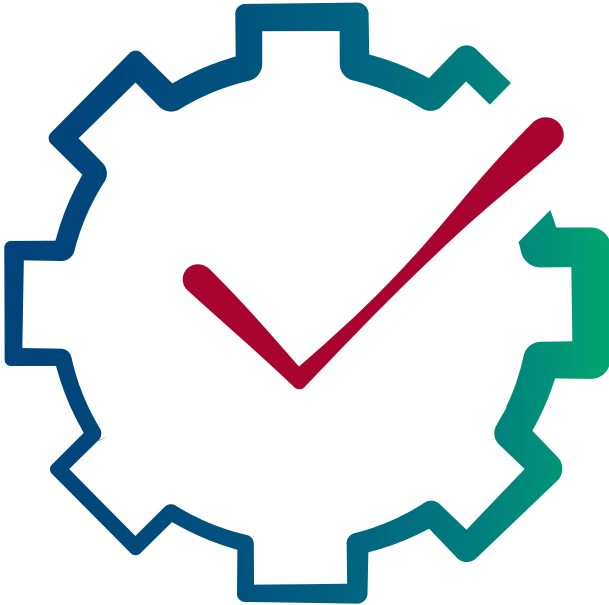
- A Code of Ethics
- The 231 Model, pursuant to Legislative Decree 231/01
- A Whistleblowing Policy, implemented in accordance with the regulatory requirements of Law no. 179/2017

With the update of Legislative Decree 231/01, which took place in December 2019 and which provides for the administrative liability of entities in the event of the commission of tax crimes, in 2020 Italo's Board approved a new 231 Model that integrates the latest amendment of the decree in question, relating to:

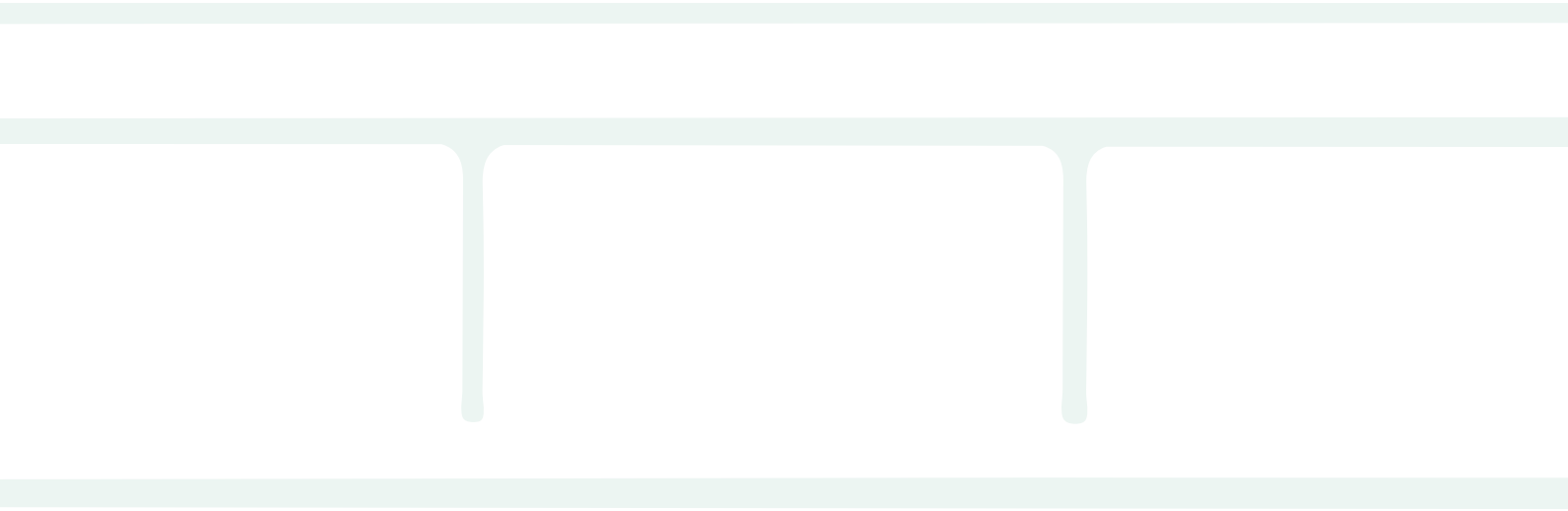
- Special part A: "Crimes against the Public Administration and the Judicial Authority";
- Special section B1: "Crimes of corruption among private individuals and incitement to corruption among private individuals".

Finally, with regard to this aspect, in 2020, **100% of employees received compulsory training in the above-mentioned topics, and no non-conformities were found during the reporting period.**





Company Profile





1. ENVIRONMENT

Over **99%** of total CO₂ emissions produced by traction energy

-42% energy purchased compared to 2019

ISO 14001 environmental management system

100% of trains equipped for recycling

-10% energy consumption as compared to other high-speed trains

480 TOE annual saving thanks to ETR trains

0 cases of non-compliance with environmental law

20 gCO₂/pax.km

Environment



Italo has always put environmental sustainability at the core of its business model, as proved by its outstanding energy and emission reduction performance over the years.

In recent years, the **reduction of emissions**, including greenhouse gases (GHG), fine powders and noise, has become a priority of mobility providers and institutions have endorsed the commitment to a new and more sustainable mobility worldwide, as the EU has done with its **European Green Deal**².

In this context, **railway sector must play a central role**, representing a ready-to-use clean means of transportation. On its part, Italo has structured a management system that is aware of the ambitious goal set by the EU, the climate-energy package “20-20-20”³ and cooperates for a unique Global Sustainable Goal with other rail companies through the adoption of the “Declaration for sustainable mobility”⁴, that is an agreement supported by the United Nations including more than 200 rail companies globally. The declaration aims at producing positive impacts and improvements in three key areas: meeting the expectations of society, meeting the expectations of customers, and ensuring a responsible leadership.

1.1. Energy, Emission and Climate change

Energy and emissions

Since 2014, the Ministry of Economic Development in collaboration with the Ministry of the Environment has admitted Italo’s AGV fleet to a program aimed at encouraging energy efficiency which provides for the assignment of White Certificates. The purchase and circulation of Italo fleet has produced an annual saving of 140 million kWh compared to the certified baseline. The policy adopted by Italo in the selection of AGV trains has been followed for the purchase of the EVO train fleet as well, the most sustainable product currently available on the market, which has been admitted to the energy saving incentive program as well.



2 https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_it

3 https://ec.europa.eu/clima/policies/strategies/2020_en

4 https://uic.org/IMG/pdf/uic_sustainability_declaration_final.pdf

The investment in the renewal of the fleet, which has been granted the biggest Green Loan ever in the transportation sector, represents a milestone in Italo's strategy for climate change action, since train energy consumption and related emissions cover over 99% of the company's total emissions. The **new fleet allowed Italo to achieve emissions around 20 gCO₂ / pkm in 2020**, up from the exceptional 17 gCO₂ / pkm in 2019 (the target value for assessing excellent environmental performance under normal operating and traffic conditions and that Italo has committed to reach within 2023) due to the decrease in operating capacity and the load factor imposed by law in response to the Covid-19 emergency.

At the same time, Italo is working to improve its energy efficiency and reduce emissions through other initiatives as well. For example, Italo has issued a new policy to its staff that encourages the replacement of conventional cars with electric or hybrid ones for carrying out company activities. As for office energy consumptions, the company has carried out a complete re-lamping of the headquarters, introducing more efficient LED lamps. Programmable thermostats for heating and cooling systems and energy-saving office equipment, such as Energy Star-certified printers and photocopiers, with automatic stand-by, have also been installed.

Noise pollution

Environmental legislation on noise emissions from infrastructure requires a series of noise exposure limits that regulate outdoor environments, demanding the periodic updating of the processes for the assessment and measurement of noise emissions resulting from operations. In addition, Italo carries out all necessary analyses and measures in order to limit its acoustic impact within the threshold established by law. In case the company has to operate extraordinary and temporary interventions, Italo applies for an authorization at the local competent institution and makes sure a supplementary derogation is provided if the noise limits cannot be respected. In 2020, there were **no incidents of non-compliance with applicable laws**.

1.2. Environmental Management System

Italo voluntarily adopts a System for Occupational Health and Safety Management and Environmental Protection (hereinafter "SGLA"), which has been established, implemented and continuously improved by following UNI ISO 14001 and UNI ISO 45001 international voluntary standards for environmental and health and safety management. Nevertheless, the company pursues a constant improvement of the management of its environmental performance through a monitoring system to limit the environmental impact of all activities, from washing trains to regular maintenance and on-board train service.

Aiming to address effectively its Health, Safety and Environmental goals, Italo has developed an executive framework based on the Deming Cycle PLAN-DO-CHECK-ACT.



Thanks to this framework, Italo works on four main corporate goals in the field of environment, health and safety:

- Ensuring that future generations will have an intact environmental heritage thanks to resources saving and pollution prevention;
- Achieving and demonstrating a good level of environmental performance by keeping under control Italo's operating impacts on the environment and staying consistent with the corporate Policy;
- Guaranteeing the company's employees or any cooperating third party increasing levels of protection of health and safety at work, by focusing on the prevention of accidents and occupational diseases.

Thanks to its effective management system, Italo has reported **no incidents of non-compliance with environmental laws and regulations in 2020**.

1.3. Waste management

To better manage waste production, Italo has adopted a code system from the European Waste Catalogue (EWC), which unambiguously identifies the waste type. Each waste is then described according to following four dimensions: waste category, waste description, CER Code (EWC), and gathering modality.

Italo carries out all activities relating to waste management in compliance with current and applicable legislation. Italo treats non-remarkable amounts of predominantly non-hazardous waste, due to the nature of its business.

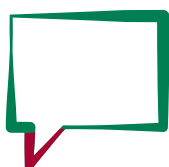
The company is committed to support waste reduction across all its operations. The structural features of its new trains are the primary source of waste reduction and a best practice of recycling: most of its components are made of recyclable materials such as aluminum, steel, copper and glass. In addition, Alstom's use of low-degradable materials during all phases of train construction allows a 15% longer life than other rolling-stock (i.e. more than 30 years).

As for waste production, plastic and non-recyclable materials have been reduced on board and thanks to the partnership with IVS ITALIA, the packaging used for the food products on board are in FSC paper and bio-plastic coming from corn, completely natural, biodegradable and compostable. Similar extents are reserved also at the headquarters.

Waste collection, instead, focuses on the development of recycling. Recycling bins are already present on all the trains, while at the headquarters the bins of the undifferentiated have been replaced by recycling ones to encourage the separate collection of waste, which is **a key focus in the new sustainability strategy**.



2. CUSTOMERS



91.7%

overall satisfaction index in 2020



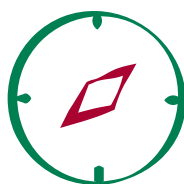
+1.2 p.p.

customers overall satisfaction as compared to 2019



9.3 out of ten

the perceived quality of ITALO's assistance services to people with reduced mobility



41

stations served in 2020



1.46

million followers on social media

Customers



At the end of 2020 Italo's fleet consisted of 25 high speed trains (AGV Fleet) and 22 Pendolino trains (EVO Fleet). The first model has a capacity of 462 seats over 11 carriages, while the second provides 472 seats distributed over 7 carriages. Due to the legislative restrictions imposed during and after Covid-19 emergency, both trains have operated at a 50% of their capacity. **The openings of the Salerno-Reggio Calabria route and the seasonal Adriatic route in 2020 have further extended Italo's ability to provide thorough coverage of national territory, bringing the number of stations connected to 41.** A significant increase compared to 2012, the year in which Italo started business and only provided service along the Naples, Rome, Florence, Bologna and Milan routes, this increase attests to the company's propensity for continuous improvement of its services. In fact, since 2012 the network served has increased by 800%.

2.1. ITALO services

Italo's goal is to provide its customers the best possible journey experience. Moreover, Italo constantly looks for improving the quality of its services and keeping to be commended as an "excellence" in terms of technical competences and customer-oriented culture.

Quality on board

With the aim to meet the different needs of its passengers, Italo offers four journey ambiances on board of its trains: Club Executive, Prima, Comfort and Smart. The broad offer of Italo's on board services allows the guests to pick different traveling experience while never compromising on quality.

The pandemic and the related food safety standards imposed by the Health Authority have caused the suspension of some of the 2019 on-board services, such as the provision of soft drinks and fresh products. Despite that, Italo has been able to keep a high quality of its service for example by maintaining a bimonthly schedule for the packed products to make the menu as varied and personalized as possible for each class. Following the guidelines of the Health Authority, Italo has introduced only packed single dose drinks and packed snacks, and, starting from October 2020, a single-dose antibacterial sanitizing hand gel.



Quality at the station

Italo Station Staff contributes to enhance the quality of Italo's services by constantly assisting travelers in offering punctual assistance and information. Station Hostess and Steward are trained and skilled to customize the service according to travelers' needs.

Still, inside the main stations of the network it is possible to find Italo Club Lounges, ideal spaces designed for Italo's customers to relax, read, and work while waiting for departures. The area is provided with Wi-Fi.

Punctuality

We believe punctuality represents a key factor for the quality of transport service. Since we are strongly committed to provide on time services we are deeply focused on monitoring punctuality.

In the 2020, Italo has introduced an additional on-time indicator at 5 minutes, in addition to the previous indicator at 15 minutes, so that we measure and monitor - for both 5 and 15 minutes indicators - 3 different KPIs:

- Italo punctuality (5' and 15'): this measures the percentage of trains reaching their destination with a delay of less than or equal to 5 / 15 minutes, excluding trains arriving beyond this threshold due to external causes or reasons not attributable to the Company.
- Standard punctuality B1 (5' and 15'): this measures the percentage of trains reaching their destination with a delay less than or equal to 5 / 15 minutes, excluding trains arriving beyond this threshold due to external causes (for example: weather events, public order, etc.). This standard is that laid down in Ministerial Decree 146/2000.
- Real punctuality without exclusions (5' and 15'): this measures the percentage of trains arriving at their destination with a delay of less than or equal to 5/ 15 minutes without exclusion of cause. This parameter therefore also includes external causes and is therefore representative of the delay actually perceived by the passenger.

The results achieved in 2020 by the Company are shown in the following table.

KPI	on-time 5'	on-time 15'
Italo punctuality	97.3%	98.4%
Standard B1	75.4%	86.1%
Real punctuality	76.1%	88.4%

2.2. Accessibility

Italo's ability to adapt its offer to the needs of passengers and its culture of diversity mean that ensuring access to travel for people with disabilities and reduced mobility is a priority of the company's mission.

All Italo trains are built in accordance with the Technical Specifications for Interoperability of rolling stock, in compliance with the provisions of Regulation (EC) no. 1371/2007 and other regulations relating to persons with reduced mobility on the trans-European conventional and high-speed railway system.

Two seats for wheelchair users are provided on board AGV and EVO trains. The seats are located near the toilet suitable for people with mobility disabilities, and near the snack area, where vending machines are designed for maximum accessibility. In addition to wheelchair spaces, passengers may also choose priority seating. Priority seat use is not restricted, but the elderly, disabled, pregnant and injured have priority to take these seats. All toilets on board are also equipped with audible and Braille signals for the blind.

All passengers with disabilities or reduced mobility are given the opportunity to book assistance services during the time slots established by the State Railways operator, in relation to the scheduled departure time of the chosen train.

Out of a total of 15,144 assistance services provided to persons with reduced mobility in 2020, Italo received only one complaint. The quality of service perceived by customers who called Pronto Italo, detected through the CAWI (Computer Assisted Web Interviewing) technique, stands at an average score of 9.3 out of 10.



2.3. Intermodality and Integrated mobility

Based on the regulatory restrictions on mobility defined to combat the Covid-19 pandemic, Italo bus connections have been temporarily suspended since March 2020.

In order to develop collective mobility instead of individual mobility, Italo has also started some **local partnerships with companies that offer local public transportation services**.

For example, travelers with an Italo bus ticket to or from Cosenza, can travel for free in the urban area of Cosenza on the buses of the AMACO company in the 75 minutes period prior and after the scheduled departure and arrival time of Italo bus journey.

For ITALO, integrated mobility is not only about intermodality. Indeed, Italo aims to provide a very complete travel experience by offering all the services that Italo believes to be useful to its customers, such as hotel booking, car rental, car parking, luggage service at the station, bus transfer, taxi and scooter sharing, tickets for touristic activities as well as ferries. Customers can book one of these services on Italo website, in the section “**Italo Go**”.

Booking.com for hotels, Hertz for the car rental, MiMoto for the rental of reduced-price electric scooters in the cities of Milan and Turin are some of Italo’s partners. Partners offer discounted rates, loyalty points and other special conditions to Italo and ItaloPiù customers. Another outstanding advantage is represented by the possibility to reach destinations out of the Italo network (e.g. Snav and Travelmar operate ferry routes from the port of Naples and Salerno to many islands and Amalfi coast, Autostradale links many stations to airports by bus).

2.4. Evaluating quality and customer care

Italo is deeply aware of the importance to identify potential areas of improvement as well as to define a strategy of actions through the evaluation of the level of quality that is detected by its customers with regard to the services and products it provides.

This is the reason why Italo implemented a customer satisfaction service, which includes different types of engagement activities with Italo’s customers and its employees.

The pillars of Italo’s engagement activity are:

- Customer satisfaction surveys;
- Tutoring and instructing programs, through which tutors and instructors assist and support the crew on board in order to improve their job performance;
- Auditing programs aimed to conduct regular internal controls in order to identify and report any action that does not adhere to standards and procedures;
- Reporting activities which consist of daily reports related to the performance of the equipment and to the compliance of the catering with the standards. In addition, a dedicated e-mail that allows employees to propose ideas and suggestions is available.

Customer satisfaction

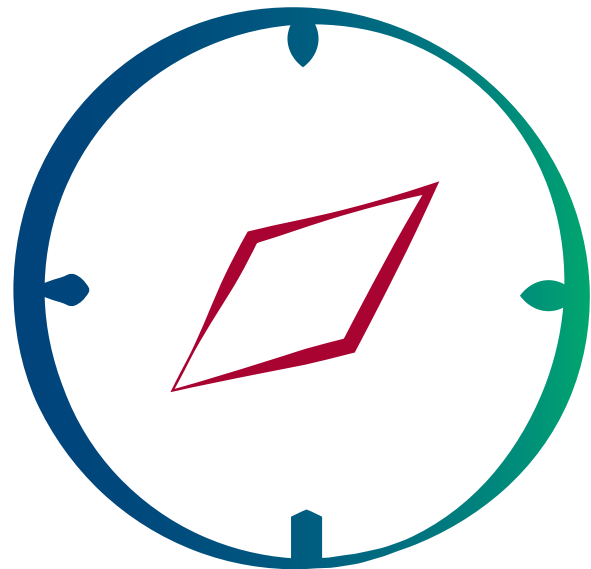
In addition to an efficient customer care service, Italo has designed a fundamental tool to monitor and control the quality provided: the Italo Customer Satisfaction survey. This is a daily measurement activity, carried out on all trains and routes, defined by means of a web questionnaire sent via e-mail one day after the journey and involving 82,296 passengers during 2020.

The aspects of Italo's services and the related KPIs monitored through the questionnaire concern various areas, such as overall satisfaction, the ticket purchase experience, the quality/price ratio, the professionalism of the on-board staff, punctuality, comfort environments, the quality of the wi-fi connection and the reception service on board, the quality of the station services (offices and waiting rooms).

Every month the customer satisfaction data are analyzed in collaboration with the Marketing Department within the Quality Table Committee, in order to plan improvement actions, which involve various corporate functions. In 2020, due to the Covid emergency, the number of travelers has declined significantly, and thus surveys have been held only in five months (January, February, September, October, and November). This was reflected in the decline in the sample of respondents in 2020, which hit 82,296.

Nevertheless, 2020 closed with a positive performance of the Overall Satisfaction on the travel experience on board Italo: 91.7% of customers declared themselves satisfied with the quality of the service⁵, with a growth of +1.2 pp compared to 2019 due to the increase in the number of routes and timetables, the development of customer services, and the improvement of the website. An important aspect of this improvement is the +1.1 pp increase in the "degree of loyalty to travel with Italo" compared to 2019.

The great results achieved so far have fueled Italo's ambition to continue improving its performance in the coming years at a rate of 1 pp per year starting in 2021, to reach the goal of 95% of travelers fully satisfied with the quality of service in 2025. The objectives for the coming years are certainly ambitious and related to the further expansion of the fleet, the development of new services for travelers and the improvement of the existing ones.



⁵ This result refers to customers scoring 3 (neutral), 4 (satisfied) or 5 (highly satisfied) to the "Overall satisfaction" of the travel experience. As far as only high satisfaction scores (4 and 5) are considered, the percentage is 80.6 (+2 pp vs 2019).

2.5. Innovation and digitalization of services

The spread of smartphones has revolutionized the needs of users, who increasingly demand tailored services, making the transportation offering progressively user-centric. This transformation of the way in which users approach transport services has prompted innovation in pricing and the digitalization of payments.

Moreover, Italo's commitment to cybersecurity in recent years has continued in 2020. Indeed, new and more challenging cybersecurity objectives have been defined within the Sustainability Plan 2021-2023. In particular, aspects directly related to guaranteeing the security of websites through constant monitoring, enhancing booking systems and ensuring the protection and security of sensitive customer information through increased protection of databases are part of this improvement.

In addition, during 2020, in confirmation of Italo's sensitivity to issues relating to cybersecurity and anti-fraud, numerous initiatives were carried out, the main ones of which are 3DS secure payment protocol extended to all payments from € 0, and the adoption of the PCI-DSS certification, which is a standard administered by the Payment Card Industry Security Standards Council and created to increase security controls over online payments and cardholder data in order to reduce credit card fraud.



ITALO INNOVATIVE SERVICES



CUSTOMER RELATIONSHIP IMPROVEMENTS

- Adobe Campaign Manager activation: first implementation step of new marketing automation platform
- Digital channels improvements



ENHANCING SYSTEMS

- CTI improvements
- VPN Systems improvements to ensure remote working for Italo staff
- Disaster recovery project completed
- SOA upgrade
- New trouble-ticketing platform
- Update Splunk and Dynatrace technology: systems monitoring dashboards improvements
- Office 365 platform implementation



ERP PROCESS IMPROVEMENTS

- SAP S4 Hana implementation, project scope as follow:
- New Controlling model
 - Enhancement of the Accounting model
 - Introduce new Asset Inventory process
 - Manage in a structured procurement process additional purchases
 - Review procurement release strategies

Finally, due to the emergency period, Italo slowed down some of the ongoing projects during the past year. However, some important steps have been taken to improve the technological infrastructure and consolidate the innovation path. The main progresses concerned:



RESPONSE TO COVID-19

- ▶ Reservation system and sales channels enhancements:
 - ticket booking ensuring safe distance on board
 - ticket booking allowing families or people to sit together on board
- ▶ Reservation system and all sales channels modifications:
 - new mandatory fields in the booking flows to subscribe COVID-19-related self-certification and security passengers conditions for travelling
- ▶ Business Intelligence enhancements to ensure automatic daily report for performance monitoring (revenues, costs, etc.)
- ▶ Improvements at networking and connectivity level to ensure remote working to Italo staff
- ▶ CRM enhancements to support high volume of customer service requests for ticket cancellation, schedule changes, vouchers, etc.
- ▶ Revenue accounting processes improvements to manage high volumes of ticket cancellation, refunds and vouchers for customers



2.6. Customer data and information security

Customer Privacy

Italo recognizes the strategic value and the importance of ensuring data security and confidentiality. In line with Italo's Code of Ethics, the purpose of personal data protection is to protect the fundamental rights and freedoms of persons that are related to that data.

Regarding its customers, Italo mainly processes common personal and contact data. The methods of processing, the purposes of the processing activities, the duration and the criteria used to determine the retention period of personal data are defined within each specific privacy policy defined by the Company. In fact, Italo guarantees the exercise by customers of the right to:

- revoke the consent previously given, without prejudice to the lawfulness of the treatment based on consent before revocation;
- request the Data Controller to access, correct or delete personal data ("right to be forgotten") or to limit or to oppose the processing;
- obtain data portability;
- lodge a complaint with the competent supervisory authority.

Italo aims to ensure that personal data processing is carried out with care and according to structured mechanisms based on adequate organizational and technological security measures. Italo's Data Protection Officer (DPO) supervises compliance within the company and provides advice to ensure that business processes are compliant with data protection applicable laws.

Italo's Privacy Department oversees several data protection management and monitoring activities:

- Security and Data Privacy Governance: define and document policies for the management of the security of information and personal data. For this purpose, Italo adopted a general procedure defining Data privacy governance Model, and specific procedures focused on the management of Data Breaches, Data subject rights, Data Protection Impact Assessment (DPIA), Privacy management in relations with third parties.
- GDPR Implementation and Awareness: data protection management system is engaged in a continuous improvement of processes, including training. Italo's Privacy Department is involved in defining implementations in order to ensure compliance and provides advice to other business areas to improve the processes related to the data protection management system. In particular:
 - Privacy notice review in compliance with GDPR 2016/679;
 - Surveillance of data protection requirements;
 - Third Parties management: designation of Data Processor and drafting Data Protection Agreement;
 - Integration of Privacy by Design & by Default principles within Italo's Processes;
 - Data Protection Impact Assessment (DPIA) for new treatments (based on a specific set of KPIs and on risk-based approach);
 - Awareness and Training about data protection applicable law for Italo's employees (e-learning);
 - Appointment to personnel authorized to process personal data;
 - Written feedback to data subjects who write to the Data Controller.

Italo's Privacy Department also leads Security Audit activities aiming at evaluating the organizational and technical measures adopted by suppliers to protect information and personal data. A security audit methodology has been adopted by Italo with a specific audit checklist based on main international standards, applicable laws with regard to Information Security & Data Protection, and Italo's policies and guidelines.

Finally, the activities are executed in cooperation with Italo IT Security Department and the purpose is to maintain appropriate security measures, in order to prevent personal data from accidental or unlawful destruction, loss, alteration, unauthorized disclosure, and, in particular where the processing involves transmitting data over a network, from any other illegal form of processing.

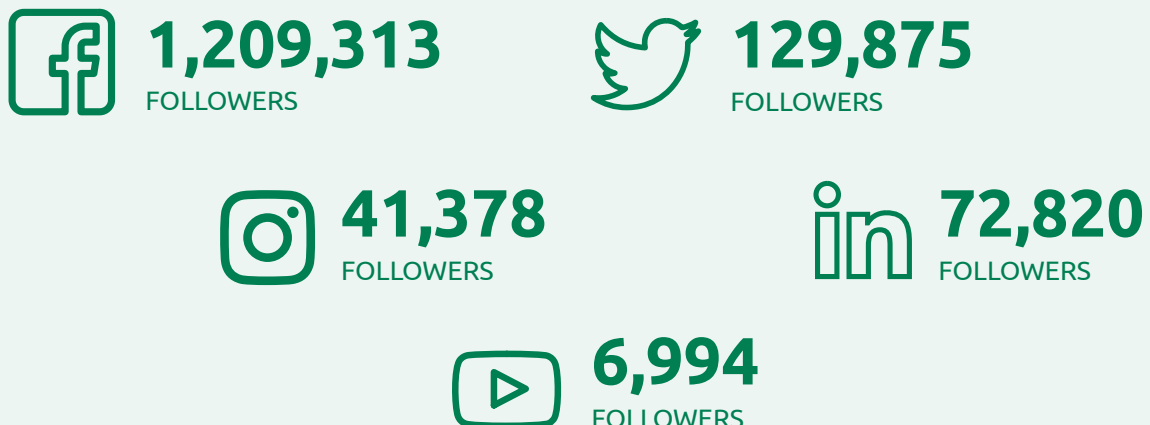
During 2020, ITALO has reported no substantiated complaints received concerning breaches of customer information.

2.7. Responsible communication

The importance of sharing and communicating effectively, especially in a difficult context such as that of 2020, has led Italo to design a holistic approach for transparent and truthful external communication.



The main communication channels are shown in the following figure.





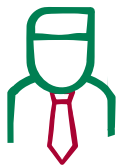
3. PEOPLE



1,360
employees



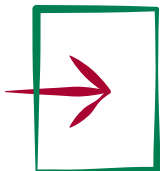
45%
of employees
are women



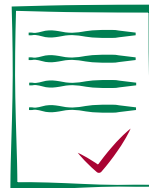
31%
of employees are younger
than 30 years old



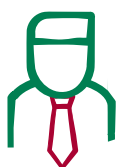
91%
of employees have
a permanent contract



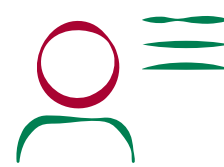
4%
turnover rate
in 2020



100%
of employees covered
by collective bargaining
agreements



76%
of new hire
were younger
than 30 years old



21
average recurrent
training hours
per employee

People

3.1 Human resources

Service excellence has always been a fundamental element for Italo and its historical success, the staff being the driving force of such feature. That is why employees are at the center of Italo's corporate strategy and represent one of the major strengths that differentiates Italo from its competitors.

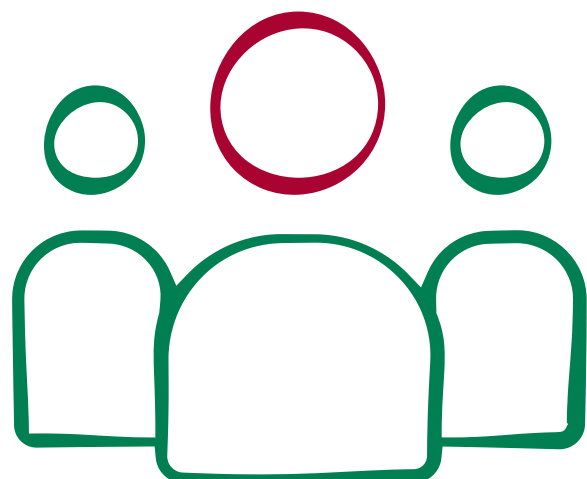
In early 2020, Covid-19 has required the company and employees to work in entirely new ways. Italo has put its staff and customers at the center of its considerations, focusing on 2 priorities: ensuring employees' health and safety, and improving employee engagement, through constant communication and several initiatives favoring their well-being and personal development.

In a re-launch perspective after pandemic period, Italo is structuring for 2021 a new HR Strategy aiming to create an inclusive and "positive" work environment leading to a condition of organizational well-being.

On 31 December 2020, ITALO had a total workforce of 1,369 people (-51 workers vs 2019), of which 1,360 (+67 employees vs 2019) were directly employed by the company. 1,328 were full-time employees (+7% vs 2019) while 32 had a part-time contract, marking a 44% reduction vs 2019 as less needed due to temporary layoff schemes and increased smartworking in the context of Covid-19 pandemic.

The substantial changes with respect to 2019 concern the selection process which was held entirely online, aiming to reinvent the Recruiting Function in order to respond to the challenges posed by the Covid-19. The Talent Acquisition and Employer Branding function took part to a series of digital events to present and discuss the different engagement initiatives that were held in Italo during 2020.

In addition, Italo has reinforced the Internal Communication Model in order to promote and enhance moments of direct dialogue between Italo people, and guarantee timely and transparent information on company news and business. The new model involves the use of a digital channel which, thanks to the support of new technologies, allows both the use of a video conferencing platform that top management can interface with the entire Italo population through, and the creation of a personalized weekly newsletter for sharing all the latest news from the Italo world, which counted over 960 monthly readers on average in 2020 and increased the average of readers up from 58% to 70% during 2020. Average monthly newsletter readers significantly increased +27%.



User feedbacks on the effectiveness of such tools reported a level of good satisfaction, encouraging the company to continue its information and communication activities towards the staff.

However, Italo's willingness to constantly increase the quality of its operations has led to set new targets for the improvement of its internal communication:

- Introduce frequent online surveys in order to measure the satisfaction of the proposed initiatives and to understand the needs of staff;
- Mix face to face meetings between managers and operating staff with virtual meeting;
- Introduce personal development, well-being and leisure initiatives as proposal within the newsletter;
- Continue with video messages by Top Management.

On 23 December 2020, an agreement was signed with the "Fondo Nuove Competenze" which envisages the use of part of the working hours for training purposes to allow the gradual resumption of activity after the epidemiological emergency. This project is subject to approval by the ANPAL institute.

The main purpose is offering workers the opportunity to acquire new or greater skills and to equip themselves with useful tools to adapt to the new conditions of the labor market. The training plans will be strongly focused on the acquisition of:

- Technical-Operational skills;
- Management skills;
- Soft skills.



RESPONSE TO COVID-19

To cope with the pandemic emergency from Covid-19, the company has adopted numerous security measures, including:

- ▶ smart-working;
- ▶ safety kits for all workers and body temperature measurement;
- ▶ implementation of the **Security Protocol** and specific procedures to combat the spread of Covid-19;
- ▶ contact tracing carried out by H&S Department
- ▶ reorganization of selection and recruiting process
- ▶ Revenue accounting processes improvements to manage high volumes of ticket cancellation, refunds and vouchers for customers

3.2 Talent attraction

Since its establishment, Italo has developed a clear strategy for talent attraction with the aim of structuring a strong sense of service culture and corporate belonging. First, Italo recruitment process is highly structured and selective, with particular attention to interpersonal and linguistic skills.

The selection processes are carried out partly online, according to the most modern best practices and through tests, questionnaires and video interviews aimed at assessing the minimum competences for accessing the candidacy, and through in-depth individual interviews with the direct/line managers.

In 2020, ITALO received a total of 46,000 applications from its corporate website. The innovative hiring techniques have presented positive feedback in terms of effectiveness of the selection process, which led to **the addition of 127 employees in 2020 (-44% vs 2019)**.

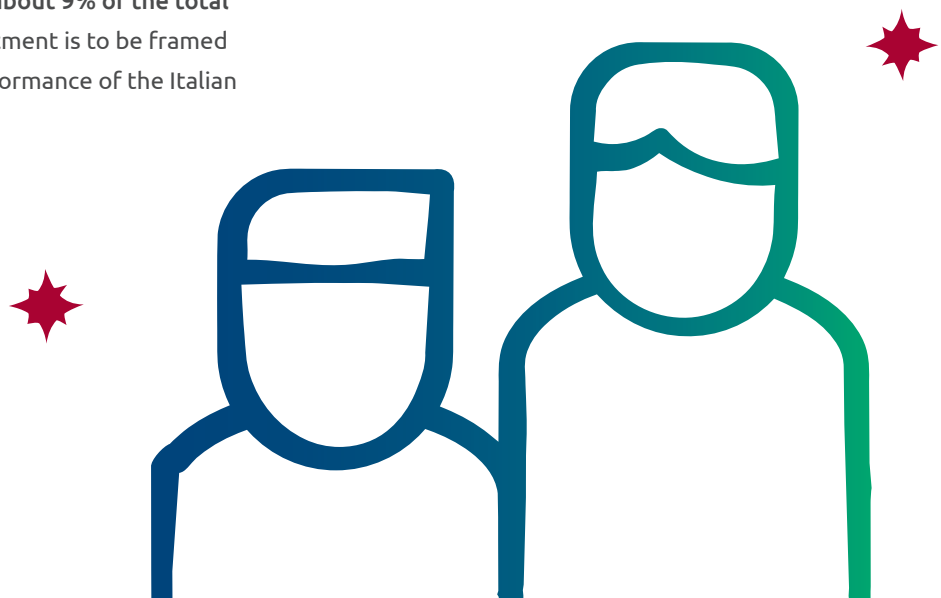
As a distinctive feature of Italo's staff, most of the new hires concerned young employees – **more than 76% of new entries were younger than 30 years old (-3 pp vs 2019)**. The growth of the employees (-8 pp overall new employee hiring rate) was represented by 89 male and 38 female hires.

The attention to youth and their introduction to the labor market is confirmed by the high number of Italo's apprentices and interns – 125 in 2020 – representing about 9% of the total workforce. Such commitment is to be framed within the negative performance of the Italian

youth labor market as compared to the EU average. Indeed, only 41.6% of youth between 15 and 34 years old have a job in Italy (vs 58.7% in the EU), and 18.3% are unemployed (vs 9.5% in the EU). Such statistics reveal serious issues for Italian youth to enter the labor market for the first time. Therefore, Italo actively contributes to favor youth employment through its training programs and cultural orientation, providing its young employees, apprentices, and interns with a valuable professional experience as well.

The company has also defined a hiring plan for 2020-2022, which provides for around 180 new hires that will help consolidate the quality of Italo's team and services. The positive impact of the company on the whole national labor market is reinforced by the good geographical balance of the hires, which amounted to 41 and 86 for Northern and Central-Southern Italy respectively.

A constant enlargement of its staff has been made possible also by an excellent performance in terms of low turnover rates – around 4% – which is largely outnumbered by the new hires. Such results are a direct consequence of Italo's effort in pursuing talent retention, one of the pillars of HR management as displayed in the previous paragraphs, achieved through just rewarding mechanisms, a rich welfare system and an overall good work environment based on diversity, respect, and career opportunities.



3.3 Welfare

Corporate welfare available to personnel has a strategic role in employee retention and engagement, and a broader meaning for Italo's commitment towards society in an ESG perspective. Indeed, welfare aims to improve not only the quality of life and well-being of employees, but it is extended to their families and the society in which they live as a whole.

Itales is the corporate welfare program, which represents a distinctive feature of Italo's culture, growth, and identity strategy. It is predominantly addressed to operational staff and aims to spread the culture of prevention, health, environment, work-life balance and employee branding through four main cornerstones: **Culture, Care, Balance and Engagement**.



Culture includes all activities relating to physical and mental well-being. This area included the support to the researchers of the Italian Association for Cancer Research – AIRC.



Care includes all activities relating to health and prevention, such as Mediphonica for the medical remote assistance that was joined by 600 employees. In the first months Mediphonica got 57 requests for assistance with 8 diagnoses of Covid-19.



Balance focused on activities relating to work-life balance.



Engagement includes activities to strengthen corporate identity and the sense of belonging of Italo employees, such as "the Italo Live quiz" (for a total of 3 events), a virtual Christmas Party, and several sports initiatives, that were cancelled during 2020 due to COVID-19 pandemic.

3.4 Diversity

Italo recognizes equal dignity for all those involved in its activities, not admitting any form of discrimination. The aspects of diversity the company is most active in is gender and salary equality.

Such commitment is represented by both its effort to attract female talents in the first place, and to guarantee fair working conditions which could concretely favor work-life balance in different phases of life, through different initiatives such as the MAAM program. In this sense, one of the important tools allowing a reconciliation between professional and private spheres for young parents is parental leave, which has been used by 161 employees in 2020, a majority of which young mothers. The effectiveness of this tool has been confirmed by its low impact on the professional continuity of those who took advantage of it. Indeed, nearly 96% of them regularly resumed their position after the leave and still worked for Italo 12 months after returning to work following a period of parental leave.

Italo's efforts have led to great results in 2020, especially in roles traditionally held by men. 45% of the personnel (and 45% of the total workforce) is represented by women, a percentage that rises up to 68% for the apprentices (-1 pp vs 2019), a sign of the great attention ITALO pays to giving development and training opportunities to young female talents.

The total ratio of women's pay to men's pay (77,1% in 2020) has recorded a +2.7 pp improvement vs 2019. Finally, diversity also implies a heterogeneous workforce in terms of both geography and age. With this in mind, Italo employs 65 persons born outside of Italy, representing 35 different countries, with a balanced distribution across national macro-areas within its workforce.



3.5 Training and Employee Development

The importance of people as fundamental asset of company's success and the nature of rail industry, requiring a constant technical update of the operators, render training one of the most critical aspects of Italo's business.

Despite the difficulty and, sometimes, the impossibility to organize in-presence training during 2020, Italo preserved qualitative and quantitative levels of training and developed new formats based on digital and remote interaction.

As a result, in 2020, Italo's employees undertook 94 hours of per-capita training on average, with a peaking value of 115 for operational staff. The programs have been aimed at the whole workforce, including leased staff, collaborators and interns, which undertook an average of 4 per-capita hours of training. On the other side, Italo dedicated an important effort to external staff training, with 147 per-capita hours for Alstom staff and further 64 per-capita hours to leased station staff.

Despite Covid-19 Italo carried out several first training or qualification programs as well, which fully involved operational staff.

In 2020, more than 97,000 hours of extraordinary training have been provided to employees (72 hours per person on average), while each employee attended on average 21 hours of recurrent training and 13 hours of non-mandatory training, besides the mandatory courses required by law.

In addition, during 2020 Italo provided training courses to Alstom employees, considered external workers for Italo, for more than 3,500 hours.

In particular, Italo has not focused only on training operational staff, but has included programs aiming at preserving people engagement during the pandemic period, organizing training courses dealing with emotional diseases related to Covid-19 experience, and delivering online training to reinforce technical and linguistic skills during lockdown.

Last but not least, during 2020, Italo was committed to increase the awareness of employee on IT security matter delivering different awareness training pills (almost 200 hours of training overall) to be attended online.

Alongside the attraction of new talents, a strong focus is placed on the development of employees through the provision of clear opportunities for career advancement. According to its Training and Development internal policy, Italo favors internal growth – especially in the operational sphere – which envisages external searches only when strictly necessary.

Human Resources function manages the succession planning, by collaborating with the relevant company departments.

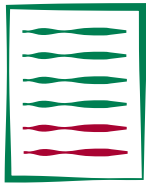
During 2020, 10 job postings were launched for internal staff only, applied for by more than 230 resources and 40 of them had access to new roles, either directly or through training and development programs.

Nonetheless, development is strictly dependent on evaluation, which is a priority of company's HR management approach.

In February 2021, Italo started the performance evaluation process related to 2020, covering all the eligible staff in the company. Italo's performance evaluation processes are based on a common soft-skill system framework and they are carefully reviewed and discussed in individual feedback sessions. Due to Covid-19 contingency, in 2020 the evaluation process was not integrated with performance management system, because of the difficulty to set corporate, functional and individual yearly targets for each resource.

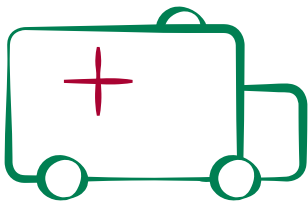


4. SAFETY



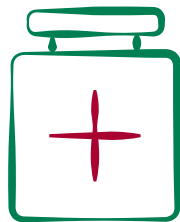
ISO 45001

occupational health and safety management system



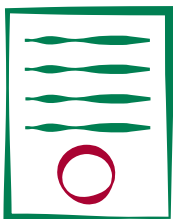
-49%

of work-related injury rate compared to 2019



9,000

safety kits for all workers



0

non-compliances with customers
health and safety law

Safety



Together with quality, safety is a fundamental element not only of Italo's commitment to employee but a value of its culture. Therefore, safety entails both guaranteeing a safe workplace for employees and collaborators, and a safe journey for passengers, contributing to minimize risks. This double nature of what safety means in Italo is confirmed by the two goals the company has decided to set in this area in its sustainability plan and that represent priorities of its sustainability strategy: guaranteeing safety for workers and guaranteeing safety for passengers.

Italo's Board of Directors has decided to grant the CEO the role of Representative of the High Directorate of Railway Safety. He has identified the Health & Safety Director as the **"Responsible for safety management system" (RSMS)**, after verifying the requirements of the ANSF Decree 4/2011, giving him the widest possible range of tasks and powers of representation, organization, management and control. The RSMS is in charge of a safety management system, that is one of the cornerstones of the safety regulatory framework that helps to ensure a high level of railway safety, whose compliance with European standards is assessed by the ANSF through the issue of the Single Safety Certificate That certificate gives evidence that the railway undertaking has established its safety management system and is able to comply with its legal obligations.

In terms of on-board direct responsibility for safety instructions and conditions to be delivered, Italo has identified the Driver and the Train Manager as the responsible figures.

In order to identify railway safety risks, assess their significance and prepare adequate mitigation measures, Italo has defined the methods and results of risk analysis related to all the direct or indirect activities exercised by the company.

In addition, the accident event **"Passenger injuries on board"** was introduced during 2019, including the related dangerous events in order to manage passenger injuries in a more structured way. For instance, in order to improve safety and reduce risks, Italo is promoting a passenger education project aiming to improve the passengers' awareness of safety regulations and consequently reduce the accident risk for people.

For correctly ensuring the safety and security procedures to be respected and constantly improved, Italo built a monitoring system in full compliance with the European regulation 1078/2012.



4.1 Health and safety

As stated in the Environment section of this document, Italo has voluntarily adopted a system for Occupational Health and Safety Management and Environmental Protection (hereinafter "SGLA"), in accordance with the UNI ISO 14001 and UNI ISO 45001 international voluntary standards for environmental and health and safety management.

According to the strong company's awareness that health and safety at work are an integral part of the overall management of the company, "Guaranteeing the company's employees or any cooperating third party increasing levels of protection of health and safety at work, by focusing on the prevention of accidents and occupational diseases" is one of the three main corporate goals. In order to achieve such a goal, Italo has developed a procedure regulating the risk management process in the field of workers' health and safety. The procedure aims to define responsibilities, criteria and modalities for the risk assessment's execution and the identification of the control measures to be adopted in case of hazards.

The presence of hazards and the related risks, as well as the possible impacts related, are in fact subject to periodical analysis by the company and are aimed at:

- Highlighting critical operations and components related to occupational health and safety aspects;
- Managing and minimizing the operational impact on health and safety at work, in order to reduce risks according to the acceptability threshold established by Italo as well;
- Indicating responsibilities and implementation modalities regarding risk mitigation measures;
- Supporting the strategy for achieving minimum values for accidents and work-related diseases;
- Providing indications on the objectives, frameworks and improvement actions together with the related implementation priorities.

In relation to the responsibilities of Italo as an Employer, the management system provides for the identification of hazards, risk assessment and identification of measures for the safety and health of the workplace. For such a purpose, Italo benefits from the technical support of the Head of the Prevention and Protection Service, the collaboration of the Competent Doctor and the Workers' Safety Representative⁶ who are consulted during the risk assessment process.

Operational activities, occasional, ancillary and service activities (e.g. maintenance, cleaning, etc.) are all included in the identification process.

Besides the Top Management team, the Health and Safety Director is in charge of the Health and Safety area and holds specific responsibilities in relation to the implementation and maintenance of the SGLA.

Therefore, among the responsibilities of the Health and Safety Director, he has to ensure the application of the SGLA, report to the Top Management in order to ensure a continuous improvement and track the goal achievements of the area. The task is carried out through periodical audits on the workplaces and a constant monitoring of the performance, which after the Covid-19 emergency aim to verify the correct implementation of related protocols as well.

⁶ The number of the Workers' Safety Representatives has been raised from 1 to 8 during the Covid-19 emergency, in order to allow a better monitoring and prevention of the related risks for the occupation health and safety.

The Director is also supported by an Occupational Health and Safety responsible (that is Head of the Prevention and Protection Service), who helps spread the SGLA in the company and ensures its application is known and respected by all the employees.

Finally, in 2020 Italo recorded 9 injuries (-61% vs 2019) with an injury rate of 6.7 (-49% vs 2019), which are signs of the great improvement in ITALO's health and safety performance.

Safety



4.2 Passenger health and safety

The health and safety of its customers and employees are a top priority for Italo. With the aim to reassure its customers as well as its employees and to meet the guidelines established by the Health Authority, Italo adopted specific measures to mitigate Covid-19 emergency's⁷ consequences on the quality and reliability of its services:

- Specific messages are announced on board of trains and in all Italo's workplaces, in order to provide a clear and exhaustive information about the necessary measures and best practices to adopt on board.
- The company has carefully applied governmental provisions about the new operational rules for railway sector through specific protocols.



RESPONSE TO COVID-19

Security protocols: specific safety and health protocols in all areas of work - offices, crew offices, stations, plants and on board trains - have been drafted, shared and periodically revised with trade unions in order to keep them effective. They provide workers with operational guidelines to combat the spread of Covid-19 virus in Italo's workplace. Covid-19 represents a generic biological risk, for which equal measures must be taken for the whole population. These protocols therefore contain measures that follow the logic of the precaution, observing the current legislative prescriptions and the recommendations of the Health Authority. In all the workplaces, daily sanitization, hand sanitizer and face masks have been made mandatory, while for the Ticket Offices and the Headquarters, temperature measurement at the entrance and plexiglass dividers have been integrated. Moreover, distancing among the employees has been guaranteed by encouraging smart-working and reducing the maximum number of workers allowed to be present together. Finally, tests have been carried out in the offices of the headquarters and in one staff corner which, through the use of swabs, has checked the absence of any traces of the virus.

7 For further details about mitigate Covid-19 emergency please see pages 67 and 71 of "2019 Italo's Sustainability Report".



5. SOCIETY



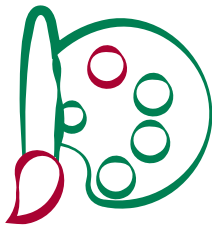
95%

of total purchase spending
on domestic suppliers



272

million € expenditure on domestic suppliers



18

social and cultural events in 2020



95

new business relations in 2020

Society



5.1 Sustainable supply chain

Ethical, social and environmental issues have been gaining increasing relevance for Italo in selecting its business partners.

In order to allow an adequate level of transparency of the procurement processes and to guarantee the maximum reliability of strategic supplies, Italo has defined an internal selection and qualification process of the suppliers. To this end, Italo has upgraded its e-procurement portal, that reports the financial and credit reliability of suppliers, which is an important element for preserving company's business continuity, and the relevant certifications held by the business partners. This information is obtained through an ad hoc survey submitted to suppliers during the selection phase, which requires disclosure about environmental performance, energy efficiency, quality, safety, and social accountability certifications, about health and safety management system, about waste management, and ethics and anti-corruption. In addition to the latter, during the selection phase each supplier is informed about Italo's Ethical Code through dedicated contractual clauses. The contracts envisage also the possibility for Italo to perform onsite inspections in order to check the information declared.

In addition to this standardized selection procedure, for the most significant and strategic suppliers Italo issues calls for tender in order to guarantee transparency and favor a more informed choice of the best candidate.

Italo holds business relations with 360 partners in total, of which 95% are based in Italy.

In particular, provision and maintenance of rolling stock and costs for acceding the network are by far

the most relevant categories of supplies, covering over 69% of Italo's procurement total spending and attributable to just two suppliers, which provide the most strategic assets for Italo's business continuity.

Among these numerous business relations, 95 were acquired in 2020 as new contracts. 24 (25%) of them were related to new suppliers completing the ad hoc survey submitted by the company which includes information about safety and environmental certifications held by the partner. In this regard, one of the company's objectives is to continue to strengthen relations with those partners who are most virtuous in all areas of sustainability, recognizing that collaborators play an important role in consolidating reputation and service levels.



5.2. Territory and community

In addition to reaching all major Italian cities of art, Italo actively supports initiatives aimed at preserving and enhancing Italy's artistic heritage. Italo's initiatives are based on the protection and enhancement of cultural heritage, and the creation of partnerships and synergies with museums, exhibitions and musical events.

Italo is also active in promoting initiatives that raise awareness about social sustainability by supporting, on its own or in partnership with other entities, initiatives that improve equity, accessibility, participation and cultural identity.

In fact, during the difficult time in which Italy and its citizens have faced the challenging Covid-19 emergency, Italo has always been and continues to be close to the country by supporting medical relief and the inestimable Italian artistic heritage through the promotion of national cultural and artistic sites.

On the cultural front, Italo's channels (social media, on-board magazine, website and newsletter) have taken its passengers and employees on virtual tours to visit the most beautiful places in the cities covered by the company's network, in the expectation that they will soon be able to visit them in person.

The main social and cultural initiatives launched or implemented in 2020 are reported in the following paragraphs.

Social Initiatives



Italo and Italia Sociale Foundation

Italo has been a member of Italia Sociale Foundation (Fondazione Italia Sociale) together with many enterprises and non-profit organizations – Italian and multinational companies, universities, banks, cultural and social foundations, publishers, professional studies, international consulting organizations – since 2019. All together, we have welcomed the Foundation's mission of renewal and development, as we know this can lead to something important for Italy.



Italo and Museo del Risparmio

Italo supported the project "PROMETTO DI PRENDERMI CURA DI ME" made by the Museum of Saving. For the first time ever, with a webinar, women of all ages have had the opportunity to test in an enjoyable manner their skills in planning and managing a family budget and learn to take care of their savings, including their wedding expenses. It is renowned that one of the most common forms of violence towards women is actually economic control. Italo has always been sensitive towards these issues, thus its contribution made by giving space to this moment of confrontation and edutainment in order to realize what is going on so that women do not fall into these traps they sometimes place themselves along their path.

▶ **Italo & tombola dell'ambiente**

During Covid emergency, Italo together with Velisti per Caso offered the opportunity to have fun at home with Bingo for the Environment (Tombola per l'Ambiente), an innovative idea that came from a show written and made in Rome last Christmas by Syusy Blady and Patrizio Roversi with the help of Antonio Cianciullo. A special kind of bingo to help the planet and explain how to improve our lifestyle: little and simple things to do for a greener and more sustainable future. Every number of this green bingo has a specific and eco-sustainable meaning. The board contains 60 numbers: this is where the Italo community came into play! with their tips helped the reporters make new videos and complete the board, thus reach number 90.

▶ **M'illumino di Meno 2020**

2020 saw Italo once again involved in the M'illumino di Meno campaign! This initiative dedicated to increasing the number of trees, plants and green areas is the brainchild of Radio2 and Caterpillar .Italo has always been very focused on the environment and wellbeing of communities. That is why all Italo passengers are invited to follow an environmentally sustainable lifestyle in order to protect our planet, even through little actions that can however make a difference.

▶ **European Week for Waste Reduction**

From 21 to 29 November, Italo participated to the 2020 European Week from Waste Reduction, the largest awareness campaign to prevent waste in Europe. In order to create awareness on sustainability and waste reduction, Italo has sent to all its employees a questionnaire to assess the level of sensitivity on each topic and analyze the most interesting or least known aspects in order to promote specific future communication campaigns and involve all staff through interactive actions. But there are also other commitments! Italo will participate to the FOCUS (Filter of cigarettes reuse safely) project, which will allow to use cigarette butts collected in Headquarters to produce biomass and inert substrate to cultivate ornamental plants, which can be placed also in public green areas. All this will allow Italo to give value to waste, which normally causes relevant ecological issues that now - through this virtuous project - will become a resource for the community.

Cultural Initiatives

▶ **Italo and the Civic Museums of Udine**

Thanks to a cultural partnership with the Council of Udine dedicated to the entire Italo community to discover the wonders of Friuli and all its towns thanks It was possible to immerse into the area and enjoy the many multimedia contents present on UDIMUS, the Web TV of the Civic Museums of Udine. The platform includes visual arts, architecture, traditional culture, archaeology and much more. A virtual trip live from home into the Civic Museums of Udine for all Italo passengers while waiting to see them again live.

Italo and villa Farnesina

Thanks to an interactive system, it was possible to watch closely both the story of Cupid and Psyche – by Raphael, Giulio Romano and Giovan Francesco Penni - and the special pergola and animal species - by Giovanni da Udine - based on a Raphael drawing present in Villa Farnesina, home of Agostino Chigi, famous rich banker and Raphael's generous contractor who died five days after him. Italo supported this initiative while awaiting to return and visit live the magnificent Villa Farnesina and the exhibition Raphael in Villa Farnesina: Galatea and Psyche, curated by the research group coordinated by the Lincei member Antonio Sgamellotti, foreseen from 6 October 2020 to 6 January 2021.

Italo and Centrale Fies

Thanks to Italo and its High Speed Trains, all art lovers reached Trento and visited XL at a reduced price. The former and future format of Centrale Fies art work space – independent centre for the production of contemporary performing art located inside a hydropower station of Trentino Alto Adige built in the early 1900's. Italo is proud to give its contribution to the knowledge and diffusion of all art and cultural events held in the cities part of its network by making its passengers approach art and cultural excellences, especially in a challenging period for tourism like 2020 has been.

Italo and Corti di Viaggio

On 14 September 2020, the 7th edition of IMA - Italian Mission Awards – were assigned in Milan's Superstudio Più. Awards were given to operators of the tourism sector and travel managers as well as for the first edition of I Corti di Viaggio, the "literary award" designed by the editorial office of our magazine MISSION. This initiative – made by Marcopolo TV and Italo - is dedicated to all those passengers who wish to share their experience and emotions linked to a business or leisure trip by writing a short story or taking a photo. Italo is proud to have supported this wonderful initiative in which travelling is at the centre.

Italo and MUSE – Trento's Science Museum

Thanks to a collaboration with The MUSE, an eco-friendly jewel, a bright six-storey building designed by Renzo Piano, Italo passengers could watch the videos made available by MUSE for a full immersion in scientific discovery and knowledge. One of the initiatives activated by the museum through the multimedia platform #iorestoacasa over 100 videos and many opportunities of remote exploring and participation Italo channels have made available to all its community.

Italo and the great music of the Padua and Veneto Orchestra

Thanks to the collaboration with the Padua and Veneto Orchestra, all the Italo community could live again some musical experiences directly from the Orchestra's YouTube channel. A way to share great concerts and bring into the passengers' homes music classics.

Italo and Ferrara's Jazz Club

Italo once again together with Ferrara's Jazz Club Great music never stops thanks to Ferrara's Jazz Club with The Tower Tapes initiative. A great range of choice, a saucerful of music with many contents and famous international artists such as Enrico Rava and Yamandu Costa to satisfy all tastes for Italo passengers.

- ▶ **Italo and Explora, Rome's children museum**
Italo supported Explora sharing his interactive contents for adventures and discoveries dedicated to children, to entertain them with science and culture. A way to access the museum even in emergency period, providing playful tools to improve the children's ability directly from home.
- ▶ **Italo and Palazzo Pallavicini for the ROBERT DOISNEAU exhibition**
Palazzo Pallavicini hosted an important exhibition dedicated to the great Parisian photographer Robert Doisneau, curated by the Robert Doisneau Atelier. Thanks to its collaboration with Palazzo Pallavicini Italo gave the opportunity to its community to visit in virtual format and after travellers could enjoy live Doisneau's amazing works and admire directly the wonderful Bolognese Palace.
- ▶ **Italo and Palazzo dei Diamanti - Virtual tour**
Italo – always close in supporting Italy and its inestimable artistic heritage - has decided to support art and culture by taking its passengers on virtual tours from the comfort of their homes! Thus, Italo supported once more the city of Ferrara and Palazzo dei Diamanti. In particular all those who could not see the exhibition "De Nittis e la rivoluzione dello sguardo" (De Nittis and the revolution of seeing) in Palazzo dei Diamanti could go on a virtual tour with Italo's channels.
- ▶ **Ferrara Film Festival**
One of the most important changes in the 5th edition of Ferrara Film Festival was the collaboration with Italo. This partnership is linked by a common mission, i.e. environmental sustainability and commitment to protect the planet. During 2020 all ITALO passengers have had a 20% discount on Ferrara Film Festival tickets.



RESPONSE TO COVID-19

Support to the Red Cross and Protezione Civile: during the Covid-19 emergency, the volunteers of the Italian Red Cross and Protezione Civile were able to use Italo trains free of charge to travel to and from hospitals throughout Italy and to transport essential medical equipment such as surgical masks, disinfectants, etc.

Italo is next to the Bergamo Fair: during the pandemic, Italo has decided to be close to one of the area's most hit by the coronavirus: Bergamo. Every year, the Lombard town hosts international events in its city exposition pole. Fiera di Bergamo hosts an average 16 exhibitions a year as well as events such as conventions or major concerts. Thus, Italo has decided to show its solidarity to the Fair by giving its passengers the possibility to immerse virtually into the many previously held exhibitions.



6. ENGAGEMENT



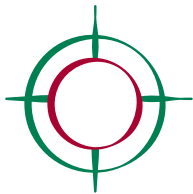
1.1

billion € Green Loan also qualifying as sustainable



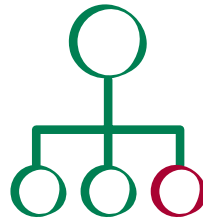
12

material topics



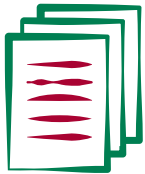
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sustainability plan



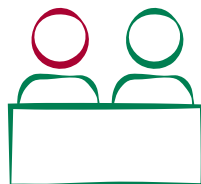
10

stakeholder categories identified



2nd

sustainability report in accordance with GRI Standard



3

stakeholder categories engaged in Materiality Analysis

Engagement



6.1. Road to sustainable business

Sustainability has accompanied Italo's growth since its foundation and has been one of the company's hallmarks.

Over the years, Italo has progressively expanded its commitment to build a fully sustainable business and has embarked on a path that will lead the company to further integrate sustainability into its business strategy and make progress in developing its Corporate Social Responsibility ("CSR").

With these goals in mind, the company achieved several milestones in 2020:

- Expanded its corporate governance by appointing new bodies responsible for managing ESG issues (the ESG Steering Committee and ESG Teams).
- It transformed the EUR 1.1 billion Green Loan, making it sustainable.
- It has defined its three-year Sustainability Plan, based on six pillars: Environment, Customers, People, Safety, Society, Engagement.

Moreover, in confirming its corporate character strongly connected to the expectations of the various stakeholders, and its commitment to maintaining a leadership not only in the sector but more generally in the national context within which it operates, during the first months of 2021 two activities of strong impact and relevance were completed regarding 2020, such as:

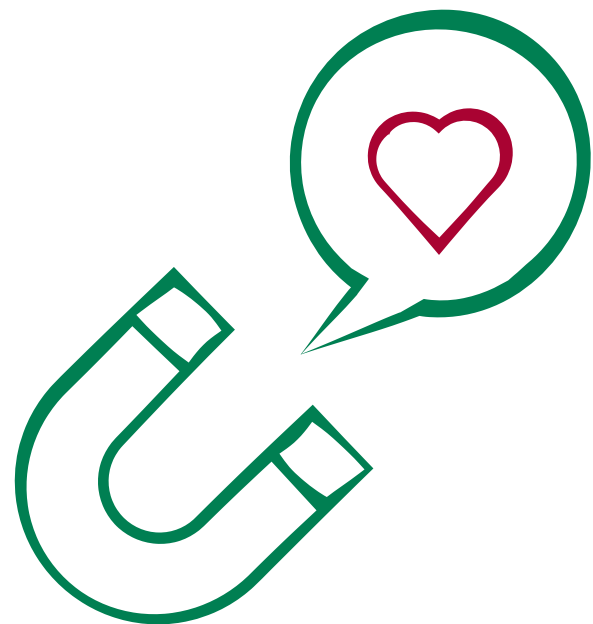
- The performance of a Materiality Analysis to identify issues that reflect ESG impacts that are significant for the company or that may influence stakeholder assessments and decisions.
- The preparation of 2020 Sustainability Report, which represents a further evolution in transparency and dissemination, adopting the GRI Sustainability Standards.

6.2. Sustainability governance

The growing importance and integration of sustainability into Italo's business strategy has led to the expansion of the company's governance. In January 2020, two new bodies were established to oversee and manage decision-making on environmental, social and governance (ESG) aspects, facilitating the development and implementation of new initiatives⁸.

The bodies are:

- ESG Steering Committee: chaired by the CEO, it defines and promotes Italo's ESG policy and decision-making mechanisms, harmonizing them with corporate strategy. It oversees the approval processes of ESG programs and initiatives and ensures coordination with the departments responsible for assessing technical and economic feasibility. In particular, the ESG Steering Committee is in charge of issuing the Sustainability Report, the Sustainability Plan and the related KPIs.



⁸ For further details, we invite all interested readers to compare Italo's 2019 Sustainability Report.

- **ESG Teams:** meet at least once a month and work in various areas of sustainability. Specifically:
 - **Environmental Team:** coordinated by the Health & Safety Director, proposes programs related to environmental protection, emissions and energy reduction, and health and safety. It supervises the implementation of these programs and monitors environmental KPIs, ensuring their alignment with corporate objectives.
 - **Social & Governance Team:** coordinated by the Director of Human Resources and Organization Director, proposes and oversees social programs for employees, their families and the community, and monitors social KPIs, ensuring their alignment with corporate objectives. It also promotes internal awareness of ESG issues through internal communication initiatives.
- **ESG Initiatives Team:** established in November 2020 by the CEO and held by the CFO, has the aim to strengthen the culture of sustainability in the company and to disseminate it to stakeholders, in coordination with the ESG Committee and in line with the Italo's ESG principles.

6.3. Sustainable financing: Green Loan and Sustainability linked loan

In 2019, the Company received a €1.1 billion Green Loan, the largest ever in the transport sector worldwide, with the chance to change it to a Sustainability-Linked Loan, marking an unprecedented turning point in green financing for the transport sector.

The loan, which was provided by a syndicate of Italian and international banks, was used to re-finance Italo's €900 million green investments and to further expand its modern and efficient fleet.

Italo has proven to be a mass transport operator that uses a fleet of best-in-class eco-friendly trains and a leader in environmental sustainability in the high-speed rail market. This qualifies it as a "pure player", that is a company whose revenues are generated entirely by activities that involve a low level of CO₂ emissions and that is therefore able to combat climate change.

In 2020, the Company converted the Green Loan in a Sustainability Linked Option receiving approval from the lenders required for the sustainability KPIs identified. Accordingly, the loan agreement can be classified as "green" and "sustainable".

For the Sustainability Linked Loan, the achievement of the targets defined during the preliminary phase is reported yearly to the lenders. Furthermore, in 2020 Italo presented an allocation report, related to the green loan, certified by an independent third party.

6.4. Sustainability Report: materiality and stakeholder engagement



As defined by the GRI Standards, Italo considers the Materiality Matrix as a fundamental process for identifying topics that reflect the significant economic, environmental and social impact of the organization or that influence the assessments and decisions of its main stakeholders. In a historical period characterized by the Covid-19 pandemic, Italo considered the update of its Materiality Matrix a fundamental tool to set the priorities of its sustainability action.

A list of relevant topics for ITALO and the whole transportation sector was identified through a industry's benchmarking analysis of the main trends, also using data intelligence management tools, specific literature and the ESG topics already reported in previous Sustainability Reports.

The process structured during this last period presents significant refinements compared to the previous Report. These improvements are attributable primarily to the consolidation of some topics that led the Company to reconcile the material topics from 19 presented in 2019 Sustainability Report to 12 in 2020, as listed in the next table.



List of Italo's relevant Topics

- ▶ Passenger safety and security
- ▶ Workplace health and safety
- ▶ Quality of service
- ▶ Energy use, emissions and climate change
- ▶ Business ethics, anti-corruption and human rights
- ▶ Customer privacy and information security
- ▶ Intermodality and Innovative services
- ▶ Employee development and training
- ▶ Diversity and well-being in the workplace
- ▶ Waste management
- ▶ Sustainable supply chain
- ▶ Territory and communities

The relevance for the Group was defined through a dedicated workshop during which the cross-functional working groups of the ESG Committee and Italo's ESG Initiative interacted and collaborated to define, through voting, the level of relevance of the various proposed topics.

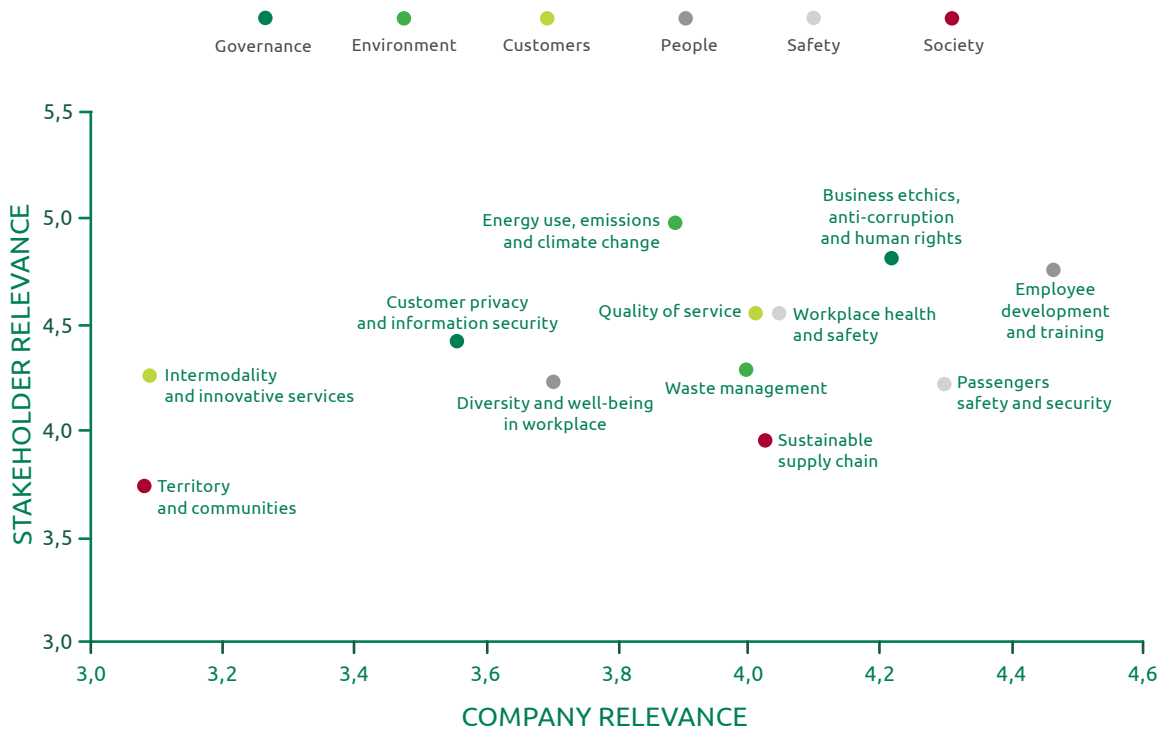
In line with the most developed international best practices in the field of sustainable business, Italo has defined a process of stakeholder engagement which has contributed to the identification of 2020 material topics.

Based on the prioritization of the ten stakeholder categories defined and shown above, the Company has chosen to directly involve three of them in order to gather their perspective on relevant topics to be included into this Report.

Through online survey the Company engaged three stakeholder categories: Customers, Employees, Suppliers. In addition, by comparing the positioning of the topics with the 2019 materiality matrix, it is possible to confirm that the perspective of the stakeholders (y-axis) has undergone an average increase in relevance of around 28% and the topics that have had the greatest increase concern: Energy use, Emissions and climate change; Sustainable supply chain; Territory and communities.

As for the relevance for the Group, there was an average increase in the relevance (abscissa axis) of the topics, concerning the "Society" area, whose "Sustainable supply chain" and "Territory and community" themes are those that express the greatest level of growth.

Finally, based on what has been set out in this paragraph, the following figure shows Italo's 2020 Materiality Matrix at the basis of this Report.



6.5. Sustainability Plan

In 2020 Italo’s Sustainability Plan for 2021-2023 was defined, representing an important step towards a more strategic and mature commitment to sustainability. The Sustainability Plan defined by the Company is focused on the key pillars of the business and aims to consolidate its long-term direction on a sustainable track. It presents ambitious goals that the company is committed to achieving by 2023 and that pursues with clear actions and quantitative and qualitative targets.

Italo’s Sustainability Plan rest on 6 pillars and consists of 12 objectives and 22 actions, including the relative metrics and targets to be achieved:

1. **Environment**
2. **Customers**
3. **People**
4. **Safety**
5. **Society**
6. **Engagement**

By reinforcing its commitment in the areas covered by the plan, the company will be able to bring its attitude to innovation in the field of corporate sustainability and thus confirm the long tradition that has made it an international best practice in the field of green mobility.

The Plan aims to link Italo’s targets to the 17 goals and 169 targets (above all SDGs 11.2⁹ on safe and sustainable transport) defined by the United Nations 2030 Agenda, through concrete strategies and actions.

The integration of the SDGs into Italo’s sustainability plan is a direct consequence of the company’s belief that its commitment to sustainability should actively contribute to a new and more sustainable world. That is why each macro area of the plan, as well as each chapter of this Report, is linked to specific SDGs on which the company aims to directly impact, as reported in detail in the following sections.

The present Report is structured upon the same six pillars of the Sustainability Plan 2021-2023 for which specific chapters will be subsequently displayed in order to provide a complete reporting of Italo’s commitment and progress for the main long-term goals.

Italo Sustainability Plan



1. ENVIRONMENT

- Reducing GHG emissions
- Analysing climate change risks and impacts
- Encouraging recycling



4. SAFETY

- Safety for workers
- Safety for passengers



2. CUSTOMERS

- Quality of service
- Cybersecurity



5. SOCIETY

- Territory and communities
- Sustainable supply chain



3. PEOPLE

- Training
- Diversity



6. ENGAGEMENT

- Stakeholder engagement



9 UN SDGs 11 – Target 11.2: By 2030, provide access to safe, sustainable, and affordable transportation systems for all, improve road safety, particularly by expanding public transportation, with particular attention to the needs of those in vulnerable situations, women, children, people with disabilities, and the elderly.

METHODOLOGICAL NOTE

Pursuing a path of continuous improvement in the field of sustainability, Italo publishes second Sustainable Report which reports the most significant activities carried out with particular reference to the community, the environment and the territory in which it operates.

The projects in progress and planned during the year are highlighted in the document, in order to promote an open and transparent dialogue with company Stakeholders.

This report has been prepared in accordance with the GRI Standards: Core Option that were defined by the Global Reporting Initiative. The choice of the GRI Sustainability Reporting Standards for the preparation of this Sustainability Report is due to the fact that they represent an internationally recognized framework and allow to provide a report that is complete, clear and comparable within the sector and over the years.

The information included in the Sustainability Report reflects the principle of materiality or relevance, an element provided for by the relevant legislation and that characterizes the GRI Standards: the topics dealt with in the Sustainability Report are those that, following the materiality analysis and assessment described in the section "GRI Content Index" of this document, have been considered relevant for their ability to reflect the social and environment impacts of the company's activities or to influence the decisions of its Stakeholder.

Although 2020, the period to which the information contained in this report refers, has been a difficult year for the rail transport sector, Italo has not abandoned its culture of development and improvement. The main methodological upgrade, which concern this Report, refer to the structured process for updating the 2020 materiality analysis, reported in detail in the dedicated paragraph "Sustainability Report: materiality and stakeholder engagement".

In additional, detailed information for the indicators reported is provided in the "GRI Content Index" table. In order to provide a fair representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible and, where present, they are reported appropriately, as well as any restatement of the data published in 2019 Sustainability Report is.

The information contained in this Sustainability Report relates to the reporting period January 1, 2020 - December 31, 2020. The frequency of non-financial reporting and the publication of Sustainability Reports are established on an annual basis.

The 2020 Sustainability Report reflects activities in calendar year 2020, prior to the spread of the COVID-19 outbreak, and therefore any forward-looking statements in this report are subject to the uncertainty caused by the outbreak.

During the challenges of the COVID-19 pandemic, the priority is the health, safety, and welfare of employees, customers, and the communities in which ITALO operates.

This document is available to the public at: <https://italospa.italotreno.it/>.

The Sustainability Report was also subject to a limited examination ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche S.p.A. which, at the end of the work carried out, issued a specific report.

If you have any questions regarding the 2020 Sustainability Report, you may contact the ESG Committee, at esg@ntvspa.it.



ANNEX

Company Profile

2020 MEMBERS OF THE BOARD OF DIRECTORS

Gender	2020							
	<30		30-50		>50		Total	
	Number	%	Number	%	Number	%	Number	%
Men	-	-	3	33%	4	45%	7	78%
Women	-	-	-	-	2	22%	2	22%
Total	-	-	3	33%	6	67%	9	100%

Gender	2019							
	<30		30-50		>50		Total	
	Number	%	Number	%	Number	%	Number	%
Men	-	-	3	33%	4	45%	7	78%
Women	-	-	-	-	2	22%	2	22%
Total	-	-	3	33%	6	67%	9	100%

Table 1 Paragraph 5.4. "Organizational structure" – GRI 405-1.a Number and percentage of individuals within the organization's governance bodies, by gender and age group. The table has not changed compared to 2019.

Environment

ENERGY CONSUMPTION BY TYPE¹⁰ (GIGAJOULE)

Energy Consumption	2019	2020
	Total GJ	Total GJ
Natural gas	1,796	2,235
Electricity	1,244,447	721,813
Diesel	248	263
Total	1,246,491	724,311

Table 2 Paragraph 6.2. "Energy and emissions" – GRI 302-1. Total energy consumption within the organization in GJ from 1 January to 31 December, by consumption type.

CO₂ EMISSIONS¹¹ (KG)

CO ₂ Footprint	2019	2020	Variation
Scope 1	118,687	144,404	25,717
Scope 2	124,099,023	67,369,238	-56,729,785
Total	124,217,711	67,513,642	-56,704,068

Table 3 Paragraph 6.2. "Energy and emissions" – GRI 305-1 Total direct and indirect GHG emissions in kg from 1 January to 31 December.

WASTE - TRAINS

Disposal methods	Unit of measurement	2019				2020			
		Dangerous	Non-dangerous	Total	%Total	Dangerous	Non-dangerous	Total	%Total
Recycle	t	0	13	-	2%	-	11	11	4%
Landfill	t	0	696,34	696	98%	-	236	236	96%
Total	t	-	709	709	100%	-	247	247	100%

Table 4 Paragraph 6.3 "Waste management" - GRI 306-2 Tons of waste produced and disposed from 1 January to 31 December, by type and disposal method.

10 The source of conversion factors into GJ is "Tabella parametri standard nazionali 2019 - Ministero dell'Ambiente". In particular: natural gas = 0,03429 GJ/smc; electricity = 0,0036; diesel = 0,042780 GJ/kg.

11 CO₂ emissions are based on the "Location-based method". However, Scope 2 CO₂ emissions have been determined using both the methodologies envisaged in GRI Sustainability Reporting Standards. As for the "Market-based method", Total Scope 2 emissions amount to 93,434,717 kg for 2020, and to 168,346,029 kg for 2019. The source of emission factors for the calculation of Scope 2 is "Terna (2019) - Tabella dei confronti internazionali", while for the Market-based is "AIB_Residual Mix 2020 v.1.0".

People

TOTAL NUMBER OF WORKERS BY EMPLOYMENT CONTRACT (PERMANENT, TEMPORARY, APPRENTICESHIP), BY GENDER AND REGION

Employment contract	2019			2020			Variation		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Northern Italy	295	247	542	286	199	485	-3%	-19%	-11%
Permanent	244	155	399	263	164	427	8%	6%	7%
Temporary	0	0	0	1	0	1	100%	0%	100%
Apprenticeship	31	42	73	21	33	54	-32%	-21%	-26%
Total employees	275	197	472	285	197	482	4%	0%	2%
Staff leasing	20	50	70	0	2	2	-100%	-96%	-97%
Internship	0	0	0	0	0	0	0%	0%	0%
Other collaborators	0	0	0	1	0	1	100%	0%	100%
Total external workers	20	50	70	1	2	3	-95%	-96%	-96%
Central, Southern Italy and Island	441	437	878	461	423	884	5%	-3%	1%
Permanent	403	333	736	437	368	805	8%	11%	9%
Temporary	3	5	8	2	2	4	-33%	-60%	-50%
Apprenticeship	15	62	77	18	51	69	20%	-18%	-10%
Total employees	421	400	821	457	421	878	9%	5%	7%
Staff leasing	16	37	53	0	2	2	-100%	-95%	-96%
Internship	2	0	2	2	0	2	0%	0%	0%
Other collaborators	2	0	2	2	0	2	0%	0%	0%
Total external workers	20	37	57	4	2	6	-80%	-95%	-89%
Total employees	696	597	1,293	742	618	1,360	7%	4%	5%
Total external workers	40	87	127	5	4	9	-88%	-95%	-93%
Total workforce	736	684	1,420	747	622	1,369	1%	-9%	-4%

Table 5 Paragraph 8.1 "Human resource management" – GRI 102-8.a – b. Total number of employees by employment contract (permanent and temporary) on 31 December, by gender and geographic area.

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME), BY GENDER

Employment type	2019			2020			Variation		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	691	545	1,236	740	588	1,328	7%	8%	7%
Part-time	5	52	57	2	30	32	-60%	-42%	-44%
Total	696	597	1,293	742	618	1,360	7%	4%	5%

Table 6 Paragraph 8.1 "Human resource management" – GRI 102-8.c. Total number of employees by employment type (full-time and part-time) on 31 December, by gender.

Number of people	2019 New Employee hires ¹²				2020 New Employee hires				Variation			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Northern Italy	95	10	-	106	32	9	-	41	-67%	-10%	0%	-61%
Men	51	8	-	59	24	8	-	32	-53%	0%	0%	-46%
Women	45	2	-	47	8	1	-	9	-82%	-50%	0%	-81%
Central, Southern Italy and Island	83	37	-	120	65	20	1	86	-22%	-46%	100%	-29%
Men	26	16	-	42	41	15	1	57	58%	-6%	100%	36%
Women	57	21	-	78	24	5	-	29	-58%	-76%	0%	-63%
Total	179	47	-	226	97	29	1	127	-46%	-38%	100%	-44%
Men	77	24	-	101	65	23	1	89	-16%	-4%	100%	-12%
Women	102	23	-	125	32	6	-	38	-69%	-74%	0%	-70%

New Employee hires

Number of people	2019				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Northern Italy	46%	4%	0%	22%	17%	3%	0%	9%
Men	44%	5%	0%	21%	22%	5%	0%	11%
Women	49%	2%	0%	24%	10%	1%	0%	5%
Central, Southern Italy and Island	37%	6%	0%	15%	27%	3%	4%	10%
Men	26%	5%	0%	10%	33%	5%	4%	12%
Women	46%	8%	0%	20%	21%	2%	0%	7%
Total	42%	6%	0%	17%	23%	3%	3%	9%
Men	36%	5%	0%	15%	28%	5%	4%	12%
Women	47%	6%	0%	21%	16%	1%	0%	6%

Table 7 Paragraph 8.2 "Talent attraction" – 401-1.a Total Number and rate of new employee hires from 1 January to 31 December 2020, by geographic area, gender and age group. The rate of new employee hires in the ratio between the number of new hires and the number of employees.

12 Following an improvement in the reporting process, aimed at taking greater account of the information on the reported indicators, a restatement was made of the data about return to work rate and retention rate. In this regard, compared to the 2019 Sustainability Report, external workers were excluded from the count of new hires and terminations.

Number of people	2019 Employee Turnover				2020 Employee Turnover				Variation			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Northern Italy	8	7	1	16	13	5	1	19	63%	-29%	0%	19%
Men	8	2	1	11	7	5	1	13	-13%	150%	0%	18%
Women	-	5	-	5	6	-	-	6	600%	-100%	0%	20%
Central, Southern Italy and Island	5	27	1	33	12	24	5	41	140%	-11%	400%	24%
Men	3	20	1	24	9	16	5	30	200%	-20%	400%	25%
Women	2	7	-	9	3	8	-	11	50%	14%	0%	22%
Total	13	34	2	49	25	29	6	60	92%	-15%	200%	22%
Men	11	22	2	35	16	21	6	43	45%	-5%	200%	23%
Women	2	12	-	14	9	8	-	17	350%	-33%	0%	21%

Number of people	Employee Turnover							
	2019				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Northern Italy	4%	3%	14%	3%	7%	2%	17%	4%
Men	7%	1%	20%	4%	6%	3%	25%	5%
Women	0%	5%	0%	3%	8%	0%	0%	3%
Central, Southern Italy and Island	2%	5%	4%	4%	5%	4%	19%	5%
Men	3%	7%	4%	6%	7%	5%	21%	7%
Women	2%	3%	0%	2%	3%	3%	0%	3%
Total	3%	4%	6%	4%	6%	3%	19%	4%
Men	5%	5%	7%	5%	7%	4%	21%	6%
Women	1%	3%	0%	2%	5%	2%	0%	3%

Table 8 Paragraph 8.2 "Talent attraction" - GRI 401-1.b. Total Number and rate of employee turnover from 1 January to 31 December 2020, by age group, gender and region. The rate of employee turnover is the ratio between the number of terminations and the number of employee.

PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW DURING THE REPORTING PERIOD

Number of employees	2020		
	Men	Women	Total
Staff	98%	95%	96%
Operational staff	93%	92%	92%
Total	94%	92%	93%

Number of employees	2019		
	Men	Women	Total
Staff	92%	85%	89%
Operational staff	90%	88%	89%
Total	91%	87%	89%

Table 9 Paragraph 8.5 "Training and Employee development" – GRI 404-3.a. Percentage of employees receiving regular performance and career development reviews, from 1 January to 31 December.



PARENTAL LEAVE¹³

Number of employees	2020		
	Men	Women	Total
Total number of employees that were entitled to parental leave	241	206	447
Total number of employees that took parental leave	78	83	161
Total number of employees that returned to work in the reporting period after parental leave ended	76	79	155
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	74	118	192
Return to work rate	97%	95%	96%
Retention rate	96%	97%	96%

Number of employees	2019		
	Men	Women	Total
Total number of employees that were entitled to parental leave	227	184	411
Total number of employees that took parental leave	86	127	213
Total number of employees that returned to work in the reporting period after parental leave ended	77	122	199
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	64	105	169
Return to work rate	90%	96%	93%
Retention rate	88%	96%	93%

Table 10 Paragraph 8.4. "Diversity" – GRI 401-3 Parental leave from 1 January to 31 December 2020, by gender.

13 Following an improvement in the reporting process, aimed at taking greater account of the information on the reported indicators, a restatement was made of the data about return to work rate and retention rate. In this regard, compared to the 2019 Sustainability Report, external workers were excluded from the count of new hires and terminations.

Number of Employees	2019 Number of employees per employee category, gender and age group				2020 Number of employees per employee category by gender and age group				Variation			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Staff	32	223	19	274	25	226	24	275	-22%	1%	26%	0%
Men	14	118	17	149	12	112	22	146	-14%	-5%	29%	-2%
Women	18	105	2	125	13	114	2	129	-28%	9%	0%	3%
Operational staff	398	608	13	1,019	401	676	8	1,085	1%	11%	-38%	6%
Men	201	335	11	547	220	370	6	596	9%	10%	-45%	9%
Women	197	273	2	472	181	306	2	489	-8%	12%	0%	4%
Total	430	831	32	1293	426	902	32	1,360	-1%	9%	0%	5%
Total Men	215	453	28	696	232	482	28	742	8%	6%	0%	7%
Total Women	215	378	4	597	194	420	4	618	-10%	11%	0%	4%

Table 11 Paragraph 8.4 "Diversity" – GRI 405-1.b Number and percentage of employees on 31 December 2020, for employee category, gender and age group.



PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY GENDER AND AGE GROUP

Percentage of employees	2020			
	<30	30-50	>50	Total
Staff	2%	16%	2%	20%
Men	1%	8%	2%	11%
Women	1%	8%	0%	9%
Operational staff	30%	50%	0%	80%
Men	17%	27%	0%	44%
Women	13%	23%	0%	36%
Total	31%	66%	2%	100%
Total Men	17%	35%	2%	55%
Total Women	14%	31%	0%	45%

Percentage of employees	2019			
	<30	30-50	>50	Total
Staff	2%	17%	1%	20%
Men	1%	9%	1%	11%
Women	1%	8%	-	9%
Operational staff	31%	47%	1%	79%
Men	15%	26%	1%	42%
Women	16%	21%	-	37%
Total	34%	64%	2%	100%
Total Men	17%	35%	2%	54%
Total Women	17%	29%	-	46%

Table 12 Paragraph 8.4 “Diversity” – GRI 405-1.b Number and percentage of employees on 31 December 2019, for employee category, gender and age group.

Number of Employees	2019 Number of employees belonging to vulnerable categories			2020 Number of employees belonging to vulnerable categories			Variation		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Staff	8	7	15	8	8	16	0%	14%	7%
Operational staff	6	4	10	7	2	9	17%	-50%	-10%
Total	14	11	25	15	10	25	7%	-9%	0%

Table 13 Paragraph 8.4 “Diversity” – GRI 405—1.b. Number and percentage of employees belonging to vulnerable groups, by employee category and gender.

PERCENTAGE OF EMPLOYEES BELONGING TO VULNERABLE CATEGORIES, BY EMPLOYEE CATEGORY AND GENDER BY EMPLOYEE CATEGORY AND GENDER AND AGE GROUP

Number of employees	2020		
	Men	Women	Total
Staff	4%	6%	5%
Operational staff	1%	0%	1%
Total	2%	2%	2%

Number of employees	2019		
	Men	Women	Total
Staff	5%	6%	5%
Operational staff	1%	1%	1%
Total	2%	2%	2%

Table 14 Paragraph 8.4 "Diversity" – GRI 405—1.b. Number and percentage of employees belonging to vulnerable groups, by employee category and gender.

RATIO OF THE REMUNERATION OF WOMEN TO MEN FOR EACH EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION

Per capita average basic salary	2019 Ratio women/men (%)	2020 Ratio women/men (%)
Northern Italy	77,1%	80,3%
Staff	56,4%	63,7%
of which Top Management	0,0%	0,0%
of which Middle Management	0,0%	0,0%
of which Employees	99,7%	94,4%
Operational staff	79,4%	81,9%
Central, Southern Italy and Island	72,3%	74,5%
Staff	66,2%	68,9%
of which Top Management	79,8%	87,3%
of which Middle Management	99,8%	97,3%
of which Employees	80,6%	88,3%
Operational staff	76,8%	78,9%
Total	74,4%	77,1%

Table 15 Paragraph 8.4 "Diversity" – GRI 405-2 Ratio of the remuneration of women to men for each employee category, by significant locations of operation.

AVERAGE HOURS OF TRAINING THAT THE ORGANIZATION'S EMPLOYEES HAVE UNDERTAKEN DURING THE REPORTING PERIOD, BY GENDER AND EMPLOYEE CATEGORY

Hours of training	2019			2020			Variation		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Staff	8,30	3,40	6,10	8,70	6,60	7,74	5%	94%	27%
Operational staff	255,80	88,60	178,40	166,60	53,00	115,40	-35%	-40%	-35%
Total	203,00	71,00	142,00	135,60	43,30	93,60	-33%	-39%	-34%

Table 16 Paragraph 8.5 "Training and Employee Development" – GRI 404-1 Average hours of training that the organization's employees have undertaken from 1 January to 31 December, by gender and employee category.

WORK-RELATED INJURIES

Number of injuries	2019	2020
Fatalities as a result of work-related injury	-	-
High-consequence work-related injuries (excluding fatalities)	1	-
The number recordable work-related injuries	23	9

Table 17 Paragraph 9.1 "Health and safety" – GRI 403-9 Number and rate of work-related injuries of the workforce recorded from 1 January to 31 December.

RATE OF WORK-RELATED INJURIES¹⁴

Number of injuries	2019	2020
Fatalities as a result of work-related injury	-	-
High-consequence work-related injuries (excluding fatalities)	0,57	-
The rate of recordable work-related injuries	13,1	6,68

Table 18 Paragraph 9.1 "Health and safety" – GRI 403-9 Number and rate of work-related injuries of the workforce recorded from 1 January to 31 December.

¹⁴ The number of worked hours was 1,346,699 in 2020 and 1,753,283 in 2019

Society

BUDGET EXPENDITURE

Product / Service category	2020							
	Italy		EU		Extra-EU		Total	
	Spending (Mio. €)	%	Spending (Mio. €)	%	Spending (Mio. €)	%	Spending (Mio. €)	%
Provision and maintenance of rolling stock	121,1	42,4%	-	-	-	-	121,1	42,4%
Network access costs	75,6	26,5%	-	-	-	-	75,6	26,5%
Facility Management	8,6	3,0%	-	-	-	-	8,6	3,0%
Information Technology	20,3	7,1%	3,2	1,1%	1,9	0,7%	25,4	8,9%
Miscellaneous	46,0	16,1%	0,4	0,2%	8,3	2,9%	54,7	19,2%
Total	271,6	95,2%	3,6	1,3%	10,2	3,6%	285,4	100%

Product / Service category	2019							
	Italy		EU		Extra-EU		Total	
	Spending (Mio. €)	%	Spending (Mio. €)	%	Spending (Mio. €)	%	Spending (Mio. €)	%
Provision and maintenance of rolling stock	215,5	42,5%	-	-	-	-	215,5	42,5%
Network access costs	161,6	31,8%	-	-	-	-	161,6	31,8%
Facility Management	12,8	2,5%	-	-	-	-	12,8	2,5%
Information Technology	17,7	3,5%	2,8	0,6%	0,9	0,2%	21,4	4,3%
Miscellaneous	83,8	16,5%	1,0	0,2%	11,4	2,2%	96,1	18,9%
Total	491,4	96,8%	3,8	0,8%	12,3	2,4%	507,4	100%

Table 19 Paragraph 10.1 "Sustainable supply chain" – GRI 204-1 Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).



COMPARATIVE TABLE

Topic	Topic specific disclosures	Impact boundary	Type of impact
Business ethics, anti-corruption and human rights	Anti-corruption Environmental compliance	ITALO; Supplier; Other stakeholder	Caused by ITALO S.p.A.
Customer privacy and information security	Customer privacy	ITALO; Customers	Caused by ITALO S.p.A. and directly connected to its operations
Energy use, emissions and climate change	Energy; Emissions	ITALO; Supplier	Caused by ITALO S.p.A. and directly connected to its operations
Waste management	Effluents and waste	ITALO	Caused by ITALO S.p.A.
Quality of service	N/a	ITALO; Supplier; Customers	Caused by ITALO S.p.A. and directly connected to its operations
Intermodality and innovative services	N/a	ITALO; Customers	Caused by ITALO S.p.A. and directly connected to its operations
Employee development and training	Training and education; Labour / Management relations	ITALO; Employees; Trade unions	Caused by ITALO S.p.A.
Diversity and well-being in the workplace	Employment; Diversity and equal opportunities	ITALO; Employees	Caused by ITALO S.p.A.
Passenger safety and security	Customer Health and safety	ITALO; Supplier; Customers	Caused by ITALO S.p.A. and directly connected to its operations
Workplace health and safety	Occupational Health and safety	ITALO; Employees	Caused by ITALO S.p.A. and directly connected to its operations
Sustainable supply chain	Procurement Practices	ITALO; Suppliers	Caused by ITALO S.p.A. and directly connected to its operations
Territory and communities	N/a	ITALO; Communities	Caused by ITALO S.p.A.



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102-7	Scale of the organization	pag. 6-7	
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102-9	Supply chain	pag. 47, 71	
102-10	Significant changes to the organization and its supply chain	No significant changes occurred during the reporting year	
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GRI Standard	Disclosure	Page/footnote number	Omission
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103-3	Evaluation of the management approach	pag. 20	
GRI 205: Anti-corruption (2016)			
205-2	Communication and training about anti-corruption policies and procedures	pag. 20	
205-3	Substantiated incidents of corruption	No incidents of corruption in 2020	
300 – ENVIRONMENTAL SERIES (2016)			
<i>Topic: Energy</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 22-24	
103-3	Evaluation of the management approach	pag. 22-24	
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	pag. 61	
<i>Topic: Emissions</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 22-24	
103-3	Evaluation of the management approach	pag. 22-24	

GRI Standard	Disclosure	Page/footnote number	Omission
GRI 305: Emissions (2016))			
305-1	Direct (Scope 1) GHG emissions	pag. 61	
305-2	Energy indirect (Scope 2) GHG emissions	pag. 61	
<i>Topic: Effluents and waste</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 25	
103-3	Evaluation of the management approach	pag. 25	
GRI 306: Effluents and waste (2016)			
306-2	Waste by type and disposal method	pag. 61	
<i>Topic: Environmental compliance</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 22-25	
103-3	Evaluation of the management approach	pag. 22-25	
GRI 307: Environmental compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	pag. 6, 25	
<i>Topic: Supplier environmental assessment</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 47	
103-3	Evaluation of the management approach	pag. 47	
GRI 308: Supplier environmental assessment (2016)			

GRI Standard	Disclosure	Page/footnote number	Omission
308-1	New suppliers that were screened using environmental criteria	pag. 47	
400 – SOCIAL SERIES (2016)			
<i>Topic: Employment</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 37-41	
103-3	Evaluation of the management approach	pag. 37-41	
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	pag. 63-64	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pag. 40	
401-3	Parental leave	pag. 66	
<i>Topic: Occupational health and safety</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 43-45	
103-3	Evaluation of the management approach	pag. 43-45	
GRI 403: Occupational health and safety (2018)			
403-1	Occupational health and safety management system	pag. 43-45	
403-2	Hazard identification, risk assessment, and incident investigation	pag. 43-45	
403-3	Occupational health services	pag. 43-45	
403-4	Worker participation, consultation, and communication on occupational health and safety	pag. 43-45	
403-5	Worker training on occupational health and safety	pag. 43-45, 70	
403-6	Promotion of worker health	pag. 43-45	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pag. 43-45	
403-9	Work-related injuries	pag. 70	

GRI Standard	Disclosure	Page/footnote number	Omission
Topic: Training and education			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 41	
103-3	Evaluation of the management approach	pag. 41	
GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	pag. 70	
404-3	Percentage of employees receiving regular performance and career development reviews	pag. 41, 65	
Topic: Diversity and equal opportunities			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 40	
103-3	Evaluation of the management approach	pag. 40	
GRI 405: Diversity and equal opportunities (2016)			
405-1	Diversity of governance bodies and employees	pag. 17-18, 67-69	
405-2	Ratio of basic salary and remuneration of woman to man		
Topic: Supplier social assessment			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 46-47	
103-3	Evaluation of the management approach	pag. 46-47	
GRI 416: Supplier social assessment (2016)			
414-1	New suppliers that were screened using social criteria	pag. 47	
Topic: Customer privacy			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 33-34	
103-3	Evaluation of the management approach	pag. 33-34	

GRI Standard	Disclosure	Page/footnote number	Omission
GRI 418: Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	pag. 34 The Company has identified only one case of loss of customer data in 2020, timely communicated and solved	
<i>Topic: Quality of service</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 27-28, 30-31	
103-3	Evaluation of the management approach	pag. 27-28, 30-31	
<i>Topic: Passenger safety and security</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 45	
103-3	Evaluation of the management approach	pag. 45	
<i>Topic: Intermodality and innovative services</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 30	
103-3	Evaluation of the management approach	pag. 30	
<i>Topic: Territory and community</i>			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	pag. 57	
103-2	The management approach and its components	pag. 48-51	
103-3	Evaluation of the management approach	pag. 48-51	



INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Italo – Nuovo Trasporto Viaggiatori S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of Italo - Nuovo Trasporto Viaggiatori S.p.A. (hereinafter "Italo") as of December 31, 2020.

Responsibility of the Directors for the Sustainability Report

The Directors of Italo are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), as stated in the chapter "Methodological Note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Italo's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the

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engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 *Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 2) comparison between the economic and financial information included in the Sustainability Report with those included in the Company's Financial Statements;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Italo and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Company's activities and characteristics:

- with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
- with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

Moreover, we carried out remote meetings, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

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Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Italo - Nuovo Trasporto Viaggiatori S.p.A. as of December 31, 2020 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological Note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.




Monica Palumbo
Partner

Milan, Italy
July 23, 2021

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