Sustainability report 2020

NON-FINANCIAL CONSOLIDATED DISCLOSURE pursuant to Italian Legislative Decree 254/2016

Contents

Letter to stakeholders

GRI 102-14

The sustainability report/Non-Financial Disclosure 2020 provides an account of the main events taking place in the TPER Group's business during a year marked by the difficulties ensuing from the Covid-19 pandemic. Indeed, the health emergency had a significant impact at every level and required increased efforts to be made to maintain the actions and investment plans already planned over the years, confirming the company reorganisation and positioning process, which began with the birth of TPER, as an increasingly structured mobility group in pursuit of sustainability and inter-modal development.

The document - drafted pursuant to and in accordance with the procedures set forth in Italian Legislative Decree 254/2016 as well as in compliance with the international GRI standards - aims to report, in a transparent manner shared by the entire company team, the approach and performance of TPER by providing - as a result of work that started 7 years ago now - an extensive presentation of the results in terms of various aspects: not only economic, but also social and environmental.

As is well-known, the pandemic has generated and continues to generate significant consequences throughout the mobility sector, not only from the economic perspective, but also with reference to service organisation and company objectives, first and foremost, as can also be seen in the materiality analysis performed, that of protecting worker and user health and safety.

TPER has been committed alongside institutions to dealing with the various phases of the pandemic: from the lockdown to the re-openings, from the resumption of schools to the stabilisation of transport restrictions, in parallel with changes in capacity limitation rules on means of transport and the need to reorganise and implement services to in any event provide a response to the needs of the people and communities served.

The year 2020 closed at a time in which the pandemic had resumed its relentless spread, leading to additional restrictions, and unfortunately accounted for only part of the impacts of the pandemic crisis still under way.

Therefore, what is reported on and illustrated in this report provides only a partial account of the great effort made at every level (managerial, technical and operational) to deal with such a critical situation, which put to the test an entire organisation, committed to managing continuous changes and at the same time to overseeing the continuity and adequacy of mobility services for residents.

Despite these difficulties, 2020 was also the year in which TPER carried out important local projects and reorganised group activities with particularly significant organisational, operational and economic/financial impacts. The significant actions taken for the development of sustainable, inter-modal mobility include the birth of the company TrenitaliaTper for regional railway transport, the management of the rapid link service between the High-Speed Railway Station and Marconi Airport in Bologna by the company Marconi Express and further development in the operations and management of Corrente electric car sharing.

Furthermore, the health crisis did not prevent us from continuing to focus our attention and actions on investments in digital innovation and vehicle renewal, with a view to improving both transport service quality and local environmental parameters, including through choices characterising TPER's proactive drive within the national and European eco-sustainability landscape.

The priorities of the health emergency and the consequences - including economic - which where also felt by TPER did not therefore have negative impacts on the investment strategies or on the amount of the investments themselves, which were nonetheless all considerable. This was thanks to the solidity of the business, the sound and prudent management consolidated over the years and the skills developed within the company to manage and enact long-term programmes, aside from the liquid funds and co-financing options established by public policy.

Likewise, there were no repercussions in terms of personnel employment and management, a crucial aspect in labour intensive companies like TPER: the established hiring plan was maintained, welfare policies were confirmed and, although with the necessary modifications dictated by health and safety requirements, training activities continued to be carried out. 2020 was also the year in which smart working was activated in a structured, large-scale manner. This arrangement had already been in use within the company, but was accelerated considering current health protection requirements.

Lastly, the commitment was once again made to defining and measuring the company's environmental impact, while also taking business aspects into account. In the integrated approach to sustainability, it is indeed essential to maintain effectiveness, efficiency and economy in management, to act with innovative and structured tools, keep in mind future scenarios in terms of innovation and competitiveness and stay in the market, becoming the key players of sustainability, with all the additional and challenging potentialities that a public company can bring.

Again in 2020, TPER confirmed the selection of 9 SDGs out of the 17 identified by the United Nations, to which it intends to contribute with its service and business activities. These issues, together with the material goals, were also considered in the planning phase, also establishing specific assessment objectives (MBO) based on sustainability issues.

In summary, the Sustainability report provides a transparent description of the results and activities of the TPER Group during a year marked by exceptional circumstances, but which did not prevent the corporate organisation from handling the requirements of the emergency alongside a focus on planning and results, also in terms of social and environmental sustainability. 2020 disruptively highlighted the importance of the focus on people, their safety and transport quality, elements that are combined with the need to maintain a high level of investment in order to improve services as well as care for the environment.

This important synthesis of social and environmental commitment, with a view to responsible business management and reporting to all stakeholders on the concrete efforts made over the years, underlies this 2020 Sustainability report, with the full and shared conviction that sustainability is an integral part of TPER Group's development path.

Chairperson and Chief Executive Officer of TPER

Giuseppina Gualtieri

TPER summary data

GRI 102-7

Operational indicators

		2019	2020
The vehicles			
TPER Buses	Number	1,173	1,187
TPER partner buses in TPB - TPF	Number	220	219
TPER owned trains	Number	17	16
Traffic, network and infrastructures			
Km covered - road	Millions of km (TPER Group)	43.4	42.7
Seats managed	Number	52,495	52,574
Passengers - Customers			
Passengers - road	Millions	151.8	101.7
Passenger trends - total	% compared to the previous year	1.9%	-33%, Decline caused by the extraordinary Covid-19 pandemic event
Permits (Bologna City Council)	Number	45,466	38,156 Decline caused by the extraordinary Covid-19 pandemic event
Other services			
Registered for the "Corrente" car-sharing service	Number	16,020	29,585

Economic–financial indicators

		2019	2020
Group turnover	Millions of euros	311	220.6
Consolidated Net Profit	Millions of euros	7.0	3.6
Group Value Added	Millions of euros	171	147
Extended value	Millions of euros	215	201

Social indicators

		2019	2020
Staff			
Employees	Number	2868, of which 66 SST (not included in the analysis scope)	2487 Down due to the transfer of the railway business unit to the associated company TrenitaliaTper
Number of hours of training	Number	82,172	45,525 Decline caused by the extraordinary Covid-19 pandemic event

Environmental indicators

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

		2019	2020
Journey in km with methane gas vehicles	Overall impact % of total	25%	25%
Mileage km with electric and hybrid vehicles	Overall impact % of total	5%	8%
Reduction in CO2 produced compared to the previous year	%	-0.16%	-31.9% Decline caused by the lack, in the calculation, of railway consumption (counted in the

			associated company TrenitaliaTper) Net of railway consumption in previous years as well, the actual decline is -7%
Reduction in particulate emissions compared to the previous year	%	-25.22%	-32.85%
Lower nitrogen oxide emissions	%	-13.60%	-22.17%
Reduction in hydrocarbon emissions compared to the previous year	%	-11.35%	-20.71%
Lower carbon monoxide emissions	%	-0.47%	-16.13%
CO2 saved thanks to the use of LPT compared to the use of a private car	Tonnes	159.7 thousand fewer tonnes of which 230 for the Corrente service	-96 thousand tonnes of which 200 tonnes for the Corrente service Decline caused by the reduction in travel due to Covid, also with private vehicles

The Covid-19 emergency

GRI 102-15

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

Business continuity and scenario

The economic and operational impacts of the Covid-19 emergency on Group operations were considered on the basis of what was defined when the financial statements were closed by national regulations concerning relief and considering all organisational and operational aspects impacting 2020. As part of the assessment of the correctness of the assumption of business continuity, the Directors have identified a number of factors for attention, linked to the restrictive measures and the resulting reduction in ticket revenues as well as their possible effects on the expected profitability for the current year and on the related cash flows.

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

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

Operating decisions

With reference to services, a slight reduction in service has been implemented, continuously modulated in relation to the ordinances issued by the Emilia-Romagna Region over time and what was agreed upon with the Mobility agencies and local authorities, also taking into account the provisions of the Prime Ministerial Decrees limiting the mobility of individuals.

The decision made, in agreement with the Region and the administrations of the territories served, was to continue to offer a service that was clearly higher than the actual demand for public transport, so as to guarantee the best services to those who had to get around, either for work or other needs, even during the lockdown periods. Therefore, an essential public service was guaranteed during the first phase, limited to the minority of the population permitted to move about for work or for strict necessity, thereby recording a drop in users of over 90% compared to a "normal" period, with service reduced by about 20%.

With the Covid emergency, Tper worked immediately to fully implement the rules defined at national and local level, but also began more detailed work to further analyse safety matters concerning its personnel and the users of the services it provides.

Aside from the normal verification that regards all business areas, there is no doubt that the area that required specific increased attention is that of means of transport, with a view to evaluating actual risks for passengers as well as drivers and control personnel.

Public transport was subject to significant attention and measures and the bus was and is perceived as a closed space with limited interpersonal distances: the company took all measures to follow the rules defined for the sector and at the same time also worked on performing precise checks with respect to the risks of the permanence and spread of the virus, both for personnel and for travellers.

To systemically address the topic, a documentary analysis was performed, taking into consideration domestic and international studies, and as of March 2020 the performance of specific analyses and investigations, also experimental, regarding the following aspects was assigned to the University of Bologna, Department of Biomedical Sciences and Department of Engineering, with the collaboration of Policlinico S Orsola Hospital, CRREM [Reference Regional Centre for Microbiological Emergencies], Microbiology Unit:

1) Conditions for the spread of the virus and the dynamics of droplets containing virions
2) Hygiene standards
3) Driver/on-board personnel safety
4) Passenger safety.

Objectives:

- Greater knowledge of and competence on risks of contagion in the specific context of vehicles, with a view to better protecting health and safety
- Concrete support to defining protocols and specific actions to be undertaken to improve safety and best manage risks
- Evidence for possible additional improvement actions.

Health and safety of employees and customers

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

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

Operational solutions and agile work

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

Following appropriate verifications, driver's area separators were installed for the vehicles that did not already have them, to make it possible to open the front door as well and meet the need of managing incoming and outgoing passenger flows separately, while in any event guaranteeing the utmost protection of drivers.

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

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

To avoid gatherings, at the bus stops or the main platforms of the stops in the bus network where there is normally a larger concentration of passenger flow for the urban service, markings were placed on the ground at the main stops, indicating the correct spacing of people waiting for the vehicle.

Tper adjusted on-board signage in line with updates in health and safety regulations made throughout the emergency period, in order to guide users, in compliance with the rules established for orderly access and to reduce contagion risk.

The driver's area on the entire fleet was protected by a plexiglass or glass separator, even when, prior to the pandemic, they were not present. Specific signage recommends alternating the entry and exit. Several sanitising alcohol gel dispensers were made available to users on board.

Information was also posted on the bus and at the stops on the behavioural rules envisaged for using public transport and on the most important hygiene and safety rules, including the mandatory use of masks, properly worn for the duration of the trip. On this last aspect, the company promoted a specific information and awareness-raising campaign with the slogan "on with the mask".

A dedicated section of the website was kept constantly updated on regulations to be followed linked to the Covid emergency. With regard to technical and administrative personnel, the company has encouraged smart working by making it easier to reduce presence in the office - although they are regularly sanitised - while keeping the operations necessary for performing the service and related activities unchanged: since the beginning of March, more than 220 positions became managed through smart working in a very short time, leveraging to the utmost the path the company had already begun at the start of the year for this method of working.

Communication with stakeholders

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

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

COVID-19: risk analysis and sustainability

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

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

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

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

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

Box – specific actions

Ventilation

With the contribution of the vehicle manufacturing company points of contact, Tper technicians instead performed assessments on air exchange mechanisms and timing based on vehicle type (length) and the service provided (urban, exurban). These controls (also confirmed by other companies and vehicle manufacturers) showed that by considering the volume of air on a bus, the time for which the doors are open, the percentage of air drawn from outdoors through the air conditioning system (hot/cold), the net potential of the ventilation fans, climate differences (summer/winter), the routes driven and the frequency with which the doors open, it is possible to establish that in consideration of the air exchanges generated by the air conditioning system:

- For an 18 m bus: the air is completely exchanged every 2.5 minutes in the summer and every 2 minutes in the winter
- For a 12 m bus: the air is completely exchanged every 3.3 minutes in the summer and every 2.7 minutes in the winter.

In addition to these air exchanges caused by the air conditioning system, an additional full air exchange takes place every 3 stops. On an urban route, for example, there would be an additional air exchange 15 times every hour. This value should be added to the previous one.

The initial, unexpected result, which certainly has not received enough attention, is that in light of these considerations and considering the air exchange, which reduces the risk of viral material remaining in the vehicle, a bus cannot be considered a “closed” system.

Obviously, as in all contexts, there is never going to be zero risk and this is why the use of protective equipment further helps to limit the risk, as described in more detail below.

Vehicle hygiene

To limit the risk of the indirect transmission of SARS-CoV-2 through potentially contaminated surfaces on the bus, which may then be touched by others, it is important to adopt surface sanitisation procedures and advise passengers to adopt the proper hygiene etiquette (disinfection of hands and attention to limiting hand contact with surfaces).

The sanitisation procedure calls for the cleaning of surfaces with soap and water and the subsequent use of antibacterial solutions. Specific vehicle sanitisation protocols have been adopted based on this information.

Staff protection

The analyses carried out identified prevention measures to guarantee driver safety:

- Protective glass and/or plastic separators
- Availability of surgical masks. On particularly crowded lines and/or during rush hour, the surgical ask may be replaced with an FFP2 or N95 type filtration face mask

- Availability of hydro-alcohol solution (or another chlorine-based disinfectant) to clean hands, which must be done frequently and properly during the shift
- Availability of infographics with WHO and/or Italian Institutes of Health instructions on proper conduct and hygiene
- Use of gloves for specific purposes (paying attention to the fact that contaminated gloves that are not changed frequently may represent a non-negligible vehicle for contagion, furthermore if made of plastic fibre or latex, they cannot be disinfected like bare hands can, and thus may represent a surface on which the virus can easily survive)
- Provision of driving surface detergent/disinfection kits (in particular for the steering wheel, when gearshift and/or control buttons is/are present) to be used before every shift change

Additional air exchanges in the driving area, using the sliding/vasistas window may be useful during stops and pauses (to avoid the effects of transporting droplets into an environment outside the driving cabin).

Passenger protection

For the protection of passengers, all actions described until this point were applied, in terms of vehicle ventilation and sanitisation, with the addition of direct protection by means of protective equipment: wearing masks, sanitising hands. The contribution of passengers is fundamental to guarantee one's own safety and that of others. The main behavioural rules which on one hand follow the national requirements and on the other include additional specific recommendations for even greater protection, are laid out below.

The solutions for reducing the risk of infection are indeed not only related to systems, but also behaviour:

1) Properly wearing masks, covering both nose and mouth (with ffp1 masks, the department of health has confirmed that the likelihood of contracting the virus is negligible)
2) Sanitising hands before boarding the vehicle and after exiting
3) Not touching eyes while travelling
4) Not removing the mask to touch mouth or nose, consume food, other
5) Avoid talking on the phone
6) To avoid transmitting the virus, when unknowingly positive, remaining silent or in any event never speaking aloud.

Presentation and note about the method

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

The Consolidated Non-Financial Disclosure (hereinafter also the “Non-financial Disclosure” or "DNF") of TPER - Passenger Transport Emilia Romagna SpA and its subsidiaries (hereinafter also “TPER”, the “Group” or the “TPER Group”) has been drawn up in accordance with articles 3 and 4 of Italian Legislative Decree 254/2016 (hereinafter also the "Decree"), implementing the Directive 2014/95/EU, and contains information on environmental, social, personnel-related issues, respect for human rights and the fight against corruption, useful for guaranteeing an understanding of the activities carried out by the TPER Group, its progress, results and the impact it has.

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

The Non-Financial Disclosure refers to the year 2020 and has been prepared according to the methods and principles laid down by the GRI Sustainability Reporting Standards ("In accordance - core" option) established in 2016 by the Global Reporting Initiative (GRI Standards) and updated in 2019.

The general principles applied for the preparation of the Non-Financial Disclosure are those established by the GRI Standards: relevance, inclusiveness, sustainability context, completeness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability and clarity. The performance indicators used are those required by the reporting standards adopted, representative of the various areas of sustainability and consistent with the activity performed and the impacts produced by it. In particular, the choice of these indicators was made on the basis of the materiality analysis and the issues referred to in Italian Legislative Decree 254/2016, as described in the section “Stakeholders and materiality analysis”.

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

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

In order to draft the Non-Financial Disclosure, the European Commission Communication published in June 2019 "Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01)” was also taken into consideration.

The scope of reporting on the qualitative and quantitative data and information contained in TPER's Consolidated Non-Financial Disclosure refers to the performance of the Parent Company TPER - Trasporto Passeggeri Emilia Romagna S.p.A. and its fully consolidated subsidiaries, as they stand in the TPER Group's consolidated financial statements closed as at 31 December 2020 and, specifically, the companies Dinazzano Po, Mafer, and SST. For the year 2020, the changes deriving from the departure from the scope of consolidation of the railway business unit, transferred to the investee company TrenitaliaTper, was also taken into account.

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

In order to allow a comparison of the data in time and the evaluation of the progress of TPER's activities, the comparative data relating to the two previous periods have been entered where available. To take into account the significant differences deriving from the transfer of the railway business unit to the investee TrenitaliaTper, outside the scope of consolidation, additional tables have been drafted in which data relating to previous periods are provided net of the railway business, to improve comparability. Quantitative information for which estimates have been used is indicated in the various sections of the Non-Financial Disclosure.

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

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

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

This document was approved by the TPER - Trasporto Passeggeri Emilia Romagna S.p.A. Board of Directors on 27 May 2021, pursuant to Italian Legislative Decree no. 254/2016, and was audited by the appointed auditor PricewaterhouseCoopers S.p.A. in accordance with the principles and instructions given in ISAE3000 (International Standard on Assurance Engagement 3000 - Revised) of the International Auditing and Assurance Standard Board (IAASB). PricewaterhouseCoopers S.p.A. is also the company assigned to audit the Consolidated Financial Statements of the TPER Group.

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

TPER

GRI 102-1 GRI 102-4 GRI 102-6 GRI 102-7

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

TPER is one of the main passenger transport operators in Italy, and is also positioned as a mobility group which has consolidated and developed other activities over the years. The consolidated revenues of the Group - that employs 2486 employees - were roughly 220.6 million euros in 2020. Consolidated shareholders' equity as at 31 December 2020 was 162 million euros. In 2020, the TPER Group provided passenger transport for 42.7 million km referring to local public road transport. Since 2020, the railway transport service has been provided through the associate TrenitaliaTper.

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

TPER manages local public road transport in the provincial areas of Bologna and Ferrara with other private companies and passenger transport in the regional railway sector, in partnership with Trenitalia. Activities are carried out thanks to specific service contracts that regulate assignments acquired following the awarding of tenders. In these areas, through its development plans, TPER aims to enhance the inter-modal approach with regards to local public transport. In line with the mobility service development strategy, Tper has developed a new totally market-based mobility sharing service (full electric car sharing).

Tper carries out activities in the field of goods transport by railway through a specialised company and has developed, again through its own company, railway maintenance services as well.

As of May 2014, TPER also manages the Bologna parking service (roadside and parking lots) and the issuing of permits. In October 2018 TPER initiated the CORRENTE service, a free-flowing, car-sharing service with electric cars, accessible through a downloadable application from the Apple and Android stores. The service is currently provided in the cities of Bologna, Ferrara and Casalecchio di Reno, but the possibility of expanding the service to other cities as well is currently being analysed.

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

Profile and Identity

GRI 102-16

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

The mission is to incentivise and expand the use of public transport services and other activities in the field of transport, working as a sustainable, competitive, innovative and transparent mobility group, and growing in services as well as in terms of the geographical area served, while effectively, efficiently and economically responding to user requirements.

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

Inter-modal development is pursued both by developing specific transport services and by aiming to provide innovative services for users.

Governance and corporate structure

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

The Parent Company TPER is a public limited company, based in Bologna and operating in the Emilia-Romagna region.

TPER governance bodies and structure

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

Figure 1

TPER is not subject to control by a majority shareholder.

The composition of the Board of Directors in office is shown below:

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

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

Figure 2

Composition of the Board of Directors by age	Under 30		Between 30 and 50		Over 50	
	No.	%	No.	%	No.	%
Board of Directors	-	-	1	33%	2	67%

Figure 3

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

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

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

TPER Group structure

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

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

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

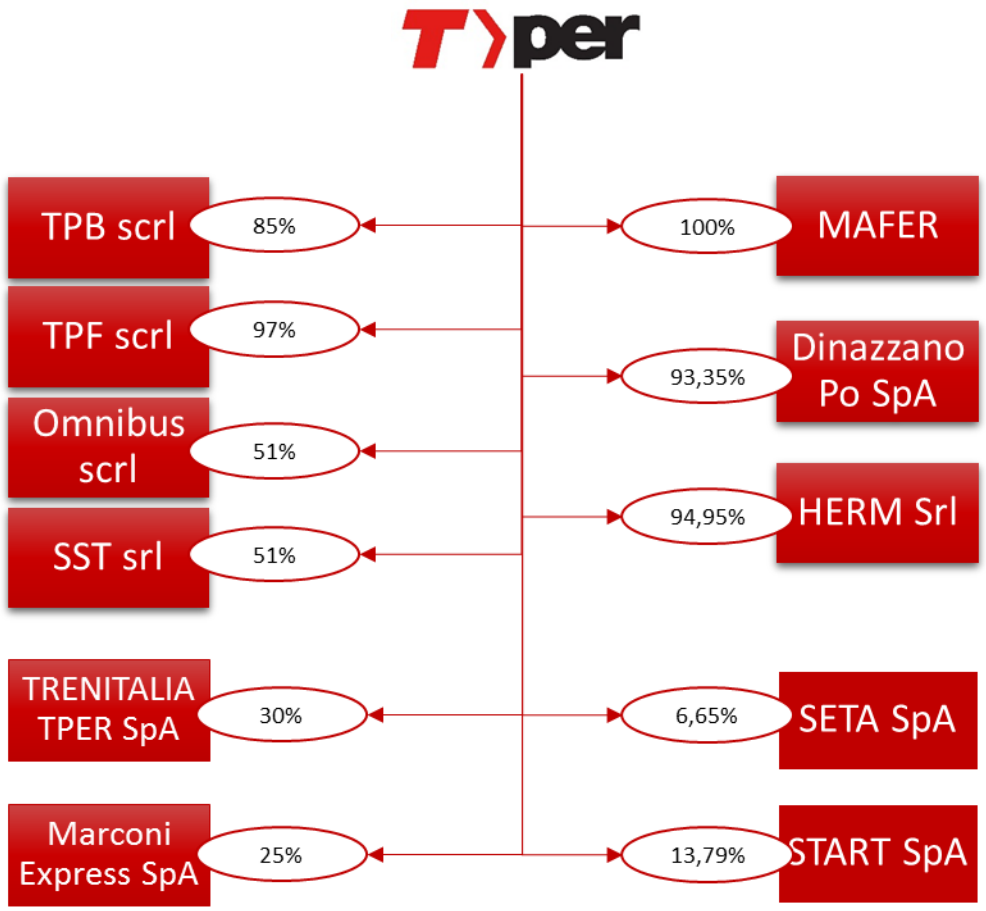


Figure 4 - Tper Group

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

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

Sites

The Company carries out its activities in the Bologna and Ferrara areas. The main sites are located in: Bologna (BO), Ferrara (FE), Castel di Casio – Località Prati (BO), Imola (BO), Comacchio (FE).

Associations

At national level, TPER is a member of the **ASSTRA**, Transport Association (National Association of Enterprises, their consortia and/or their groupings, owned by local authorities, regional councils and private companies that operate local public transport services or complementary and/or collateral services instrumental to their production).

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

TPER is also a member of **UITP**, the international public transport association.

At local level, TPER is a member of **Confindustria** Emilia Area Centro, the business association stemming from the integration of Unindustria Bologna, Unindustria Ferrara and Confindustria Modena.

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

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

United Nations Global Compact

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

Impronta Etica

Tper is a member of Impronta Etica, a non-profit association which for 20 years has promoted and developed sustainability and corporate social responsibility (CSR), and encourages sustainability-oriented processes, providing support for its member companies in this field. The association is a partner of the CSR Europe network.

Legality protocol

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

TPER's decision to participate in these initiatives and associations was motivated by its desire to share the best methods for concretely and actively working on corporate social responsibility and the pursuit of sustainable development.

Reference context and scenarios

GRI 102-2

We are living through an unprecedented historical moment.

Just over one year ago, the Covid-19 pandemic unleashed the worst social, economic and financial crisis ever, causing everyone to question the future and its reconstruction, or redesign.

The pandemic did not leave any sector untouched.

From the economic perspective, the pandemic came on the heels of a serious financial crisis, and this seriously impacted both public and private debt. Thanks to the prompt response of Central Banks and governments, it was possible to avoid a dramatic and immediate depression, however at the cost of a considerable increase in global debt and a recession, fortunately controlled by very low interest rates and accommodating monetary policies.

From the social perspective, it expanded the gap between social classes, eroding wealth, buying power and the well-being of the middle class and further impoverishing low-income workers or those who were already at the brink of hardship or poverty.

The gap between generations increased as well, accentuating difficulties for younger people in terms of their studies, work opportunities and growth.

The pandemic also severely disadvantaged women, who were forced to pick up the slack to meet household needs and paid the highest price in terms of employment, being the first to suffer from the economic crisis.

From the industrial perspective, in many economic segments, there was an interruption/slowdown which risks undermining the entrepreneurial fabric and, downstream, the connected business areas.

With reference to human health, the virus generated new risks and impacted life expectancy and security dramatically for the first time since the interwar period.

In such a complex scenario, all sustainability topics already discussed and adopted at global level led and will lead to a further reflection. The pandemic risks contained in all research documents on topics of sustainability were fully demonstrated in reality and will certainly lead to new policies and new regulatory decisions.

It is evident that in these circumstances, future priorities will need to be based not only on consolidation and economic and social growth, but also on sustainability, an inescapable condition for the actions of governments, entities, businesses and individuals.

2020 - economic scenario

The international framework

The global scenario in 2020 was dominated by the negative effects of the pandemic, with impacts that will need to be evaluated for subsequent periods as well.

In the first part of the year, the international economic cycle was characterised nearly exclusively by the effects of the containment measures linked to the spread of the COVID-19 pandemic. Global trade collapsed (-11.0% decline in imports of goods and services in volume expected by the European Commission for 2020) and outlooks for the subsequent months marked various difficulties in the resumption of trade.

Despite the prompt implementation of significant measures to support the income of households and businesses, the international situation is exceptionally negative. The risks associated with the scenario presented are primarily resulting in declines, linked to uncertainty as to the evolution of the health emergency and the resilience of economic systems.

In 2020, the European Commission recorded a reduction in the global GDP trend in real terms.

In Europe, there was a decline of -6.8% in GDP for Eurozone countries and -6.24% for all of the 27 EU countries.

Italy suffered from a drop of -9.5%, in line with France, which recorded a decrease of 9.4%. Spain recorded a quarterly decline in GDP of 12.4%, while Germany had a drop of 5.6%, in part justified by a more limited lockdown during the initial spread of the virus, and in part by a stabler starting economic and financial situation.

Outside Europe, China recorded a drop of 9.8% in the first quarter, and then recovered over the subsequent quarters, until closing 2020 with GDP growth of 2.3%. The United States instead recorded a reduction of -3.5% in GDP, considering the extensive decline in both consumption and investments.

The situation in Italy

At the end of 2019, the Italian economy showed evident signs of stagnation.

In early 2020, several positive signs were seen for industrial output and foreign trade, but since the end of February with the spread of the COVID-19 epidemic and the resulting governmental measures, there was a severe impact on the economy, which influenced production, investment and consumption decisions and possibilities, as well as the functioning of the job market. Furthermore, the rapid spread of the epidemic at global level drastically drove down international trade and therefore foreign demand from our companies.

COVID-19 therefore emerged during a phase of the Italian economic cycle that was already showing signs of weakness.

In this scenario, the containment measures adopted by the government resulted in March in the suspension of activities in sectors including 2.1 million businesses (just under 48% of the total), employing 7.1 million people, of whom 4.8 million employees. On the basis of the data referring to 2017, these businesses generate 41.4% of total turnover, 39.5% of value added and represent 63.9% of goods exports.

The 2020 decline in GDP was therefore caused primarily by domestic demand, impacted by the decline in household consumption and the collapse in investments, despite growth in the expenditure of Public Administrations.

Net foreign demand and the change in inventories also made a negative contribution to growth, while the evolution of employment marked a brusque reduction in line with GDP, despite labour and income support policies.

The block on activities had immediate effects on production, marking a retreat of value added across all of the main production segments.

The containment measures remained in effect throughout April as well, with the reopening process beginning on 4 May. After that date, the businesses belonging to officially suspended activities, concentrated primarily in the services sector, came to roughly 800 thousand (19.1% of the total), accounting for 15.7% of total employment in the industry and market services sectors (excluding the financial sector).

In April, statistical indicators recorded the difficulties of the economic fabric in handling the lockdown measures, marking a decline in retail sales (-11.4% in volumes compared to March), the collapse in exports to non-EU markets (-37.6% on a quarterly basis), a significant decline in employment (-274 thousand compared to the previous month) and a reduction in producer prices in the internal market (-3.4% quarterly), influenced by downturns in energy (-0.1% net change in this component), while consumer inflation reduced to zero.

In May, the initial signs of a recovery were observed in line with the business reopening process. Confidence index levels appeared to be lower amongst businesses, while expectations of unemployment were high amongst households.

In the third quarter, the growth observed was higher than expected, highlighting a strong capacity for economic recovery. With the reopening of suspended activities in the spring, indeed, the hours worked rose and recourse to salary support mechanisms declined.

Unfortunately, the second wave of the pandemic unleashed a new economic contraction: in the autumn, with the resurgence of contagion, global activities once again slowed, highlighting a gap, also in terms of employment, compared to the same period of the previous year, in particular for young people and women.

Towards the end of 2020, announcements concerning the availability of vaccines, further monetary and budget support and the resolution of uncertainties linked to the United States presidential elections bolstered the optimism of financial market operators abroad and in Italy as well, although the timing and intensity of the recovery remain uncertain.

The approval and effective use of the EU's economic support instruments will therefore be decisive to stimulate demand, production capacity and the confidence of households and businesses, with the hope that we can benefit from a consistent amount of resources and that effective investment projects can be deployed.

The regional framework

The Covid-19 pandemic has generated a significant negative impact, also with reference to the regional economic framework. According to Emilia-Romagna UNIONCAMERE studies, GDP suffered from a contraction of roughly 9%.

Industrial output indeed declined (-12.2%), construction turnover was down (8.0%) and retail sales suffered from heavy losses (-7.9%). Regional business with foreign markets

supported activities, although exports declined by 10.6%, less than national exports overall (-12.5%).

The regional tourism industry closed with a decline in arrivals in excess of 44% and a decline of 36.6% in visitors.

Unemployment stopped at roughly 6% in 2020, not significantly impacting the entrepreneurial base (-0.7%) or employment (-1.8%), also thanks to the block on dismissals.

The transport sector situation in Italy

With the spread of Covid-19, in 2020 there was a collapse in public transport demand and a forced service reduction. Even during the lockdown period, the sector always guaranteed a minimum service level, with no interruptions.

However, in the initial months of the emergency (March, April 2020) at national level nearly 400 million trips per month were lost (passengers -90%).

With the start of Phase 2, demand once again started to grow slowly, even though until 18 May it was in any event 83% lower than in the same period of the previous year. As of 18 May, with the reopening of additional economic activities, passengers reached roughly 25-30% of those recorded in the previous year.

Traffic revenues, closely linked to fare and transport demand levels, recorded a proportionate drop. With a view to combating revenue losses deriving from the sale of travel tickets, with article 200 of the Relaunch Decree Law, the government established an Indemnity Fund for the period from 23 February to 31 December 2020.

The regulatory and legislative context

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

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

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

Relevant legislation

The main reference regulations for the local public transport sector are set forth in Italian Legislative Decree no. 422 of 18 November 1997 as amended (the “Burlando Decree”) and European Regulation 1370/2007, as well as the regional implementing regulations.

With reference to resources allocated to transport, Italian Law no. 228/2012 (article 1, paragraph 301) set up the National Fund for State financial contributions to the cost of local public transport (TPL Fund), including rail transport, in regions with ordinary statute. Since

2018 the TPL Fund has been regulated by the provisions of Italian Decree Law no. 50 of 2017, which modified both the Fund's funding criteria, ahead of the reorganisation of the regional tax system, and its allocation criteria. More specifically, in addition to the provisioning of the Fund, this law also provided for its subdivision among the regions, taking account of (a) a 10% share, to be increased up to 20% over the years, based on the total income from traffic and the recorded increase, and (b) a 10% share, to be increased up to 20%, on the basis of compliance with standard costs (as per article 1 paragraph 84 of Italian Law no. 147/2013). For the remaining portion, an annual reduction of 15% of the value of the contracts which by 31 December of the previous year are not awarded by tender (or where the relative call for applications has not been published) is expected.

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

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

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

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

Italian Decree Law no. 34/2020 (art. 200, paragraph 5) established for 2020 a Fund allotment applying the methods established by Prime Ministerial Decree of 11 March 2013 as amended, confirming the current criteria rather than the Fund reform criteria.

Italian Decree Law no. 183 of 2020 lastly established that the pre-reform Fund allotment criteria will continue to apply for the year 2021 as well.

The Fund's allocation in the 2021-2023 three-year Financial Statements was not modified by the 2021 budget law, and still amounts to 4,874.554 million euros for each of the years from 2021 to 2023.

Measures for the transport sector set forth in the urgent measures issued during the Covid-19 health emergency period

Article 92 of the "Cura Italia" Decree Law (Decree Law no. 18/2020 converted into Law no. 27/2020), paragraphs from 4-bis to 4-quater, lays out provisions intended to protect

companies that provide local and regional public transport services, with a view to limiting the negative effects of the COVID-19 epidemiological emergency and the measures to combat the spread of the virus.

Specifically, paragraph 4-bis directly impacts the relationship between local public transport operators and the assigning parties, expressly prohibiting the reduction of fees or the application of penalties or sanctions, even if set forth in the contract, due to the decrease in trips made.

Compensation for the reduction in fare revenues of local public transport companies

With article 200 of the Relaunch Decree Law, a fund was established at the Ministry of Infrastructure and Transportation, with an initial endowment of 500 million euros for the year 2020, intended to provide compensation for the reduction in fare revenues (period 23 February 2020 - 31 December 2020) with respect to the average of passenger fare revenues recorded in the same period in the previous two years.

Paragraph 2 of article 200 calls for the adoption of an inter-ministerial decree (MIT, together with the Ministry of Economy and Finance) to lay out criteria and methods for the recognition of the compensation pursuant to paragraph 1 to the beneficiaries. It is also specified that, in order to prevent over-compensation, the criteria will take into account losses and additional costs incurred as a result of the Covid-19 epidemiological emergency.

The budget law for 2021 (paragraph 816) also established financing for the additional local and regional public transport services, in the Regions and the Autonomous Provinces of Trento and Bolzano, setting up a dedicated fund of 200 million euros for the year 2021, then increased by 450 million euros for the year 2021 by art. 51 of Italian Decree Law no. 73/2021, which also set forth that part of the fund's resources, up to the limit of 45 million euros, may be used as compensation for the higher costs incurred for the disinfection and sanitisation of means of transport.

The 2021 budget law (paragraph 649) then provided support for the bus transport sector also for 2021 through a fund of 20 million euros, intended to compensate the reduction of revenues in the sector of line passenger transport services provided on the road by bus.

For the year 2021, the Fund established by Italian Decree Law no. 34/2020 was refinanced with an additional 390 million euros (article 22-ter of Italian Decree Law no. 137 of 2020). These additional resources may be used for the same purposes as those set forth above as well as for the financing, up to the limit of 190 million euros, of additional local and regional public transport services, also intended for students, required in the year 2021 to deal with transport requirements ensuing from the implementation of containment measures.

Advances of resources and fees due to LPT companies

Paragraph 4 of article 200 of the Relaunch Decree Law called for the lump-sum disbursement of eighty percent of the National Transport Fund by 30 June 2020.

Paragraph 5 of the same article then established that the resources allocated to the National Transport Fund for the year 2020 would be allotted by applying the methods set forth in Prime Ministerial Decree of 11 March 2013, published in Gazette no. 148 of 26 June 2013, as amended, without prejudice to what is set forth in paragraph 2 bis of the same article 27 as amended by article 47 of Italian Decree Law no. 124 of 26 October 2019.

The cash advance was ordered by paragraph 6 also with respect to Client Entities, called upon to disburse a cash advance by 31 July 2020 of no less than 80% of the fees contractually established until 31 August 2020.

Temporary suspension of provisions in force relating to the acquisition of rolling stock

Paragraph 7 of article 200 of the Relaunch Decree Law introduced measures to limit the negative effects of the Covid-19 emergency and to favour the development and prompt and rapid implementation of investments for the renewal of rolling stock, establishing

- That the provisions calling for co-financing on the part of beneficiaries in the acquisition of vehicles do not apply until 31 December 2024, given the current financial difficulties of the Regions, Local authorities and the businesses providing services;
- That the provisions relating to the obligation to use vehicles employing alternative fuels do not apply until 30 June 2021, if suitable infrastructure is not present for the use such vehicles.

Use of resources to set up rolling stock to limit epidemiological risks for passengers and travelling personnel

With paragraph 8 of article 200 of the Relaunch Decree Law, it was established that until 30 June 2021 the state resources for the renewal of the fleet of LPT vehicles may be used, up to the limit of 5%, to limit epidemiological risks for passengers and for travelling personnel.

Suspension of assignment procedures under way and extension of assignments in force

Paragraph 4-ter, art. 92 of the "Cura Italia" Decree Law suspended all procedures under way relating to the assignment of local public transport services until the end of the measures limiting the COVID-19 virus, establishing the extension of assignments in force at 23 February 2020, for up to twelve months after the state of emergency is lifted.

Reimbursement of tickets

With article 215 of the Relaunch Decree Law, in derogation of the ordinary rules for which reimbursements are not required in the case of natural disasters, strikes and other unforeseeable emergencies, a form of relief has been established in favour of commuters who use public transport services and were unable to use their tickets as a result of the containment measures established for the Covid-19 emergency.

Use of the Development and Cohesion Fund to combat the Covid-19 emergency

Article 241 of the Relaunch Decree Law established that starting from 1 February 2020 and for the years 2020 and 2021, the resources of the Development and Cohesion Fund should be allocated to initiatives intended to handle the health, economic and social emergency ensuing from the COVID-19 pandemic.

Regional legislation

Specifically, Regional Law no. 30 of 1998 comprehensively regulates the system of regional and local public transport in compliance with the competences attributed under the Constitution. Among other things, the principles that inspire the regional rules include the containment of energy consumption, a reduction in the causes of environmental pollution

and the protection of air quality from atmospheric pollution to protect the health of citizens.

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

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

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

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

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

National legislation

With reference to the regulation of the sector, the Italian Transport Regulatory Authority (ART) has broadened its scope and, pursuant to art. 37 of Italian Decree Law no. 201/2011, must ensure, according to methodologies that encourage competition, the production efficiency of the management and the containment of costs for users, businesses and consumers. To this end, ART defines the conditions of fair and non-discriminatory access to infrastructures and passenger mobility, verifies the consistency of service areas with respect to sector regulations, establishes minimum conditions of service quality and minimum content of specific rights, prepares the schedules of calls for tenders for the assignment of services and conventions. In 2020, there were no significant changes in regulations in force.

The transport system and the environment - The European scenario

Since 2011, the European Commission has envisaged the adoption of specific initiatives to build a competitive transport system aimed at improving mobility, removing key obstacles, and stimulating growth and employment, with the aim of guaranteeing mobility that is

integrated at European level, attentive to the needs of the population, to environmental policy and competitiveness.

The main objective is to reduce oil dependency and transport carbon emissions by 60% compared to 1990 levels by 2050. In order to achieve this, by 2030 the use of conventionally-powered vehicles in urban transport should be reduced by 50% and the use of the railway for mid-distance journeys should be encouraged.

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

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

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

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

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

The 2030 Integrated National Energy and Climate Plan is a fundamental tool marking the start of a significant turning point in our country’s energy and environmental policy towards decarbonisation. The Plan is broken down into 5 action areas, which will be developed in an integrated manner: from decarbonisation to energy efficiency and security, also including the development of the internal energy market, research, innovation and competitiveness. The objective is to create a new energy policy ensuring the country’s full environmental, social and economic sustainability and accompanying that transition.

Local planning

Consistent and in compliance with international and local provisions and plans on energy, climate, sustainability and the quality of life of residents, even at local level plans and programmes are created laying out actions over the coming years, taking into account the reference context and scenarios. The main local planning documents are described below.

The regional energy plan (REP)

The Regional Energy Plan establishes the strategy and objectives of the Emilia-Romagna Region for climate and energy until 2030 regarding the strengthening of the green economy, energy saving and efficiency, the development of renewable energy, interventions on transportation, research, innovation and training.

In particular, the Plan adopts the European objectives at 2020, 2030 and 2050 on climate and energy as drivers of regional economic development. Therefore, the reduction in climate-altering emissions by 20% in 2020 and 40% in 2030 compared to 1990 levels, the increase to 20% in 2020 and 27% in 2030 of the share of consumption covered by renewable sources, and the increase in energy efficiency to 20% in 2020 and 27% in 2030, become strategic for the region.

The priority action for the Emilia-Romagna Region is dedicated to decarbonisation measures, where regional intervention may be more effective, therefore in particular in the mobility, decentralised industry (SMEs), residential, tertiary and agriculture sectors. In particular, the main areas of intervention will be energy savings and efficient energy use in the various sectors, production of electricity and heat from renewable sources and energy streamlining in the transportation sector.

The REP is carried out through Three-year implementation plans (TIP). After the 2017-2019 TIP was concluded, the shared path towards the 2021-2023 Three-year implementation plan was initiated.

Labour and climate pact

In December 2020, even with the difficulties connected to the second wave of Covid-19, in Emilia-Romagna the Labour and climate pact, founded on environmental, social and economic sustainability, was signed. The objective is to create quality work, govern the ecological transition, combat inequalities and reduce distances between people, communities and local areas, also taking into account the difficulties deriving from the crisis provoked by the pandemic. The Pact aims to reach carbon neutrality by 2050 and 100% renewable energy by 2035.

The Labour and climate pact was signed by the Emilia-Romagna Region and by another 55 signatories: local authorities, trade unions, businesses (industry, crafts, trade, cooperation), the four regional universities (Bologna, Modena e Reggio Emilia, Ferrara, Parma), the Regional education office, environmental associations (Legambiente, Rete Comuni Rifiuti Zero), Third sector and volunteer organisations, professional associations, the Chamber of Commerce and the banks (ABI - Italian Banking Association).

The Regional Mobility Pact

The "Regional and local public transport pact for the three-year period 2018-2020", signed in December 2017 by the president of the Emilia-Romagna Region and representatives of

public entities, the Metropolitan City of Bologna, public and private management companies and social stakeholders, holds the signatories to a series of commitments and investments in order to redesign both the rail and the urban bus transport sectors. In addition to the upgrade of rolling stock for trains and buses, the pact also aims to introduce integrated fares, electronic ticketing and a new governance reform project.

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

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

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

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

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

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

At the end of 2020, the policies relating to the Regional and local public transport pact in Emilia-Romagna were presented for the 2021-2023 three-year period, which is part of the broader strategic scenario defined by the “Labour and Climate Pact”.

The new “Mobility Pact” will need to contribute to outlining a local system project which aims at quality work, combating inequalities and the ecological transition for the achievement of the goals of the 2030 Agenda for sustainable development.

Flexible, integrated, secure, digital and oriented towards the ecological transition are the key words of local public transport in Emilia-Romagna contained in the proposal presented. In light of this planning, the replacement of more polluting vehicles will continue, with a focus on CNG, electric and even hydrogen. The areas that the Region intends to focus on to strengthen and make local public transport more modern, competitive and environmentally friendly are road-rail integration, digitalisation and the continuation of investment plans.

Prit - The integrated regional transport plan

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

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

Metropolitan agenda for sustainable development

The Metropolitan Agenda for Sustainable Development is a voluntary document that the Metropolitan City has drafted on the basis of the commitment made on sustainable development. The Agenda is connected with the documents attributed by law to the Metropolitan Cities, such as the Metropolitan Strategic Plan, in addition to sector planning instruments and entity programming documents such as the Single Programming Document (SPD).

The document contains a detailed guide for the various steps of a circular planning, implementation and monitoring process which is considered a useful basis for the implementation of the Metropolitan Agenda for Sustainable Development.

PSM - The Metropolitan Strategic Plan

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

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

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

The strategic mobility objective in the metropolitan area of Bologna is 20% reduction in private traffic flows by 2020 and progressive reduction of climate-changing emissions by up to 40% no later than 2030. The objectives of the MSP, consistent with the guidelines given in previously described plans, are based on a new way of planning mobility: the MSP is the first integrated mobility plan that focuses not only on travel but also on improving the quality of life in cities and the local area. For this reason it is a transversal plan which addresses critical consistency and coordination issues with the policies and intervention tools designed for other sectors (such as urban planning, environment, economic activities,

tourism, social services, health, safety, energy and education) that are available to the various authorities. With this in mind, we must carefully focus on maintaining a virtuous balance between the effectiveness and efficiency of the mobility system and the layout and urban and territorial developments. In particular, the MSP establishes that:

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

Metropolitan territorial plan (MTP)

In the course of 2020, the Metropolitan City of Bologna worked to define the first Metropolitan Territorial Plan in Italy, for all intents and purposes inaugurating an unprecedented urban planning season focusing on regeneration and equalisation.

The challenges identified by the new metropolitan planning instrument: protection of the soil (combating fragmented settlement patterns and safeguarding ecosystems), safety (for people and for the territory, considering the effects of the climate crisis), inclusion and liveability (combating social, economic and demographic fragility), sustainable attractiveness (strengthening and qualifying metropolitan networks and nodes from the sustainable perspective to attract investments), the Apennines, via Emilia and the Plains just one territory (territorial cohesion and equalisation fund).

The MTP was approved by the council in May 2021.

Pums - The Urban Plan for Sustainable Mobility

Metropolitan City of Bologna

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

The objectives:

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

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

Province of Ferrara

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

The objectives:

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

Bologna City Council SECAP

After the 2018 Paris conference, the community of the united nations sounded a new alarm due to the worsening of climate change and the need to reduce climate-altering emissions by at least 40% by 2030 and achieve carbon neutrality by 2050. Therefore, in April 2019, the Bologna City Council became a signatory to the Covenant of Mayors for energy and climate, launching work to monitor and draft the new Action plan (SECAP). The Plan will also contain the monitoring of the inventory of emissions and the assessment of vulnerabilities and climate risks.

Sustainability strategies and objectives

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

Integrating sustainability in business plans

TPER's 2020-2022 business plan was formulated based on an approach by which sustainable development requires concrete actions. The plan's strategic guidelines and related actions for the various business areas are characterised by change factors, capable of significantly and transversally affecting the prospects for business development with respect to the pursuit of economic, environmental and social sustainability objectives.

The Plan's targets primarily concern consistency with sustainability objectives. Indeed, a particular emphasis is placed on investments in transport methods with higher

sustainability as well as implementing and completing infrastructure projects. Sustainable development requires capabilities related to innovation and technological development to improve the efficiency and quality of services offered, as well as investments to support the development of the knowledge and skills of human resources, in a highly complex scenario, to be able to take advantage of new market opportunities and develop innovative business lines, which respond to social needs pertaining to mobility.

Business Plan - Strategic objectives	
Sustainability	Carrying out our role in the communities in which we operate with respect for the law and the environment in line with global and local sustainable development goals. Business continuity and development, always seeking to maintain the economic and financial equilibrium
Competitiveness	Developing strengths and improving weaknesses, including through partnerships and the management of innovative forms of mobility. Constant improvement of internal processes - high levels of efficiency
Innovation	Drivers of technological innovation, a tool to support businesses and a means of developing new opportunities
Transparency	Compliance, sharing of objectives and results

Figure 5

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

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

Figure 6

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

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

TPER's role and Sustainable Development Goals (SDGs)

Tper is a signatory to the United Nations Global Compact and recognises its system of values founded on 10 principles. The Tper business plan, which integrates sustainability, also requires the identification of priorities in terms of the commitment with respect to the United Nations Agenda 2030 and its sustainable development goals (SDGs).

The analysis carried out in previous years resulted in linking the general sustainability objectives integrated in the Business Plan with 9 of the 17 SDGs, considered to be priorities. Two goals (SDG3 - SDG11) include specific targets that are connected with transport: the reduction of deaths and injuries due to road accidents (SDG 3.6) and access for all to sustainable, safe and comfortable transport systems (SDG 11.2).

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

commitment to the SDGs was also specifically defined with respect to the areas of impact and actions of the Business Plan.

Goals	3	7	8	9	10	11	12	13	17
Sustainability									Transversal
Competitiveness									
Innovation									
Transparency									

Figure 7

Instead, with reference to the specific sustainability goal, the SDGs are positioned as shown below.

General sustainability objectives of the Business Plan	SDG				
Environment	3	7	9	11	13
Efficiency and quality	7	8	9	11	
Accessibility	9	10	11	12	17
Safety	3	8	11		

Figure 8

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

SDGs	*SDG Target* - (extract)	Impact areas / TPER targets	Plan actions
	**Ensure healthy lives and promote wellbeing for all at all ages** 3.4 Prevention, treatment and promotion of mental health and well-being. 3.6 Halve the number of global deaths and injuries from road traffic accidents. 3.9 Deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Environment Safety	**Mobility innovation factors** ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles **Fleet** ▪ Renewal of the fleet (urban/exurban development) **Business and organisational structure** ▪ Integration of the ticket pricing system of road-to-road services (Free integration of urban transport services for subscribers to exurban bus routes) ▪ Enhance the role of the worker through investments (training, communication and transfer of knowledge) increasingly targeted at professional growth and contribution to business development (by sector and transversal at company level) ▪ Monitoring of the company climate and holding of internal events/initiatives favouring wellness within the company ▪ Development of the corporate welfare system ▪ Development and consolidation of smart working to ensure work/life balance
	**Ensure access to affordable, reliable, sustainable and modern energy** 7.1 Ensure access to affordable, reliable and modern energy services. 7.2 Increase the share of renewable energy in the global energy mix. 7.3 Improve energy efficiency.	Environment Efficiency - Quality	**Mobility innovation factors** ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles ▪ Progressive expansion of the electric fleet (trolleybus, new electric lines, People Mover, electric company and car-sharing vehicles) **Fleet** ▪ Renewal of the fleet (urban/exurban development) ▪ Progressively increasing use of biomethane to fuel vehicles (CNG and LNG) **New technologies and industrial aspects** ▪ Development of innovative technologies to support maintenance processes

			(automation and process measurement - data collection tools) ▪ Technological development - Innovative parking management ▪ Investments in the company offices aiming to reduce consumption and/or for the use of renewable energies
	**Promote inclusive and sustainable economic growth, employment and decent work for all** 8.2 Higher levels of economic productivity through diversification, technological upgrading and innovation. 8.5 Full and productive employment. 8.8 Protect labour rights and promote safe and secure working environments for all workers.	**Efficiency and quality** **Safety**	**Mobility innovation factors** ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles **Business and organisational structure** ▪ Organisation and processes: more efficient organisational model, adapting it to sector developments and innovations ▪ Human resource development policies - Corporate welfare agreements ▪ Process innovation
	**Build resilient infrastructure, promote sustainable industrialisation and foster innovation** 9.1 Quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being (affordable and equitable access for all). 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean technologies and industrial processes. 9.5 Scientific research, improving the technological capabilities of the industrial sector - encouraging innovation.	**Environment** **Efficiency and quality** **Accessibility**	**Mobility innovation factors** ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles **Fleet** ▪ Renewal of the fleet (urban/exurban development) **New technologies** ▪ Development of innovative technologies to support maintenance processes (automation and process measurement - data collection tools) ▪ Integrated planning of the various projects in electric vehicle recharging infrastructure to develop the transport network in a structured and synergistic manner ▪ Technological development - Innovative parking management ▪ MAAS ▪ Electronic ticketing
	**Reduce inequality within and among countries**	**Efficiency and quality** **Accessibility**	**Mobility innovation factors** ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes

	10.1 Progressively achieve and sustain income growth of the bottom 40% of the population. 10.2 Empower and promote the social, economic and political inclusion of all. 10.7 Facilitate orderly, safe, regular and responsible mobility of people		▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles **Fleet** ▪ Renewal of the fleet (urban/exurban development) **Business and organisational structure** ▪ Integration of the ticket pricing system of road-to-road services (Free integration of urban transport services for subscribers to exurban bus routes) **Quality and social** ▪ Quality commitments - Social commitments ▪ New communication/information systems for users (Roger)
	**Make cities inclusive, safe, resilient and sustainable** 11.2 Access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport 11.3 Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries. 11.4 Protect and safeguard the world's cultural and natural heritage. 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality. 11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning. 11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion,	**Environment** **Efficiency and quality** **Accessibility**	**Mobility innovation factors** ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles **Fleet** ▪ Renewal of the fleet (urban/exurban development) ▪ Management of energy sources (LNG/electricity) ▪ Investments to improve accessibility in the vehicle fleet (all vehicles purchased have a platform for access by disabled people, lowering platform, seating area for individuals with a disability, voice communication system) ▪ Development of digital channels to guarantee improved information and the remote, digital purchase of tickets ▪ Development and expansion of the passenger counting systems to improve travel planning **New technologies**

	resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and that develop and implement holistic disaster risk management.		▪ Technological development - Innovative parking management **Quality and social** ▪ Quality commitments - Social commitments ▪ Video cameras on board (New remote control system) ▪ Services for people over 65, students, disadvantaged segments of society ▪ Mobility management agreements for workers in important area companies
	**Ensure sustainable consumption and production patterns** 12.1 Programmes on Sustainable Consumption and Production. 12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle.	Accessibility	**Fleet** ▪ Renewal of the fleet (urban/exurban development) **New technologies** ▪ Development of innovative technologies to support maintenance processes (automation and process measurement - data collection tools) ▪ Technological development - Innovative parking management **Business and organisational structure** ▪ Organisation and processes: more efficient organisational model, adapting it to sector developments and innovations ▪ Improve waste separation processes in offices and in company depots through the introduction of waste management policies ▪ For the applicable product segments, the application of MEC, or Minimum Environmental Criteria, by suppliers is required
	**Take urgent actions to combat climate change and its impacts** 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters. 13.2 Integrate climate change measures into national policies, strategies and planning.	Environment	**Mobility innovation factors** ▪ Crealis Project - replacement of buses with new trolleybuses for specific routes ▪ People-Mover Service - monorail service connecting Bologna Central Station with the airport in 7 minutes ▪ Increase the "Corrente" car-sharing fleet. Development in new geographical areas ▪ Full-electric lines - 100% use of electricity from renewable sources for electric vehicles **Fleet** ▪ Renewal of the fleet (urban/exurban development) **Business and organisational structure** ▪ Integration of the ticket pricing system of road-to-road services (Free integration of urban transport

			services for subscribers to exurban bus routes) New technologies ▪ Technological development - Innovative parking management
	Revitalize the global partnership for sustainable development 17.14 Enhance policy coherence for sustainable development. 17.17 Effective public, public-private and civil society partnerships.	-	*SDG 17 is transversal to the various drivers of the TPER business plan. Partnerships, at different levels, are essential components in the pursuit of the goals of the plan and related actions.*

Figure 9

TPER's vision for the mobility of the future

Today, the public transportation sector is facing a great challenge. Aside from guaranteeing services to all residents, in the future it must become not only a replacement option for private vehicles, but also the preferred choice for daily mobility.

This requires a transformation in how people experience individual mobility, and with the contribution of everyone (transportation companies, users, but also the general context), transportation can provide its contribution to achieving zero net greenhouse gas emissions by 2050.

Therefore, Tper orients its activities and investments for the mobility of the future, in line with local sustainable mobility plans, towards the following principles:

Availability and accessibility, or:

- Coverage of all parts of cities, suburbs and rural areas
- Vehicle capacity to allow for safe distancing and to accommodate additional passengers
- Services accessible to all residents, including the elderly and people with reduced mobility
- Connections with other transportation systems

Quality, in the sense that the service must guarantee:

- Comfort
- Cleanliness
- Transparent information
- Speed, frequency and reliability
- Safety and protection for passengers, employees and third parties

Sustainability and energy efficiency, with the commitment to:

- Invest in and plan services to provide zero-emissions public transportation by 2050
- Apply the circular economy approach

- Guarantee flexible services suited to demand, also using alternative systems to public transport (e.g. electric car sharing)

Innovation and integration of new instruments for users, seeking to guarantee

- Fluid digital information on customers relating to ticketing services and complaint / incident management
- MAAS systems capable of coordinating traditional mass public transport with complementary and shared sustainable mobility options

Attention to work, guaranteeing

- Secure jobs
- Equal opportunities to people of all genders and backgrounds

Resilience, or

Capacity to withstand new crises linked to climate change, pandemics, changes in mobility behaviours, flexible demand, etc.

Sustainable mobility and the European Union's Green Deal

The reference scenario has also been defined by the European political framework and by European Union strategies relating to sustainable mobility. In particular, the mobility policies established by the Green Deal call for investments to strengthen cleaner, more cost effective and healthier forms of public and private transport. The objectives established by the Sustainable Mobility policy of the European Union's Green Deal include in particular, amongst others:

Sustainable mobility - *Promote more sustainable means of transport*	
Reduction of emissions	Transport represents one quarter of the European Union's greenhouse gas emissions. The Green Deal is aiming for a 90% reduction in these emissions by 2050.
Digital conversion	Automated mobility and smart traffic management systems will contribute towards making transport more efficient and cleaner.
Use different modes of transport (inter-modality)	An increasing volume of goods should be transported by rail or ship, developing inter-modal traffic systems

LPT: development and sustainability

Due to its multiple benefits, the expansion of public transport is one of the recommendations declared in the sustainable development goals (SDGs), also with a view to the European Green Deal. Indeed, public transport:

- Represents a more climate-friendly way of travelling (aside from walking or biking): without public transport, the Green Deal and the goal of carbon neutral cities could not be pursued
- Improves the quality of urban life: by requiring less energy and less space on the road than individual mobility, it reduces congestion and local pollution.

Furthermore, it is amongst the safest means of transport, contributing towards reducing the number of (fatal) road accidents

- It is a sector which favours innovation and in which technology is continuously improving: automation, connected vehicles, ticketless payment, etc., are all solutions benefiting users
- It generates wealth and favours development, through the infrastructural investments defined, both thanks to the connection permitted locally between businesses and workers, and because it is a direct source of employment that cannot be moved elsewhere (according to UITP sources, the sector directly provides employment to more than 2 million people in the EU)
- It is inclusive and offers services at accessible prices, as travelling with public means costs less than travelling in a private vehicle
- It makes it possible to develop sustainable tourism covering the first and the last mile of any long-distance trip.

Stakeholders and materiality analysis

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

Stakeholders

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

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

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

TPER's stakeholder relationship system calls for activities, instruments, channels and methods of engagement which take into account the various stakeholder profiles and requirements as well as the overall structure of the institutional system.

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

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

Figure 10

Materiality Analysis

An organisation generates (positive and/or negative) effects on the economy, the environment and society and, as a result, also with respect to the expectations, interests and assessments of its stakeholders. The material topics are those areas which define the significant economic, environmental and social impacts of the organisation.

According to the European Union's approach, defined in the European Commission Communication published in June 2019 containing the guidelines on the disclosure on climate change pursuant to the NFRD / Non Financial Reporting Directive - Directive 95/2014, the material topics are those areas of sustainability that can have significant impacts on a company's development, performance and value. At the same time, a material topic is defined in relation to the social and environmental areas and themes on which the company, through its activities, can have a material impact. The two "directions"

of materiality (also referred to as "double materiality") are interconnected and the materiality analysis process is dynamic and based on the evolution of the reference context.

Not all material topics are of equal importance, and sustainability reporting reflects their priorities.

To draft its DNF, TPER updated its materiality analysis in keeping with the GRI Standards, also taking into account what is set forth in Italian Legislative Decree 254/2016, governing the drafting of the DNF.

For TPER, the materiality analysis is a tool for refining its internal reporting processes and, over time, supporting the planning of its activities. The identification of potentially relevant aspects was carried out according to an approach based on documentary analysis, external engagement and internal engagement.

Process phases	
1	Updating of stakeholder mapping and the relative engagement tools
2	Critical review of the material issues identified in the previous Sustainability Report (2019 DNF)
3	Analysis of business plan drivers, investment plan, goals and commitments connected to SDGs
4	Documentary analysis of the reference LPT and sustainable mobility scenario National / regional activity legislation and regulations Local policy documents (PRIT - PUMS - PGTU - Metropolitan Strategic Plan, etc.) Entity and shareholder priorities EU policy / megatrend analyses (Green Deal – EU Next Generation - EU Action Plan sustainable finance and taxonomy (March 2020 TEG expert group document) – Europe on the move
5	Benchmarking analysis of national and international comparables
6	Analysis of aspects regarded as material by the Sustainability Accounting Standards Board (SASB), as identified in the SASB Materiality Map, for the "Transportation – Rail / Road" sector
7	Stakeholders - Evidence of engagement activities carried out
8	Stakeholders - Results of periodic customer satisfaction surveys and user/community advisory committees - analysis of complaints - media materials
9	Stakeholders - Issues that emerged from discussions with employee representatives/trade unions
10	Assessment of management / function managers, also based on the perspective of the respective reference stakeholders - function specific
11	Validation of issues and the materiality matrix by top management (Chairperson/General Manager)

Figure 11

The updating of the materiality analysis did not result in particularly significant changes but, as a structural part of the process, an improvement in the definition and overall consistency of the material topics. In particular:

a) New material topic relating to data and information security (cybersecurity and privacy);
b) Human resources: separate identification of aspects linked to the workplace, such as attention to diversity, inclusion, company welfare and work/life balance. This area also includes the management of activities via smart or remote working, made necessary by the Covid-19 pandemic, and which made it possible to measure the capacity of organisations to adapt to ensure business continuity and an effective response to the emergence of the risk linked to the Covid-19 pandemic;
c) Customer security & safety: this topic was given a definition no longer linked only to service security, but also to customer health.

Material topics: reasons, scope of impact and reporting standards

For each material topic, the table summarises the relative impacts and impact areas. The correlation is also indicated between the topics and the areas laid out in Italian Legislative Decree 254/2016 governing the drafting of Non-Financial Disclosures. Lastly, the Indicators (GRI Standards) used for the accountability (reporting) of material topics are also specified.

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

Material topic		Impacts of material topic and reasons	Reference areas (Leg. Dec. 254/2016)	GRI Standards
Governance				
1	Governance and ethical business conduct	Transversal topic and essential condition for the business. Regulatory compliance and integrity and technical business conduct are necessary pre-conditions for running business activities.	Respect for human rights Combating active and passive corruption	GRI 205-1 GRI 205-3 GRI 206-1 GRI 307-1 GRI 419-1
2	Data security / Cybersecurity and privacy	The topics of data, system and information protection and security are significant aspects in relation to their potential effects concerning the protection of privacy and business continuity risks.	Social Respect for human rights	GRI 418-1
Economic sustainability and value generation				

3	Financial balance, creation and distribution of economic value	Economic and financial sustainability is essential for business operations and continuity, as well as to guarantee the protection and continuity of company assets. TPER's ability to generate value also produces a major impact in terms of the distribution of the value generated.	Social	GRI 201-1 GRI 201-4 GRI 203-2 GRI 204-1
4	Investments - innovation - digitalisation	The implementation of the TPER investment plan is a strategic condition. Investments are correlated with the technological improvement of infrastructure and services, with significant direct and indirect effects on the community and on the reference geographical area.	Environment Social	GRI 201-4 GRI 203-1
Customer Relations - Operations				
5	Accessibility - service quality and digitalisation	This topic is a strategic priority and integral part of the corporate mission: TPER's performance and its achievement of strategic objectives depend heavily on the high quality, efficiency and accessibility standards of its services. With a view to guaranteeing quality, accessible and efficient services, TPER is committed to a process of ensuring the widespread application of new digital and other technologies.	Social	GRI 417-2 GRI 417-3
6	Intermodality and integration of services	The TPER strategy attributes considerable importance to the diversification and intermodality of its services (road - rail - mobility - electric	Environment Social	GRI 203-1

		- car sharing - partnerships), as this constitutes one of the drivers for improving the overall quality of sustainable mobility, with considerable impacts on the quality and healthiness of life in urban areas and among the general public.		
7	Customer safety (Security & Safety)	TPER undertakes to guarantee the health and safety of its users. Transport safety and the protection of service user health indeed represent an essential component of the public transport service, taking into account its potential social impacts, made even more relevant by service management during the Covid-19 pandemic.	Social Respect for human rights	GRI 416-1 GRI 416-2
8	Image - reputation / Relations with customers and the community	The sector and the relevance of the service provided require great attention to be focused on upholding the company reputation, an essential factor for the performance of TPER and its ability to meet the strategic objectives of the public transport service.	Social	GRI 413-1
9	Sustainability and responsible management of the supply chain	TPER believes that the sustainability and accountability of the supply chain is important for guaranteeing the necessary quality and efficiency of the service, in keeping with TPER's values and business model.	Environment Social Combating active and passive corruption Respect for human rights	GRI 204-1
Human resources				

10	HR management, training and skills development	The development and maintenance of professional skills are qualifying conditions enabling businesses to pursue their strategic objectives of creating value for the organisation.	Personnel	GRI 401-1 GRI 404-1
11	Workplace: diversity, inclusion, company welfare and work/life balance	An adequate workplace, which favours social inclusion and a balance between the professional and private lives of employees, enhances diversity and offers equal opportunities, accompanied by welfare tools, improves business performance and strengthens the organisation's capacity to adapt to extraordinary events such as the Covid-19 pandemic.	Personnel Respect for human rights	GRI 401-3 GRI 405-1 GRI 405-2
12	Health and safety in the workplace	TPER guarantees to its employees workplaces compliant with occupational health and safety regulations, a topic "transversal" to the organisation, the operating model and the other material topics.	Personnel Respect for human rights	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9
Environment				
13	Efficient use of natural resources: sustainable management of resources and circular economy	TPER's processes generate relevant impacts in terms of waste production and management and a significant use of water resources. These circumstances call for a commitment to the	Environment	GRI 303-1 GRI 303-2 GRI 303-3 GRI 306-2

		responsible and efficient management of natural resources and a focus on policies consistent with circular economy principles.		
14	Emissions and air quality - mitigating climate change	Public transport management requires significant energy use and as a result generates emissions and has potential impacts on the mitigation of climate change. One of TPER's main action areas is the reduction of emissions (direct as regards the means of transport used and indirect in terms of the reduction of private transport in favour of public transport).	Environment	GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4 GRI 302-5 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5 GRI 305-6 GRI 305-7
15	Management of noise and vibrations	The management of the impacts of noise pollution deriving from the use of vehicles, as well as the vibrations produced, represents a condition for improving services and meeting the needs of customers, residents and TPER personnel.	Environment	GRI 307-1
Community and region				
16	Development of local public transport - Sustainable urban development and smart cites	The growth of urban public transport, a form of transport that allows for sustainable urban growth, is one of TPER's strategic guidelines, aimed at improving the quality and healthiness of life in urban areas and among the general public.	Environment Social	GRI 203-1 GRI 413-1

Figure 12

The materiality matrix

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

As can be seen, for TPER, particularly during a year as complex as 2020, health and safety are the main material topic, followed by topics linked to the economic/financial balance of operations and the management of human resource training and development. For stakeholders, customer relationships are highly important, as is safety.

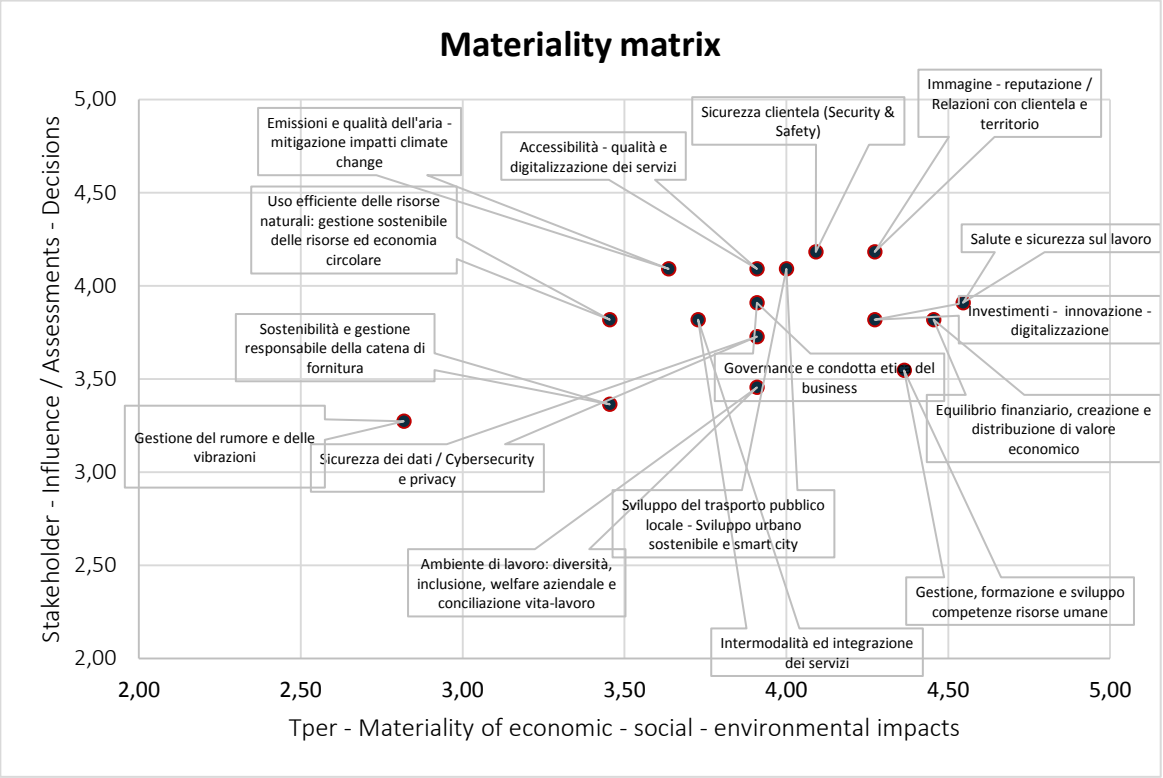


Figure 13

Responsible management of the business

The TPER business model can be represented as follows:

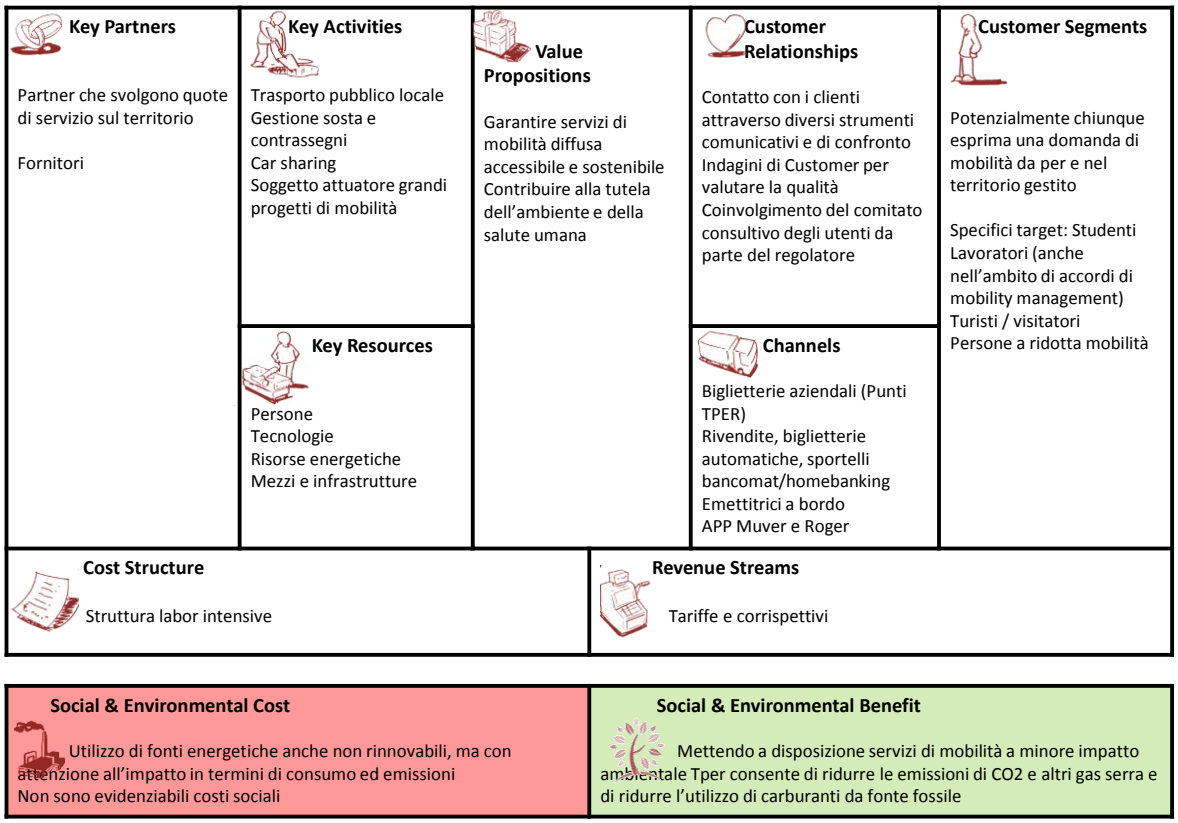


Figure 14

Services offered

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

TPER operates in the field of local public road transport services in the Bologna and Ferrara areas, both at urban and exurban level; it provides the public railway transport service on the regional network in partnership with Trenitalia through the associated company TrenitaliaTper; it has managed the parking and relative control service in the City of Bologna since May 2014 as well as, since November 2018, the "Corrente" car-sharing service.

TPER also implements several important mobility projects in the Bologna area, specifically the TPGV (restricted guided fast mass public transport) projects and PIMBO (an integrated project of Bologna's mobility for the completion of the metropolitan railway service and for the creation of trolley bus services on urban public transport lines).

TPER is the operator of the new People Mover station-airport link, under concession to the investee Marconi Express.

Road transport service

In 2020, TPER moved a total of 101.7 million passengers, marking an average reduction of 33% compared to 2019 as a result of the pandemic.

The road transport network covered by TPER in the provinces of Bologna and Ferrara equates to 4,427 kilometres, including an urban network of 561 km. In 2020, the TPER Group and its partners covered approximately 42.7 million km in the Bologna and Ferrara areas.

Urban and extra-urban area of Bologna

In order to guarantee the public road transport service in the Bologna area (through the subsidiary TPB), 34.3 million kilometres of urban, exurban and suburban routes were offered. This value takes into account service updates due to the changes required during the Covid emergency period.

The kilometres travelled in 2020 - compared to prior years - suffered from the effects correlated with the pandemic situation, particularly the reduction in trips made during the lockdown that was not fully offset later on by increases when schools reopened, as defined in agreement with local institutions.

Public road transport service in the Bologna area - km offered	2018	2019	2020
Bologna urban service	17,893,240	17,967,742	16,879,787
Urban service in other local councils	712,831	695,634	664,111
Suburban and exurban service in Bologna	16,778,031	16,899,701	16,715,367
Of which the Prontobus call bus service	1,235,339	1,198,948	1,151,221
Reserved and specialised lines and rentals	59,578	56,030	34,701
Total km covered	**35,443,680**	**35,619,107**	**34,293,966**

Figure 15

In 2020, TPER transported roughly 93 million passengers in the Bologna area, managing a total of 87 urban, 18 suburban and 139 exurban lines, 12 of which Prontobus call bus lines.

Urban and extra-urban area of Ferrara

In order to provide the local public road transport service in the Ferrara area, the subsidiary TPF covered more than 8.4 million kilometres in 2020 (including changes due to Covid).

Public road transport service in the Ferrara area - km offered	2018	2019	2020
Urban service in Ferrara	2,154,572	2,442,866	2,316,150
Ferrara exurban service	6,649,957	6,450,406	6,047,310
Of which the exurban Taxibus call service	1,132,910	1,145,839	1,132,155
Reserved and specialised lines and rentals	2,344	1,704	1,070
Total km covered	**8,806,873**	**8,894,976**	**8,364,530**

Figure 16

In 2020, around 8.8 million passengers were transported in the Ferrara area. There are 20 urban lines and 62 exurban lines, of which 14 call Taxibuses, in the Ferrara area.

Rail freight service

As of 1 January 2020, the new company TRENITALIATPER is managing regional railway transport in Emilia-Romagna, handling railway passenger transport for the Emilia-Romagna region on both regional and national lines.

TRENITALIATPER is a 30% investee of TPER, which maintains ownership of the rolling stock made available for the service.

As this is an unconsolidated group company, as of 2020 the service data were not considered within the TPER non-financial disclosure.

Car sharing - "Corrente" service

Corrente, a free-flowing car-sharing service with completely electric cars, was launched by TPER on 27 October 2018. All of the cars are 5-seater automatic Renault Zoes with 300 kilometres of power. Initially launched with 120 cars, it became fully operational in 2019, reaching 277 cars at the end of the year. Today, the service includes a total of 335 cars.

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

The service has around 30,000 registered users, who have covered roughly 3.5 million kilometres using this sustainable mobility system.

With reference to service continuity, as a result of the Covid emergency the service was completely suspended from 24 March to 11 May.

Furthermore, in 2020 there was a decline in rentals/day as a result of trends in the individual mobility restrictions imposed over time by the government.

To handle the need for customer safety and limit the use of the cars by many people, weekly or monthly long-term rentals (“Corrente Plus”) were introduced and car cleaning and sanitisation activities were intensified.

	2018 (2 months)	2019	2020
Cars - Fleet at 31 December	120	277	277
Registered users	5,924	16,020	29,585
Completed trips	20,341	169,622	146,342
Hours used	10,776	88,350	77,135
Kilometres travelled	190,886	1,732,186	1,582,911

Figure 17

Parking

TPER manages parking in the Municipality of Bologna, after being awarded the tender, and supervises over 52,000 urban parking bays. The fines issued by TPER for parking violations amounted to 123,000 euros in 2020.

As part of its activities, TPER has issued/renewed more than 38,000 permits for residents, permits allowing access to restricted areas by disabled people and parking in the 2,731 spaces reserved for them, medical services at home and school services, free circulation of electric or hybrid vehicles.

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

As shown in the table, the data relating to parking controls in 2020 were down compared to the prior year. This is linked to the measures imposed to reduce individual mobility, as well as the fact that in 2020 the service was suspended from 24 March to 17 May due to the Covid emergency.

Parking controls (In numbers)	2018	2019	2020
Annual controls	3,053,703	3,966,193	3,462,952
Days of checks	301	303	261
Average daily checks	10,145	13,090	13,291
Notices/tickets	124,047	155,314	123,000
Total bays	52,637	52,495	52,574
Total bays excluding motor vehicles	41,321	41,246	41,323
Bays for disabled people	1,402	1,411	1,417

Figure 18

Permits (In numbers)	2018	2019	2020
Permits issued/renewed[1]	44,769	45,466	38,156
Of which for disabled people	3,170	3,684	2,731

Figure 19

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

Projects

GRI 203-1

Emilio - The TPGV project (Guided Public Transport)

Guided Public Transport is a mass trolleybus transport system with assisted driving between the centres of Bologna and San Lazzaro, officially inaugurated on 30 June 2020, with the activation of the first San Lazzaro-Piazza XX Settembre line on 1 July. Crealis Neo vehicles circulate on the new lines and, thanks to cameras that recognise the optical guide traced on the road, will stop flush with the platform at a distance of between 1 and 6 cm.

The local public road transport system can thus make use of new vehicles (49 overall) and provides new levels of flexibility and accessibility for passengers, especially those with reduced mobility.

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

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

Overall, the total value of the investment is around 182 million euros. The Crealis Neo vehicles are also used with ordinary methods on the 13 and 14 trolleybus lines.

In the course of 2020, the procedure was also defined for the concession of the infrastructural part of the project, which concluded in 2021 with the agreement between the Metropolitan City of Bologna, the Municipality of Bologna, the Municipality of San Lazzaro di Savena, Srm and TPER. The agreement aims to coordinate the parties for the systematic management under normal circumstances of the infrastructure and the TPGV service, within the scope of the policies and plans adopted by the competent local bodies for sustainable mobility in the area of the Metropolitan City of Bologna.

The PIMBO project

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

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

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

- The stops of the Metropolitan Railway Service (SFM)
- Accessibility works on SFM stops

- The SFM station branding project
- Completion of the underground conversion of the urban section of the SFM2 Bologna-Portomaggiore line
- Expansion of the Bologna urban trolleybus network with roadwork and electrification works, including substations, and the supply of rolling stock.

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

The PIMBO Project Review is currently under way, which takes into account the PUMS (Sustainable Urban Mobility Plan) adopted by the Metropolitan City and the Municipality of Bologna, as well as the regulatory amendments made in the meantime with law 120/2020, in addition to the specific content of the new CIPE Resolution no. 65 of 26 November 2020.

The above-mentioned resolution established that:

- The new beneficiary/awarding body of the financing is identified as the Municipality of Bologna;
- The Municipality of Bologna may continue to rely on Tper as the party implementing the subsequent realisation phases and the interventions of the PIMBO project;
- The functions of the "contracting authority" are recognised to Tper SpA for the preparatory and realisation phases of the interventions on the trolleybus network, the interventions planned for the tram-trolleybus integration and accessibility works, FER for the project to convert the Bologna-Portomaggiore railway line to an underground line and for the branding project on the SFM stations, RFI for the activities to complete the SFM stops and stations.

The Project Review proposes

- The replacement of the fleet of full electric trolleybus vehicles with a fleet of trolleybuses equipped with IMC (In Motion Charging) technology. The new trolleybuses, equipped for in motion charging, would thus have the possibility to go very long distances without needing to be linked to the bicable line, using the electricity provided by the batteries recharged while travelling under the line, therefore adapting to the new route solutions established by the Project Review of the PIMBO and PUMS project.
- Given the new configuration of the Bologna trolleybus paths and in particular the use of the IMC type trolleybus technology, the project review calls for installing adequate recharging stations at the end of the line of the trolleybus routes lacking an aerial line. These systems will also be suitable to recharge electric buses in the supply phase.

The People Mover project

The People Mover is the mode of transport chosen by the Municipality of Bologna for the Marconi Express, which is the direct connection between the Central Railway Station and Bologna Guglielmo Marconi Airport, launched on 18 November 2020.

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

TPER, involved in the performance of the work as a minority shareholder of Marconi Express, manages the new system, both in the initiation and observation phase as well as when it begins operating under normal circumstances.

Innovation

GRI 203-1

TPER has embarked on a process for the widespread application of new information technologies with a view to focusing attention on its customers and the development of communication systems. The goal is to facilitate accessibility to the many local services delivered, increasing the effectiveness of information and the utilisation of the services themselves. The push into the digital field and the introduction of electronic tickets is beginning to produce significant results in terms of operations and user satisfaction.

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

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

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

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

Company interface and open data information to users

By publishing its data of public interest through the open data policy, TPER was among the first passenger transport companies in Italy to follow the guidelines drawn up by UITP, the international association of public transport, for an increasingly open and integrated approach between citizens and city users, on the one hand, and service providers for the community, on the other. The decision to provide a large volume of open data related to its service has allowed the creation of different free apps, which are downloaded by thousands of people and widely used today. Every day about 50,000 information requests on TPER services are handled via smartphone, telephone or web, hence in a completely independent and convenient manner.

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

Apps

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

developers and full availability of apps on different platforms (Android, Windows, Apple), downloadable from the stores.

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

Web and mobile world

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

Information at stops and aboard buses

Real-time information delivered via panels at the stops has been a consolidated reality for a part of the territory served for years. 155 stops in the Bologna area and 36 in the Ferrara area have been equipped.

In particular, eleven new installations were completed:

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

At present, the display messages at "smart" bus shelters also indicate whether the next bus provides a wheelchair-access platform for non-ambulant people, an important piece of information already present on the app and Hellobus messaging service. Urban buses are equipped with a system that announces the next stop and, in recent months, of variable utility messages (limitations on travel, detours, other announcements) with programmable frequencies. In support of blind and visually impaired people, urban and suburban buses are equipped with an external loudspeaker that communicates the line number and the direction once at the stop.

The new ROGER app contributes towards providing information on vehicles arriving at the stops and their capacity level, acting as a veritable travel tutor, also considering that increasing numbers of users are using smartphones.

Real-time info: Hellobus and Chiamatreno

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

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

Information to pass-holders and users registered on the site

TPER offers its annual pass-holders an SMS-based information system that allows them to receive news on critical events affecting services (strikes, closures for scheduled work on important roads), as well as promotional or service-related messages. On average, over 600,000 SMS messages are sent every year. Similar information is sent via an infomail system to users who register on the TPER website and request it.

Website

TPER ensures the constant updating of its website, extending its content gradually with the new services managed by the company. The site is completely responsive and boasts an average of 10,000 sessions a day.

Online services portal

On the TPER online services portal at https://solweb.TPER.it, which boasts around 72,000 registered users (private individuals, companies and TPER retailers), people can easily carry out online operations at any time. For example, they can top up their passes or buy new ones - including in reference to Mobility Management agreements with entities and public or private companies -, pay fines, renew permits (both operating and those for residents, where payment is necessary), choose the method for allocating the amounts made available by the "Mobility Bonus", book the Prontobus call service, request information and send communications to the company.

On Bologna's parking meters there is a QR Code that says it all

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

Online purchase and renewal of parking garage passes

As of September 2020, also in response to the current health emergency, on the customer portal https://solweb.tper.it it is possible to purchase and renew passes to the parking garages managed by Tper (more than 1000 car/motorcycle parking spaces).

Compared to the previous system, several additional functions have been introduced for customers, including an automatic email reminder informing the customer when the pass is about to expire, as well as accurate management of waiting lists, when applicable. Since this new system has been introduced, more than 1500 parking garage pass purchase or renewal transactions have been completed.

Online purchase of digital ZTL restricted area tickets

As of June 2020, digital tickets for accessing the Bologna ZTL restricted traffic area may be purchased on the customer portal https://solweb.tper.it in addition to at TPER points. The digital tickets fully replaced the previous paper tickets starting on 31/12/2020, which as of that date can no longer be used. This new system also goes in the direction of service digitalisation as well as limiting travel during the current health emergency period.

More than 55,000 tickets have been purchased since June 2020.

Free passes to young people resident in Emilia-Romagna

“Grande” is the pass active as of the 2020/2021 school year dedicated to children and young people under 14 residing in Emilia-Romagna, provided free of charge by the Emilia-Romagna Region.

This initiative, launched in 2020, provided primary school students (born between 2010 and 2014) with a letter in which a card containing the Urban Pass for their area of residence was enclosed, while lower secondary school students were instructed on how to request the pass on the https://rogerapp.it portal, to easily obtain it through the ROGER application or (if they did not have a smartphone), on the MiMuovo card.

Services for travellers

Fare increase for local public transport

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

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

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

Recharge of electronic passes

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

People Mover ticketing

In November 2020, the People Mover service was launched with an innovative EMV ticketing system. Considering the unique characteristics of users, mainly business travellers and tourists, the system was created using new EMV and QR code technologies: the former to allow ticketing with credit cards, the latter facilitates the purchase of single or group tickets on the web.

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

Mobility Bonus

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

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

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

Travel ticket validation and paying fines

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

Mobility Management

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

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

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

Specific agreements concerned:

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

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

Mobile ticketing

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

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

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

MUVER

Designed by TPER and produced in partnership by the four public transport companies of Emilia-Romagna (TPER, Seta, Start Romagna and Tep), the MUVER app is integrated with

the regional MiMuovo system. A major challenge taken on, along with the Region of Emilia-Romagna, using POR FESR European funds.

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

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

ROGER

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

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

To handle accessibility problems linked to the Covid health emergency, a new function regarding bus crowding was introduced in Roger: real time information on the buses arriving at the selected stop is now enhanced with information on bus crowding. A small icon of a stylised bus (green, orange, red) indicates how full the bus is.

EMV ticketing system

In the course of 2020, the development of the public transport electronic ticketing system project continued, allowing for the use of credit cards with bank-standard contactless EMV. The system allows customers with contactless credit cards to access the transport service just by using their cards, without any need to purchase a ticket beforehand. This activity is financed by POR FESR 2014-2020 regional funds and developed in collaboration with companies TEP, START and SETA.

The new service was then launched in the initial months of 2021.

Digitalisation within the company organisation

Video surveillance system on board buses

At the end of November 2020, the installation of video surveillance systems which began in 2019 and concerned a total of 567 buses, was completed (299 urban, 183 suburban and 85 interurban).

This project, financed by POR FESR 2014-2020 regional funds, was developed in collaboration with companies TEP, START and SETA and is intended to reduce pickpocketing and vandalism on buses, boosting the perception of safety by users.

Each bus includes a recording unit, a 4G/Wi-Fi router, movement sensors and interior and exterior video cameras, numbering from a minimum of 3 to a maximum of 12, depending on vehicle type.

During 2020, the remote management of all systems at the TPER Safety Operations Room was refined and made fully operative, including device configuration, continuous monitoring of on-board system status and the ensuing coordination of maintenance work, as well as the downloading of any images requested by those entitled.

Applications to support operating staff

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

Technological implementations for smart working

In 2019, a Smart Working project was launched to create the technical and procedural conditions to be able to work remotely, identifying the infrastructural solution that enabled workers to use the same tools they would find at their workplace from home. The project was accelerated to allow 230 workers to use smart working in March 2020, as a result of the COVID-19 health emergency. The system was then maintained throughout 2020 and continued in 2021.

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

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

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

Ticket distribution

GRI 102-2 GRI 102-6

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

TPER Points

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

Ticket sales

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

Self-service automatic ticket machines - automatic distributors

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

ATM's - Home banking

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

Website

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

On-board sales - on-board issuing

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

Apps

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

EMV payment systems

TPER has adopted the EMV (Europay, MasterCard and Visa) system, a technical payment standard which guarantees compatibility with cards equipped with chips and payment terminals all over the world. With this system, it is possible to more quickly and flexibly pay for travel without using cash.

Sector positioning and benchmarking

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

In Italy, the Local Public Transport sector is managed by both public and private companies. Public companies, together with a few other private companies, hold almost all of the

market share of public transport services in urban areas and the majority (75%) of the market share of exurban transport.

With the aim of explaining the market position of TPER, this paragraph provides some key sector figures, mainly taken from the 2020 ASSTRA study conducted in collaboration with Ifel (ANCI Foundation) and Intesa Sanpaolo: "*Local public transport company performance. From improving operating results to the challenges of the future".* Please note that these data refer to 2018.

The Local Public Transport market employs 124,300 people, offers around 1.9 billion vehicle/kilometres per year, transports 5.4 billion passengers annually and has a turnover of about 12 billion euros. The market comprises 930 companies, 112 of which with public ownership. The sector consists of over 49,000 vehicles, producing 1.9 billion vehicle/km.

Italian local public transport takes place primarily on the road. 91.1% of the companies sampled indeed provide exclusively on-road service, while the number of operators managing only railway transport amounts to roughly 1.5% of the total: this figure is not surprising, as in the majority of the Regions, railway transport is managed by Trenitalia S.p.A., only in certain areas alongside other operators, as is the case of TPER in Emilia-Romagna. (Source: national transport monitor report)

At national level in pre-Covid Italy, public transport accounted for roughly 14.2% of motorised travel, while the remainder (85.8%) took place with cars and motorcycles.

TPER falls under the category of directly owned public companies that provide transport services via public procurements, i.e. following a public tender.

Fare policies are decided upon in Italy by local mobility agencies in agreement with local authorities and in keeping with the service agreements in force following the awarding of tenders. The following tables show data on average local public transport fares. The average Italian fare is lower than that of other European countries considered.

The following table shows the fare applied in major European cities, also including Bologna in order to provide a comparison with the fares applied by TPER. As can be seen, the fares applied by TPER are at the lowest end of the observation range. In addition, they do not refer to a single trip, but rather to a duration of 75 minutes.

City	Single ticket local public transport fare (*Euro*) - 2020 figures
Hamburg	3.4
Munich	3.3
Cologne	3.0
Berlin	2.9
London	2.8
Barcelona	2.4
Milan	2.0
Paris	1.9

Lyon	1.9
Turin	1.7
Naples	1.6
Madrid	1.5
Valencia	1.5
Rome	1.5
Bologna (75 min.)	1.5

Figure 20 Source: analysis of ASSTRA, IFEL and Intesa Sanpaolo data (2020)

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

City	Monthly pass cost (*Euro*) - 2020 figures
London	164
Hamburg	111
Cologne	99
Berlin	84
Paris	75
Lyon	65
Munich	55
Madrid	55
Valencia	45
Naples	42
Milan	39
Turin	38
Rome	35
Bologna	36

Figure 21

Customers

GRI 103-2

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

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

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

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

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

Quality of services

GRI 103-2 GRI 103-3

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

To ensure maximum visibility to the quality of the services provided, TPER annually updates the service charter, which shows users their rights and minimum guaranteed services. Surveys, on the other hand, monitor the quality actually perceived with reference to

aspects such as the comfort of the vehicles, regularity, punctuality, accessibility of the service, transparency and completeness of the information provided.

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

Service Charter

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

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

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

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

Accessibility

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

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

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

In parallel with the increase in equipped buses, the personalised assistance system for those with special requirements also continues to be developed.

Users in wheelchairs can now check (also using an app or the variable smart pole messages) whether line buses are equipped, knowing that the coverage of equipped vehicles in the urban area makes it mostly unnecessary to make a reservation, allowing for the independent and free use of this public service.

In any event, it is also possible to agree on the presence of a platform on routes of interest for six-month periods, or, lastly, agree on a single specific itinerary on a specific day, by

providing prior notice of at least three days. All of this can be done by using the info available in the shelters and on the company website or with the assistance of the Call Centre.

Support for travellers with reduced mobility

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

- Buses with platform or lowered platform
- Information at stops via electronic poles, providing information on the arrival of the buses as well as information about the presence of the platform
- Development of applications that provide information about the arrival of buses and about the presence of a platform on the arriving buses (for details of the applications http://www.tper.it/apps).

Communication, information, listening

GRI 103-2 GRI 103-3

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

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

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

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

Safety

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

The safety of public transport users is guaranteed both by a series of procedures that allow a reduction in emergency/rescue time, and by significant investments in technological equipment, carried out as early as the mid-90s. In particular, the remote control system (AVM - Automatic Vehicle Monitoring), extended to the entire fleet, allows the monitoring of the vehicles in service and communication between the Operations Centre and drivers via the on-board radio system. With regard to managing the fleets of vehicles that service the public transport service, the features of this system allow service optimisation in case

of disruptive events, providing an overview of the overall actual operating conditions, a better definition of strategies for any regulatory interventions, and the possibility of the Operations Centre to communicate the consequent operating instructions to individual buses or groups of vehicles. Similarly, the system allows the best prevention and management of mechanical damage to vehicles in service. The system also allows the collection of valuable data for planning services.

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

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

Lastly, TPER has signed a Memorandum of Understanding with the Prefecture and the City of Bologna concerning the safety of service personnel and users of public transport, with which the company has committed to providing future buses with the necessary components for the installation of video surveillance systems (wiring, provisions for new technology) that allow high-definition images to be taken of the entire area of the vehicle intended for passengers. TPER's investment plans also include the supply of on-board components to progressively equip the entire fleet with video surveillance systems. The collection and processing of images is carried out in compliance with applicable privacy laws.

On the basis of that Memorandum of Understanding, the Prefecture and the Municipality of Bologna have made a specific commitment to the coordination between the Police (State Police and Carabinieri) and Local Police for the optimal use of resources aimed at both the provision of extraordinary control services to ensure the safety of staff and users of public transport, and to counter the commission of those offences which are most frequently mentioned as typical of public transport services (pick-pocketing, assaults, harassment), and lastly to prevent incidents of verbal and physical assault on inspectors and drivers.

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

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

Customer satisfaction

GRI 103-2 GRI 103-3

Considering the Covid emergency, no quality surveys were performed in 2020. In 2019, the average service score was 7.39 for the urban service and 7.24 for the suburban service in

Bologna; 7.02 for the urban service in Imola, 7 for the urban and exurban services in Ferrara.

Complaint mechanisms

GRI 103-2 GRI 103-3

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

Complaints	2018	2019	2020
Total complaints **(no.)**	4,036	4,472	4,996*
***of which extraordinary complaints for Covid-19 reimbursements**			1,595
Total ordinary complaints (excluding Covid)			**3,401**
Of which			
Total automotive complaints	3,328	3,802	3,359
Total railway complaints	708	670	42
In particular related to			
Services			
Frequency or schedule not respected (no.)	811	900	343
Runs missed (no.)	457	443	220
Personnel **(no.)**			
Unfriendly personnel (no.)	358	348	266
Inappropriate driving	214	235	189
Failure to stop at bus stop	283	292	154
Combating evasion (no.)	15	28	6
Mandatory validation (no.)	8	3	8
Positive reports (no.)	45	12	3
Average complaint response times (days)	21	15	13

Figure 22

Total user complaints amounted to 4,996 in 2020, including 4,663 in the automotive sector. The primary complaint, not present in other years, regarded requests for reimbursements for passes due to the lack of service caused by the Covid-19 lockdown: 1,595 total complaints concerned this issue. Net of this value, total complaints came to 3,401, of which 3,359 in the automotive sector.

It is also possible to note a significant decline in reports in the railway sector, which as of January 2020 was transferred to the investee TrenitaliaTper.

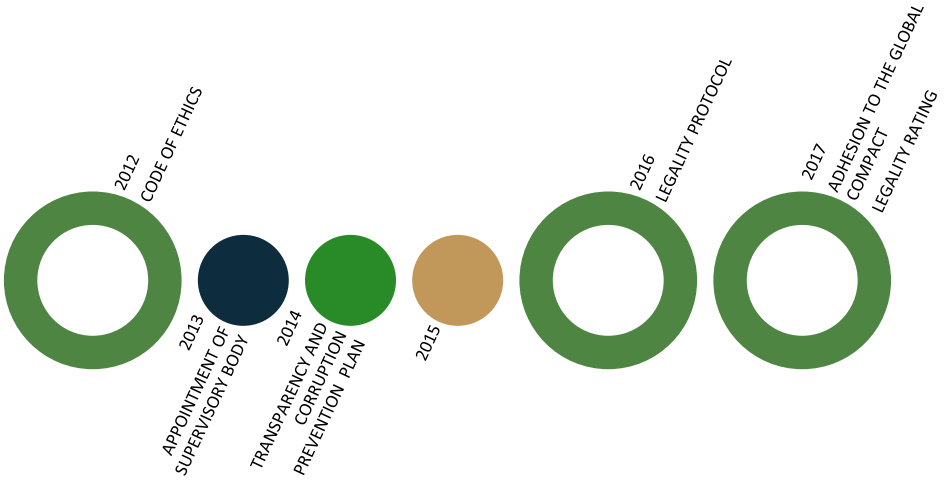
The complaints mainly concern the service (frequency of runs and compliance with timetables), and crowding. In some cases the behaviour of staff was also the subject of complaints, in terms of courtesy, appropriate driving and stopping at stops.

The average response time is 13 days.

Ethics, integrity, compliance

Control model and measures to combat corruption

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



The organisation, management and control model Italian Legislative Decree 231/2001

Italian Legislative Decree 231/01, containing "*Provisions on the administrative liability of legal entities, companies and associations without legal personality*", adapted national legislation on the liability of legal entities to international conventions. TPER has adopted an organisation, management and control model (MOGC) pursuant to Italian Legislative Decree 231/2001 which contains all the preventative and disciplinary measures and procedures to reduce the risk of crimes being committed within the company organisation.

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

TPER decided to proceed with the formalisation of its organisation, management and control Model following an analysis of the entire organisational structure of the company and its internal control system ("risk assessment") in order to verify its adequacy as regards the prevention of offences. TPER has adopted a Model which complies with the requirements of the Decree and is consistent with the reference regulatory context and the

principles already rooted in its governance culture, subject to subsequent regulatory updates and adjustments to the changes in the company's organisational structure.

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

TPER has appointed a Supervisory Body according to rules providing the utmost guarantee of autonomy and function. This Body is responsible for monitoring the functioning, effectiveness, adequacy and observance of the TPER Organisation, Management and Control Model.

During the drafting, periodical updating and approval of the MOGC 231, TPER introduced and implemented adequate organisational and management measures to prevent corruption pursuant to Italian Law no. 190/2012 and the National Anti-Corruption Plan (PNA), also with reference to the provisions of Italian Law no. 68 of 22 May 2015 and Italian Law no. 69 of 27 May 2015 (provisions relating to environmental crimes, false accounting, crimes against public administration and mafia-type associations) and the criminal offence of self-laundering (art. 648-ter 1 of the Criminal Code).

It should be noted that, in order to prevent corruption, private law bodies under public control and non-controlling public companies that have already adopted organisation and risk management models on the basis of Italian Legislative Decree no. 231/2001 can use the same models by extending the scope of application not only to the offences against public administration envisaged by Italian Legislative Decree no. 231 of 2001 but also to all those considered in Italian Law no. 190 of 2012, and in any event all cases of maladministration or corruption in general, even if not constituting a specific offence.

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

In the course of 2020, as in the previous years subject to reporting, no episodes of active or passive corruption involving Tper directors or employees were confirmed. Likewise, no relevant cases were reported to the Supervisory Body as regards MOGC 231.

The Code of Ethics

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

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

The provisions of the Code apply, without exception, to the members of the Board of Directors and the Board of Statutory Auditors, senior managers, middle managers and employees at TPER, as well as to all those who, directly or indirectly, permanently or temporarily, form working relationships or work in the interests of TPER. Each recipient is required to comply with the provisions in the Code. Within the scope of their activities, all TPER stakeholders (employees, shareholders, customers, suppliers, communities, commercial and financial partners, institutions, trade associations, trade union representatives, etc.) act in compliance with the Code and with current laws and regulations. Each recipient is asked to familiarise themselves with the rules contained in the Code and the reference standards that regulate the work done within the boundaries it covers (also through the inclusion of specific clauses in contracts entered into by TPER).

Application of ANAC guidelines in the area of the Prevention of Corruption and Transparency

TPER is a publicly owned company, not subject to public control (pursuant to and in accordance with Italian Legislative Decree no. 175/2016) based on its shareholding structure and because it has issued bonds listed on regulated market. In this capacity, it is excluded from the scope of application of the above-mentioned Consolidated Law. Since 2017 TPER has been aligned with the indications contained in the new ANAC/2017 guidelines (ruling no. 1134 of 8 November 2017) and supplemented its MOGC 231 with the introduction of corruption prevention measures, also pursuant to Italian Law no. 190/2012, expanding the duties of the Supervisory Body. Indeed, as a publicly owned company not subject to public control, TPER is not required to draft the PTPCT (Three-Year Corruption Prevention and Transparency Plan) or appoint a Manager for corruption prevention and transparency, but it is only required to adopt measures supplementing those already adopted pursuant to Italian Legislative Decree 231/2001. In 2018, TPER adopted the “Model 231 Supplementary Measures - Anti-Corruption Protocol”, updated in 2020 with the introduction of measures intended to promote legality.

Legality rating

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

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

TPER confirmed the rating of ★★++.

Integrated management system

GRI 103-2 GRI 103-3

TPER is equipped with management systems according to international standards and has obtained the Certificate of Excellence from Certiquality, an accredited body for the certification of business management systems for quality, environment, safety and product

certification. This important recognition is given to those companies that have demonstrated a responsible voluntary commitment in their corporate governance, having obtained the three international standard certifications for:

- Quality (ISO 9001:2015)
- Environment (ISO 14001:2015)
- Occupational Health and Safety (ISO 45001:2018).

TPER has implemented an integrated quality and environmental protection management system compliant and certified according to the UNI EN ISO 9001:2015 and UNI EN ISO 14001:2015 standards. The integrated management system is applied to all the services provided and includes the local public road transport service in the Bologna and Ferrara areas, the regional passenger rail transport service, the management of paid parking in the City of Bologna and other services supporting mobility.

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

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

Quality - ISO 9001:2015

TPER S.p.A. is currently certified in line with the ISO 9001:2015 standard (9001 - Quality Management Systems), a certificate issued by Certiquality on 6 February 2020. The standard provides a more precise and detailed focus on the control of processes, products and services provided by external suppliers in order to respond to the complexities of the environment in which businesses operate. The main aspects are outlined below:

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

Environment - ISO 14001:2015

TPER adhered to the new edition of the ISO 14001:2015 standard published on 15 September 2015, acquiring the relative certification with a certificate issued by Certiquality on 6 February 2020. The Environmental Management Systems standard falls under the ISO standards on Management Systems, the primary objective of which is to create a common "High Level Structure" among the standards. The standard involves planning, execution and control phases and improvement actions. The application of ISO 14001 defines the most important requirements to identify, control and monitor the environmental aspects of any organisation with an environmental policy. The immediate advantages of adopting an ISO 14001 Environmental Management System are:

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

Occupational health and safety – ISO 45001:2018

TPER is currently certified in accordance with the UNI ISO 45001:2018 standard (certificate issued on 19 August 2019). Compliance with the international standard ensures compliance with the requirements for Occupational Health and Safety Management Systems. The ISO 45001 certification is based on the management of workplace health and safety and requires continuous improvement from organisations, thus providing all stakeholders with guarantees regarding compliance with the specified safety policies.

The new ISO 45001 standard meets the growing need for companies to implement their own Safety Management System in a constantly evolving scenario. The objectives of the ISO 45001 standard are as follows:

- Create an ISO standard that becomes the international benchmark for occupational health and safety management systems
- Use simplified language
- Establish requirements that are flexible and adaptable in different ways to small and large companies
- Facilitate "management" without necessarily increasing "documentation"
- Allow the management of occupational health and safety requirements (including legal ones) without additional resources being required to manage the system.

The most relevant aspects of a safety management system can be summarised as follows:

- The management system represents an effective tool for optimising risk management for the health and safety of workers. INAIL has provided data that shows a 27% drop in the frequency index and a 35% drop in the injury severity index in certified companies.
- The ISO 45001 certification is recognised as a possible system that provides an exemption from the serious levels of liability introduced by Italian Legislative Decree 231/01 (as required by Italian Legislative Decree no. 81/08 in article 30, paragraph 5).

- INAIL grants reduced insurance premiums to companies that have made improvements or have taken accident prevention measures to safeguard workers' health and safety conditions. The measures that permit access to these reductions are those foreseen by the OT 23 Model (fluctuation of the prevention premium rate). Of these measures, ISO 45001 standard certification allows the company to achieve the maximum score for the discount on the premium.
- It requires greater attention from all the organisational units in the company on matters of safety, with positive repercussions on the organisation at various levels.

Corruption Prevention Management System - ISO 37001:2016

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

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

Internal regulations

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

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

Risk management

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

TPER has developed and adopted a Risk Assessment methodology for identifying, assessing, managing and monitoring different types of risks. The various functions within the TPER organisational structure are involved in the identification and monitoring of risks. In this context, the quality of the services offered, the control of structures and systems, and protecting the health and safety of employees and customers all take on particular significance.

TPER - The risk management model

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

External / sector risks

- Financial
- Suppliers
- **Competitors**
- **Natural events**
- **Regulatory department - legislation**
- External illegal acts
- Customers
- External accidents (**including pandemics**)

Strategic Risks

- Definition and implementation of strategies
- Reactivity and changes
- **Reputational**

Financial Risks

- Interest rates
- **Rate**
- Loans
- Liquidity

Operational Risks

- People
- Internal illegal acts
- IT systems, processes and procedures
- **Health, Safety and Environment**
- Internal accidents
- **Legal - compliance**
- Product
- Technological systems

The specific risks identified to which TPER attributes the greatest importance are highlighted below: With respect to these risks, a summary is provided of the main management methods, also by means of references to other parts of this document and/or documentation that may be found on the TPER website. The table also shows the correlation between the main risks identified, the material topics of this DNF and the reference areas set forth in Italian Legislative Decree 254/2016.

With respect to the areas and types of risk, please note the mapping and inclusion of external risk deriving from the spread of the Covid-19 pandemic and the ensuing health emergency. The emergence of this risk, starting from the early months of 2020, has a material impact on TPER, which regards not only financial aspects, occupational and customer health and safety, but also the very operating model of an urban public transport company like TPER.

Category/Description of risk	Underlying material topic	Reference areas Italian Leg. Dec. 254/16	Management method
External/sector risks			
Competition / Deregulation of the sector	Governance and ethical business conduct	Combating active and passive corruption	The strategic policies of the TPER Business plan include:

Risk regards “regulated / licensed” LPT / Local Public Transport activities. As part of the process of adopting EU regulations, the reference legislation aims to accelerate the process of making recourse to tenders for the assignment of services.	Financial balance, creation and distribution of economic value Intermodality and integration of services Development of local public transport - Sustainable urban development and smart cities	Social Environment	Participation in tenders for the awarding of local public transport services in areas of interest (also outside the region), developing partnerships. Development of group synergies - TPER as a mobility aggregator. Development of additional businesses / diversification.
Regulatory / legislative: environmental standards The transport sector is subject to environmental regulations (features of means of transport in relation to CO2 emissions and other pollutants, and health and safety). The regulatory framework is subject to a rapid and not always predictable evolution, involving stricter requirements. These circumstances could change the reference scenario, significantly influencing the investment plan due to the necessary adjustment.	Governance and ethical business conduct Investments - innovation - digitalisation Intermodality and integration of services Sustainability and responsible management of the supply chain Efficient use of natural resources: sustainable management of resources and circular economy Emissions and air quality - mitigating climate change	Environment	The renewal of fleets requires a convergence towards rolling stock fuelled by renewable sources. The TPER Business plan includes three main lines of action: ▪ Urban area - Investments in hybrid vehicles in the urban areas of Bologna and Ferrara (specific lines) and electric vehicles in the urban areas of Bologna, Ferrara and Imola; ▪ Exurban area - Assessment on adding liquid methane and methane-fuelled hybrid vehicles to

	Management of noise and vibrations Development of local public transport - Sustainable urban development and smart cities		▪ the fleet of intercity vehicles; ▪ Mid-long term - Creation, in the mid- to long-term, of an infrastructure that enables full-electric vehicles to be added to the service. This risk is primarily overseen by the environmental management system certified according to the UNI EN ISO 14001:2015 standard (see the specific section of this DNF).
Environmental / Natural events Risks arising from adverse and/or accidental natural/atmospheric events that damage the methane refuelling plants or technological trolleybus systems (power supply, telecoms), electrical systems and the fixed trolleybus system or its structures.	Governance and ethical business conduct Emissions and air quality - mitigating climate change	Environment	TPER has adopted a control model for issues linked to the protection of corporate assets and has adopted control processes and procedures for issues regarding the protection of corporate assets and accident prevention.
Strategic Risks			
Reputational risk - Reputational risks arise from TPER's negative perception in the eyes of customers, suppliers and	Governance and ethical business conduct Image - reputation /	Combating active and passive corruption	TPER has a good reputation for the quality of the service it provides and for its efforts in making

supervisory bodies due to the external spread of negative news. TPER is exposed to this type of risk due to the nature of the services it provides.	Relations with customers and the community Sustainability and responsible management of the supply chain HR management, training and skills development	Human rights Social Environment Personnel	widespread improvements. The Group strives to continuously improve the physical safety of employees and passengers and their perception of this issue. Furthermore, there are facilities and procedures for receiving and managing complaints and providing customer services. Solidity/problem solving
Covid-19 pandemic The external risk deriving from the Covid-19 health emergency situation has significant impacts across TPER relating to: Financial performance Business and operating model for managing LPT services Health and safety in the workplace Health and safety of customers .	Financial balance, creation and distribution of economic value Investments - innovation - digitalisation Accessibility - service quality and digitalisation Intermodality and integration of services Customer safety (Security & Safety) HR management, training and skills development Workplace: diversity, inclusion,	Social	With the Covid emergency, Tper worked immediately to fully implement the rules defined at national and local level, but also began more detailed work to further analyse safety matters concerning its personnel and the users of the services it provides. Aside from the normal verification that regards all business areas, the area that required specific increased attention is that of means of transport, with a view to limiting actual risks for passengers as well

	company welfare and work/life balance Health and safety in the workplace		as drivers and control personnel. Also following specific studies, the company adopted protocols to manage the risk of infection, defining specific verifications and actions for: 1) Ventilation 2) Surface cleaning and sanitisation 3) Driver protection Furthermore, all actions were activated to ensure that personnel could work remotely.
Financial Risks			
Economic risks Specific economic/financial risks regard • Delays / payments of Service Contract fees • Adoption of unfavourable pricing policies by the regional council with a consequent fall in revenues • Cuts in State-Region transfers All in all, these risks regard liquidity, credit and the market.	Financial balance, creation and distribution of economic value	Combating active and passive corruption Social Environment	Economic and financial planning is the primary strategic tool for monitoring the resources to access and use to support business activities. The appropriate management of relations with investors guarantees the timely availability of the liquidity required by the business. TPER monitors the balance of the financial structure (investments and working capital with equity capital and long-term and short-

			term loans), identifying the most suitable counterparties for the specific requirements.
Operational Risks			
Health, Safety and Environment			
Transport network safety Operational risk which includes: Physical safety of vehicles and facilities Damage from external events and accidental injury to passengers and other citizens	Investments - innovation - digitalisation Accessibility - service quality and digitalisation Intermodality and integration of services Customer safety (Security & Safety) Sustainability and responsible management of the supply chain Management of noise and vibrations	Human rights Social	The area of transport safety is highly regulated in significant detail, both at national and EU level. The first guarantee of safety is the proper maintenance of the assets, i.e. adequate and regular maintenance Risks are mitigated primarily by the set of requirements established by regulatory bodies that provide guarantees and support for the safe performance of activities, and secondly by the adoption of appropriate operating procedures and instructions. TPER has implemented the processes and controls needed to comply with existing legislation and to adapt to its future modifications.

Health and safety in the workplace This risk mainly refers to: ▪ Injuries or wounds suffered by personnel that work in depots, buildings and offices and that work in the road transport service (rail passenger and freight) ▪ Third-party aggression towards ticket inspectors	Investments - innovation - digitalisation Sustainability and responsible management of the supply chain HR management, training and skills development Health and safety in the workplace Management of noise and vibrations	Human rights Personnel	This risk is primarily overseen by the Health and Safety Management System certified according to UNI ISO 45001:2018. In this regard, please see what is set forth in the specific sections of this document.
Compliance			
TPER operates within a sector subject to strict regulations at national, European and international level. Local public transport is also subject to a number of regulations at local and regional level. The risks refer to the possible consequences arising from a failure to comply with the rules and regulations to which TPER is subject.	Governance and ethical business conduct Data security / Cybersecurity and privacy Customer safety (Security & Safety) Sustainability and responsible management of the supply chain HR management, training and skills development Health and safety in the workplace Management of noise and vibrations	Combating active and passive corruption Respect for human rights	Compliance with regulations is an integral part of decision-making processes. TPER has adopted Organisation, management and control model pursuant to Italian Legislative Decree no. 231/2001 which defines and establishes duties, roles and responsibilities with the aim of identifying and managing potential conflicts or sensitive areas (DNF ref: TPER / Control model and measures to combat corruption) ISO 37001:2016 management system on

			the prevention of corruption (Standard defined with the objective of supporting organisations and businesses in preventing and combating corruption, for the development and strengthening of a culture of transparency and integrity). Periodic compliance checks carried out, including with regard to authorisation procedures.

Figure 23

The precautionary approach

Introduced in 1992 at the United Nations Conference on Development and the Environment (United Nations Principle 15 of "The Rio Declaration on Environment and Development") in the context of environmental protection and biodiversity and implemented and used at various levels of government and put into practice in areas related to consumer protection and health, the principle affirms that "*in order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.*"

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

Regulatory compliance

GRI 206-1 GRI 307-1 GRI 416-2 GRI 417-2 GRI 417-3 GRI 419-1 GRI 207-1 GRI 207-2 GRI 207-3 GRI 207-4

Anti-competitive and anti-trust behaviours and monopolistic practices

At the date of this document, there are no pending legal actions in relation to anti-competitive behaviour and violations of anti-trust regulations, nor were any cases of these types closed during 2020.

Environmental regulatory compliance

There are no disputes concerning violations of environmental protection regulations, except for the proceedings regarding - recognising the limited and specific nature of TPER's role in the situation - local infrastructure with reference to the noise level in the use of certain rolling stock.

Non-compliance with social and economic laws and regulations

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

Tax transparency

Approach to taxation

Tper's approach to taxation complies with the provisions set forth in the "Code of Ethics" adopted by the Group. Tper, taking into account the features of its business model and the geographical presence of the subsidiaries, has not defined a specific tax strategy.

Management's conduct is inspired by the principles of honesty and lawfulness and, also in its approach to taxation, complies with legislative and regulatory provisions on taxes in force. In no case does Tper pursue or achieve its interests in violation of tax laws.

Tper's objective in relation to taxes is to meet its tax obligations (both formal and substantial) in a complete, accurate and prompt manner, to minimise the tax risks linked to the application of legislative and regulatory provisions on taxes in force, even in situations in which there may be doubts as concerns interpretation.

Tax governance, risk control and management

As concerns Tper's tax risk appetite, please note that, in determining the tax treatment of a specific transaction or activity, it makes decisions and adopts reasonable, grounded and justified tax interpretations.

If any specific risks arise in relation to the interpretation of complex tax regulations, these risks are identified and analysed internally and with the support of qualified tax advisors.

Tper is subject to supervision by the Board of Statutory Auditors and control by an independent auditing firm.

Relations with the tax authorities (stakeholders)

In compliance with the provisions set forth in the "Code of Ethics", Tper guarantees its observance of applicable provisions of law and the principles of transparency, honesty and fairness in relations with the tax authorities of the countries in which it operates. The management of relationships with the tax authorities is handled exclusively by the company functions responsible for this area.

Tper does not unduly influence the decisions of the tax authorities, even through third parties. To the contrary, it aims to maintain open, constructive relationships with all competent tax authorities and resolve any dispute in a collaborative spirit, including through tools that can help to prevent disputes.

In specific cases in which it is uncertain as to the applicable tax treatment, Tper evaluates the possibility of using mechanisms to understand the position of the competent tax authorities in advance.

Tper is not currently subject to the "country-by-country reporting" regulations pursuant to article 1, paragraphs 145 and 146, of Italian Law no. 208 of 28 December 2015 and Council Directive 2016/881/EU, of 25 May 2016, amending Directive 2011/16/EU, as well as the relative implementing provisions.

Please refer to the consolidated financial statements of the Tper Group for the disclosure on economic and financial data regarding taxes.

Cybersecurity and privacy protection

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

During 2020, policies and procedures continued to be updated, including those that define data breach obligations and those that regulate the management of requests from data subjects related to the exercise of their rights regarding personal data protection, in addition to the ongoing ad hoc training activities on privacy, with particular regard to newly hired personnel and to specific areas such as call centres and parking inspectors.

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

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

No data breaches occurred in 2020.

Responsible management of the supply chain

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

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

At a high level, relationships with suppliers are regulated by the Code of Ethics, which TPER shares with the former through initiatives envisaged in the communication and dissemination programme of the Code itself. Specific Contracting Party statements have been included in worker, service and supply contracts concerning knowledge of the principles contained in the Code and the assumption of the obligation to respect those principles, aside from the assumption of the obligation to respect the principles ensuing from TPER's 37001 Certification.

As a Public Company operating in special sectors, TPER applies the national reference standards (Code of public contracts relating to works, services and supplies) for business-related purchases and oversees purchasing strategies and the relationship with the supply chain through the Tenders and Procurement Function. TPER has also drawn up regulations to govern the procurement of works, supplies and services for amounts under the EU threshold. Selection procedures require the use of the tender portal, where the Economic Operators provide a certification on the basis of the various product segments and price ranges. The results of the procedures are made public.

Publicity requirements depend on the amount and nature of the tender and, pursuant to national and EU regulations, procedures are utterly streamlined to meet economy, effectiveness, and efficiency criteria.

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

- The maximum discount is applied in cases where the company provides the technical specifications of the good or service to be purchased in detail, and the regulation permits this, and in this case the offer with the lowest financial impact is considered;
- The economically most advantageous offer is awarded the contract, an approach which constitutes the rule. In this case, the technical and financial aspects of the offer are considered.

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

A unique characteristic of TPER's activity in this area is determined by the procedures for the purchase of fuels, which represent the most important item in costs for supplies. For these types of assignment, a three-year, open qualification system is used. Qualified operators are invited to submit an offer.

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

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

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

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

In specifications relating to tenders for works, services and supplies, the environmental certifications earned by TPER are referenced, in addition to the obligation for contracting parties to respect environmental regulations relating to the subject of the contract.

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

A portal was implemented in 2018 to be used for Electronic Tenders. More specifically, the Tenders Portal is used for the creation of the register of operators for works, services and supplies and the management procedures for electronic tenders. This platform also provides the service for the publication of contracts in accordance with Italian Law no. 190/2012 on the TPER internet portal and generates the files in XML format for the annual statement to ANAC. These procedures apply to all TPER suppliers.

Economic sustainability

Distributed economic value

GRI 201-1 GRI 201-4

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

IN THOUSANDS OF EUROS	2020	2019
Revenue	**220,561**	**311,812**
TPL line services	180,915	202,605
Railway line services	26,521	92,273
Parking and car sharing	13,125	16,934
Other income	**52,350**	**16,859**
Operating costs	**234,157**	**289,154**
Personnel costs	107,439	131,921
Cost for services	81,285	99,566
Raw materials and materials	33,934	44,719
Use of third-party assets	7,258	7,997
Other operating costs	4,240	4,952
Amortisation/depreciation	**21,070**	**22,487**
Depreciation of tangible assets	15,423	16,190
Amortisation of intangible assets	1,183	1,104
Amortisation of assets for rights of use	4,464	5,193
Value write-downs/(reversals)	**1,158**	**1,798**
Change in funds for provisions	**12,168**	**6,104**
Operating result	**4,358**	**9,127**
Financial income	**983**	**501**
Dividends	0	0
Other financial income	983	501
Financial charges	**2,555**	**2,428**
Charges on bonds	1,988	1,978
Charges on loans	115	82
Other financial charges	452	368
Total financial income (charges)	**(1,572)**	**(1,927)**
Share of profit (loss) on investments accounted for using the equity method	**(831)**	**66**
Result before tax	**1,955**	**7,266**
Tax charges	**(1,600)**	**313**
Current income taxes	2,393	1,102
Prepaid and deferred taxes	(3,993)	(789)
Net profit/(loss) for the year	**3,555**	**6,954**
of which:		
Profit attributable to the Group	3,615	6,871
Profit attributable to Minority Interests	- 61	83

Figure 24

With reference to the distributed value pursuant to GRI 201-1 in 2020, which considers shareholders, personnel, suppliers and public administration, note that 40% of the value is distributed to employees, 59% to suppliers and 1% to shareholders.

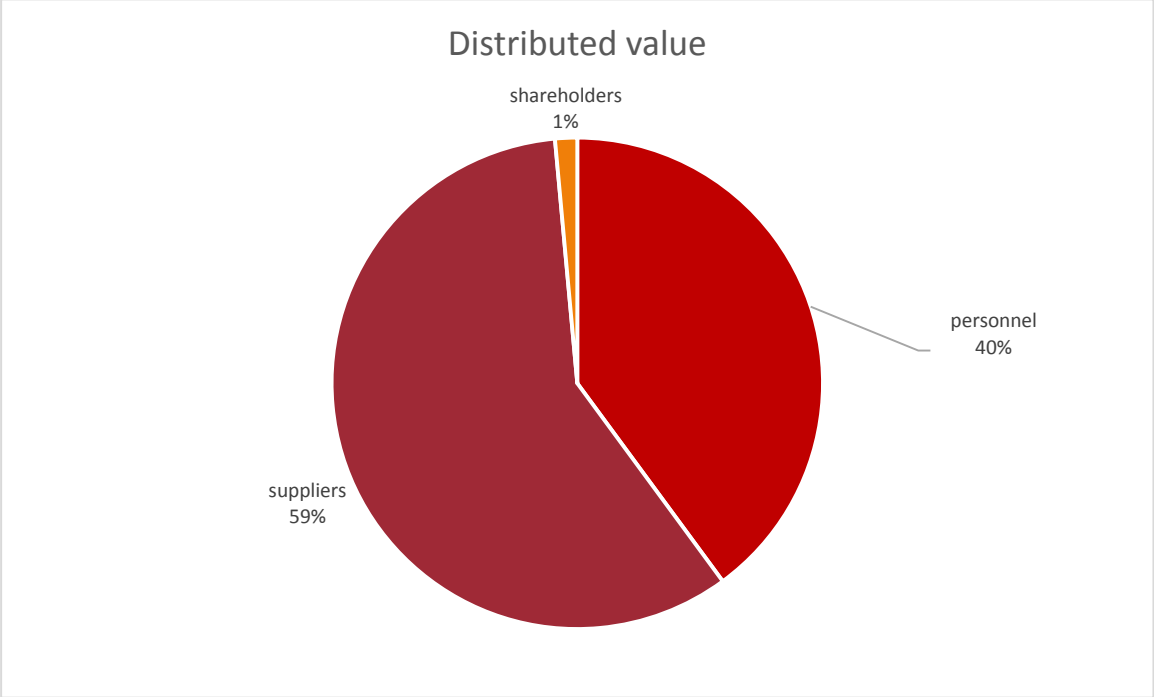


Figure 25

Extending the analysis to consider all TPER's employees, considering specifically all costs of the consolidated income statement and the corporate profit, it can be demonstrated that 35% is distributed by TPER to human resources (personnel). This circumstance relates to the nature of the managed activity, which can be defined as "labour intensive". Most of the employees reside in the area where TPER operates. The distribution of value to employees therefore also indirectly contributes to the creation of value for the local community, as this wealth is then redistributed in the form of further consumption and purchases in the reference area. Suppliers account for 52% of the distributed value (which includes raw materials, services, lease and rental costs and other costs), while 7% of the value goes towards the reconstruction of invested capital (depreciation and amortisation expenses). Smaller proportions go towards lenders for loan payments.

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

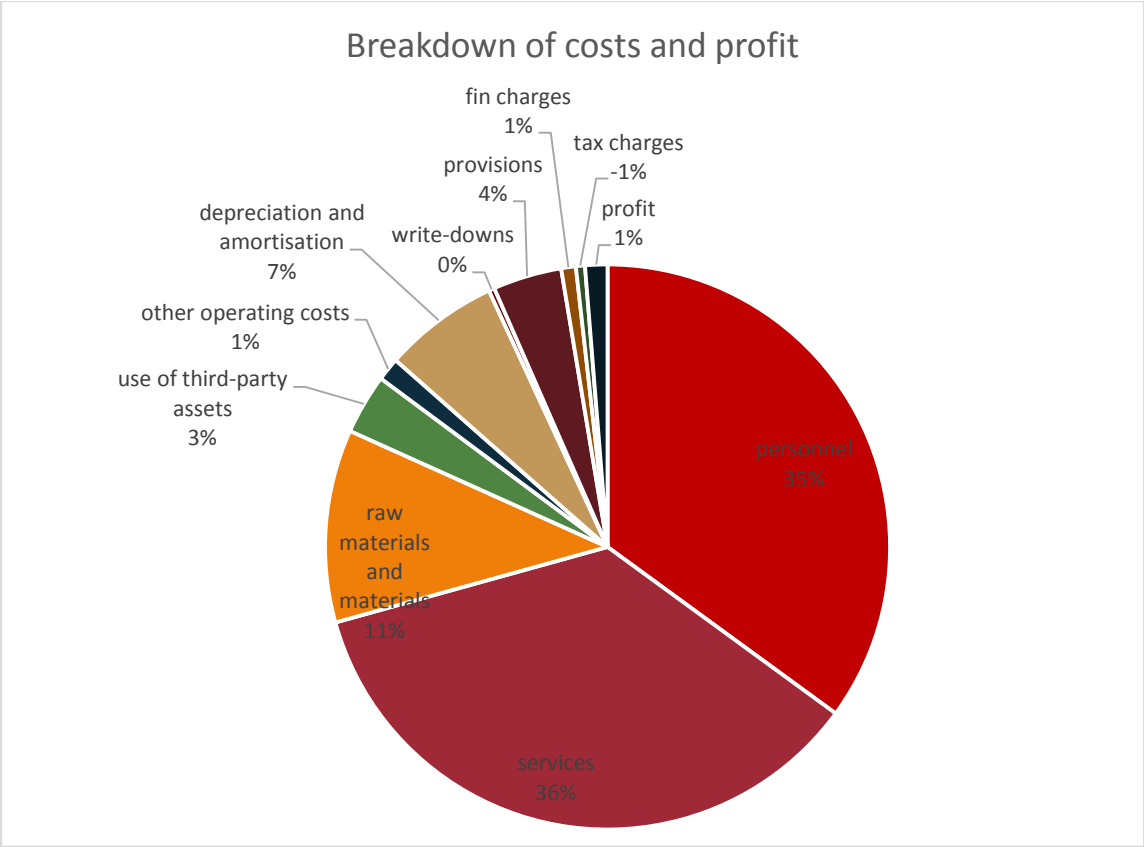


Figure 26

Government grants

During 2020, TPER received grants for capital expenditures totalling 36.8 million euros from the Region of Emilia-Romagna, 1.6 million euros from the Ministry of Infrastructure and Transport (MIT), 3.8 million from SRM, 1.1 million from AMI and 0.4 million from the Municipality of Bologna. In the current part, TPER received roughly 1.7 million euros from the Customs Agency (excise duties for automotive diesel fuel), 0.3 million and 8.1 million from SRM and AMI to improve LPT quality and safety to prevent and limit Covid-19 contagion and as public relief for loss of revenue due to Covid-19, roughly 12.8 million from the SRM and AMI mobility agencies as a grant for higher national collective labour agreement costs. Please also note the following other grants.

AMOUNT (euros)	ISSUING ENTITY	DESCRIPTION
11,366	MIT	MIT grant for Italian Ministerial Decree 570/2017 training
557,016	MIT	MIT contribution of the freight regulation Exec. Decree no. 61 29/12/2016
1,176	INPS	Ordinary unemployment benefits
12,977	INPS	FIS Covid
28,297	Revenue Agency	Tax credit for anti-Covid-19 sanitisation and PPE
16,340	Banca del Mezzogiorno	Guarantee fund on spec. sect. art. 56 Italian Decree Law 17/03/2020

Figure 27

Investments

GRI 203-1

The TPER investment plan for the 2020-2022 period concerns the purchase of new vehicles and the realisation, as an implementing entity, of projects aimed at developing more efficient and sustainable mobility, technological development and information technology.

The investments respond to local, national and international sustainable development targets. Indeed, in line with the objectives of the Region and the PUMSs of the cities of Bologna and Ferrara, Tper has defined an investment scenario that takes the following objectives into account:

- Reduction in the average age of the vehicle fleet
- Reduction of emissions through the acquisition of ecological vehicles and the disposal of more polluting vehicles
- Further progressive introduction of electric vehicles for the urban service, also battery-powered vehicles with parallel installation of recharging stations in depots and near the terminus
- Seeking out environmentally friendly vehicles for the suburban and exurban service as well, i.e., natural gas hybrid vehicles and liquid methane exurban vehicles, with the parallel installation of liquid methane supply facilities
- Further and more sustained development of the Bologna trolleybus service, also thanks to PIMBO project financing, a more mature technology than battery-powered electric vehicles, in line with assumptions concerning the future organic and overall development of the urban network
- Assessments on possible developments and uses of hydrogen automotive technology.

As regards battery-powered electric vehicles, the plan calls for the purchase of vehicles and the installation of recharging stations, to be used only on certain urban lines. The gradual and progressive approach to development will make it possible to test out technological innovations, while also monitoring strong market trends due to the considerable investments in research and development on rechargeable electric technologies, so as to be able to then strengthen and more knowledgeably direct investments in electric lines in subsequent years, when we expect greater maturity in these systems, clearer choices by suppliers on recharging technologies and better performance of vehicle batteries and recharging systems.

Investment	Amount (Millions of euros)	Objectives of PSM, PUMS (Bologna and Ferrara areas), Sustainable development agenda, Mobility Pact, MTP, SECAP	UN Sustainable Development Goals
Various systems (terminus, connections, etc.)	2.18	City enhancement and accessible and sustainable mobility	
Crealis	3.64		
Liquid methane investments	6.14	Protection of the territory (air quality and climate change),	Building a resilient infrastructure,
Electric sector investments	7.65		

		city enhancement, and accessible mobility Adaptation to climate change Sustainable urban mobility Air quality	promoting innovation and fair, responsible and sustainable industrialisation
Extraordinary maintenance	3.30		
Diesel vehicles	16.45		
Electric vehicles	16.00		
Hybrid - diesel vehicles	11.06		
Natural gas vehicles	39.98		
Pimbo	6.00	Metropolitan Bologna: Positioning and governance A genuine tourist destination Bologna Regional Hub: Economic development and the role of large functional and production centres	Making cities and human settlements inclusive, safe, resilient and sustainable Take urgent measures to combat climate change and its consequences
IT investments and AVM modernisation	3.60	Sustainable mobility	Promoting innovation
EMV ticketing	2.67		

Figure 28 Planned investments

Investments in information technology include investments for video surveillance on buses, the installation of smart stops and upgrading of AVM systems. Resources will also be dedicated to the EMV ticketing project.

Investments in hydrogen-powered and natural gas hybrid vehicles are not included in the business plan reference period, but are already subject to research and planning.

Analysis of the economic impact on the area

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

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

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

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

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

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

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

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

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

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

GRI 203-2 GRI 204-1

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

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

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

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

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

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

Indirect impact is generated by the subjects belonging to the TPER value chain, and more specifically TPER's lead suppliers. For the assessment of indirect impacts, the information contained in the financial statements of suppliers collated in the AIDA - Bureau Van Dijk database was analysed. For the remaining suppliers, projections were made starting with the data measured for suppliers on which the highest percentage of cost is concentrated. The suppliers were divided according to product category and services carried out, in order to better represent the type of purchases made by TPER. The survey was carried out on a representative sample of companies, i.e. a number of suppliers representing over 35% of TPER's operating expenses (the companies analysed represented overall costs of around 53.7 million euros, 1.9 million euros of which for lease and rental costs, 24.6 million euros for raw materials and 27.3 million euros for services). On the investment side, suppliers were considered for 66% of investment costs. Overall, the annual reports of the top 220 companies in terms of expenses were analysed, of which 197 suppliers for operations, with an expenditure amount greater than 25,000 euros. Aside from suppliers with an expenditure amount lower than 25,000 euros, consolidated companies (MAFER, Dinazzano Po, TPB, HERM, OMNIBUS, SST, TPF) and the Municipality of Bologna were excluded from the analysis. Suppliers classified in the IFRS 16 category were considered in the category of operating costs.

Distribution of suppliers

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

The analysis shown in the following graphs was carried out on a representative sample of companies, for a total value of approximately 73.4 million euros, of which 53.7 for operating costs.

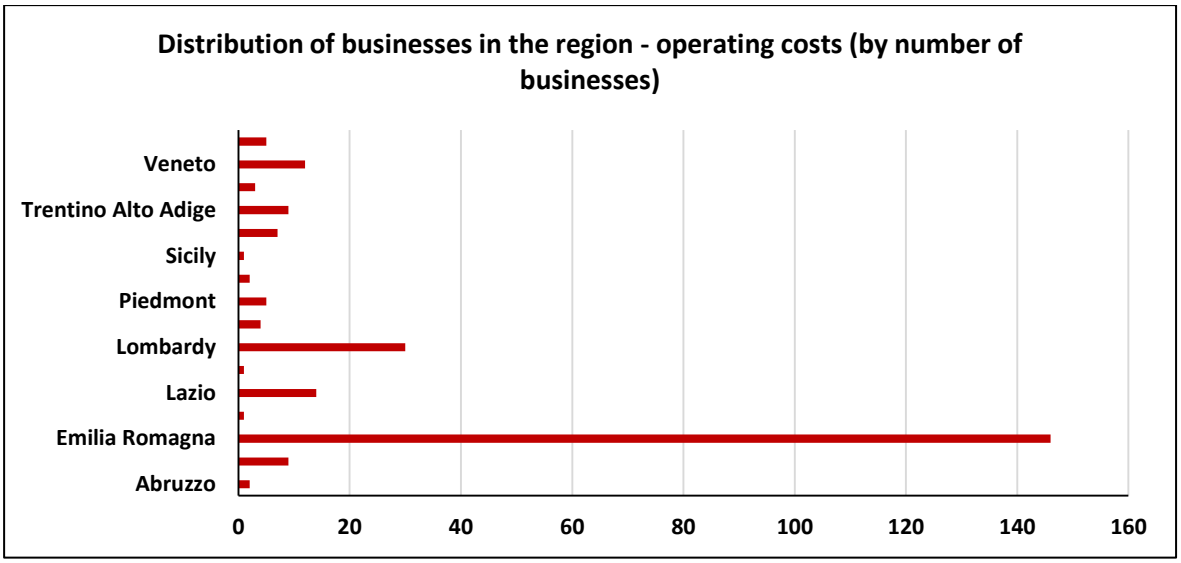


Figure 29

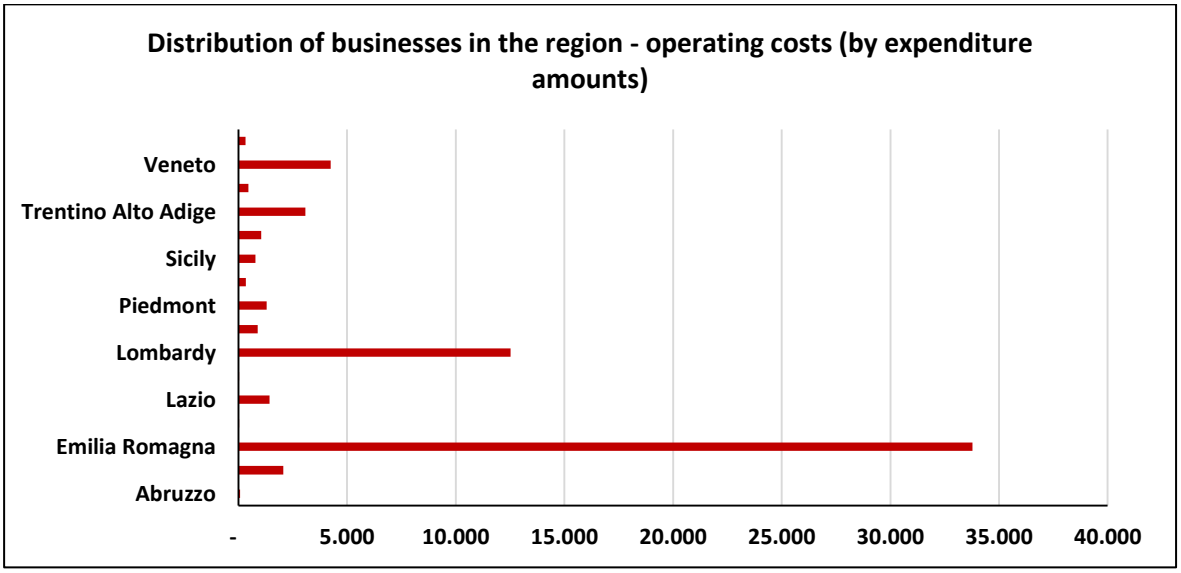


Figure 30

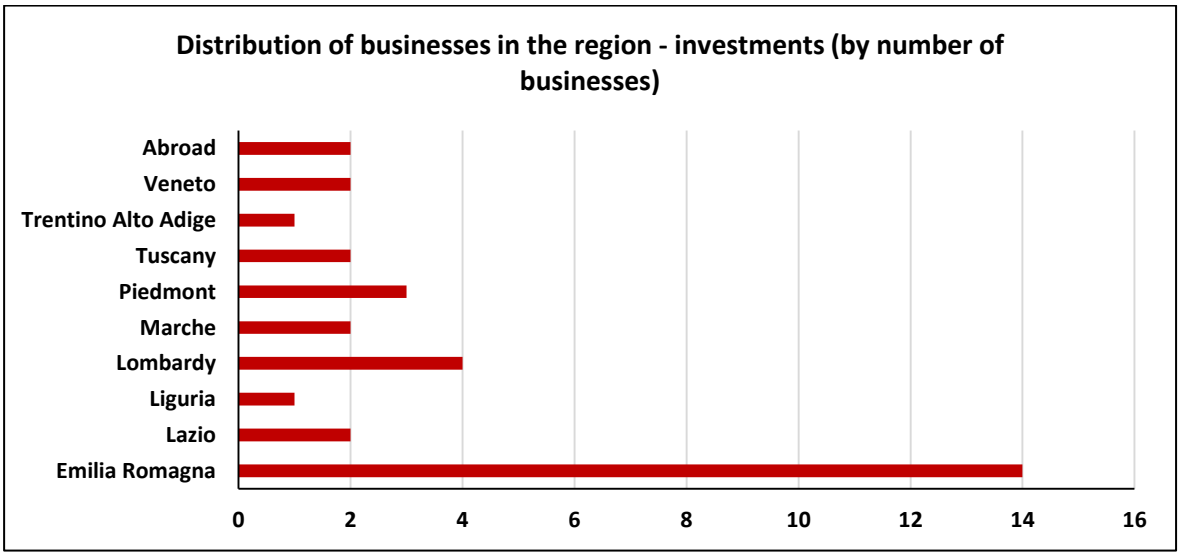


Figure 31

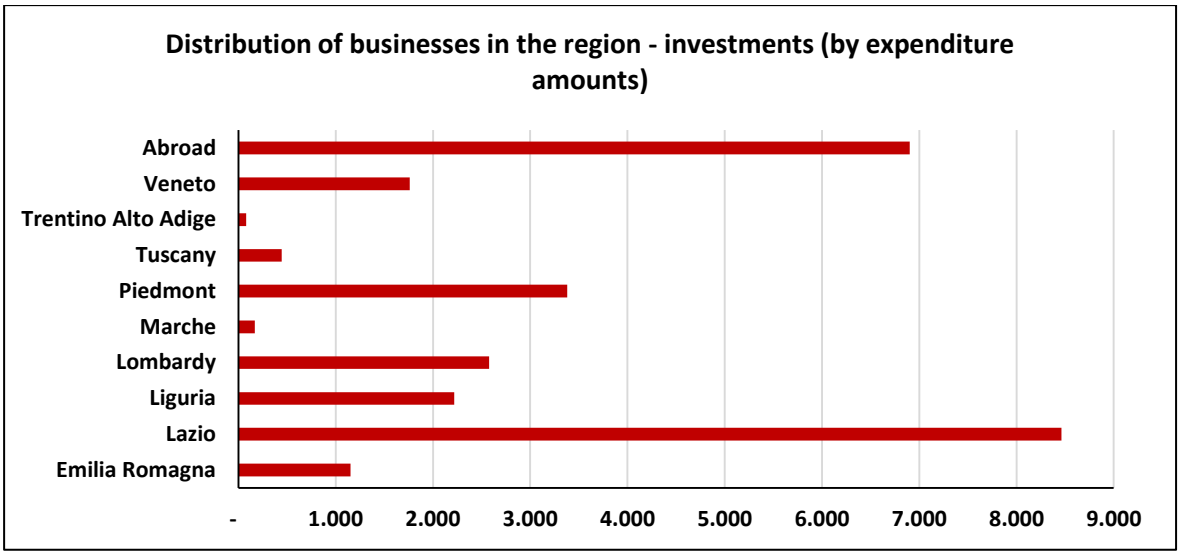


Figure 32

Many operating suppliers are in the region (intended as local suppliers) both in terms of number (approximately 52% of the sample analysed) and by expenditure amount (approximately 38% of the sample).

For investments, the distribution of businesses changes: they are localised in the region and are configured as local supplier for around 5% of the sample, for expenditure of just over 1%.

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

A portion of this income is likely spent on the purchase of other goods and services, and therefore translates into consumption / new production. To calculate the induced value, an estimate of 5% of the total direct and indirect value was used. For this type of analysis, the margin for calculating the induced impact is an assumption that can vary from 3% to 15%.

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

Direct impact

Direct impact refers to value added, tax charges and the number of employees referring to the Tper group.

	Value added VA (000/euros)	Tax charges (000/euros)	Number of employees (no.)

2020	146,576	-1,598	2486
2019	171,437	313	2,802
2018	164,885	1,673	2,717

Figure 33

With reference to the tax cost, in 2020 current taxes amounted to 2.4 million, but were offset by deferred tax assets and liabilities for 4 million. Therefore, the value is negative.

Indirect impact (lead suppliers)

The indirect impact calculates the impact of the "TPER customer" on a selection of suppliers (first line suppliers) considered the most significant and selected on the basis of the overall amount of expenditure incurred by Tper, to then recalibrate the values to all suppliers.

The figure is reported with details for ordinary suppliers and suppliers for investments.

2020:

	VA impact (000/euros)	Tax charges (000/euros)	Num employees (no.)
Ordinary operations	45,803	1,606	757
Investment management	5,798	293	72
Total	**51,601**	**1,899**	**830**

Figure 34

2019:

	VA impact (000/euros)	Tax charges (000/euros)	Num employees (no.)
Ordinary operations	37,643	1,336	639
Investment management	3,941	113	44
Total	**41,584**	**1,449**	**683**

Figure 35

2018:

	VA impact (000/euros)	Tax charges (000/euros)	Num employees (no.)
Ordinary operations	42,721	1,201	736
Investment management	5,481	378	55
Total	**48,202**	**1,579**	**791**

Figure 36

Induced impact

The induced impact takes into account the second line of suppliers. As it is not possible to obtain this information, the calculation is made on a parametric basis, or as a percentage of the total indirect impact. As already noted previously, the percentage used is 5%.

2020

VA impact (000/euros)	Tax charges (000/euros)	Num employees (no.)
2,580	95	41

Figure 37

2019

VA impact (000/euros)	Tax charges (000/euros)	Num employees (no.)
2,079	72	34

Figure 38

2018

VA impact (000/euros)	Tax charges (000/euros)	Num employees (no.)
2,410	79	40

Figure 39

Extended value of TPER

The trend of the last 3 years is laid out below for each indicator considered (value added, tax charges and employment).

	2018	2019	2020
VA impact (000/euros)			
Direct	164,885	171,437	146,576
Ordinary indirect	42,721	37,643	45,803
Indirect investments	5,481	3,941	5,798
Induced	2,410	2,079	2,580
Total extended value	**215,497**	**215,100**	**200,757**

Figure 40

	2018	2019	2020
Impact of Tax charges (000/euros)			
Direct	1,673	313	1,598
Ordinary indirect	1,201	1,336	1,606
Indirect investments	378	113	293
Induced	79	72	95

Total extended value	**3,331**	**1,834**	**396**

Figure 41

	2018	2019	2020
Num employees (no.)			
Direct	2,717	2,802	2,486
Ordinary indirect	736	639	757
Indirect investments	55	44	72
Induced	40	34	41
Total extended value	**3,547**	**3,519**	**3,357**

Figure 42

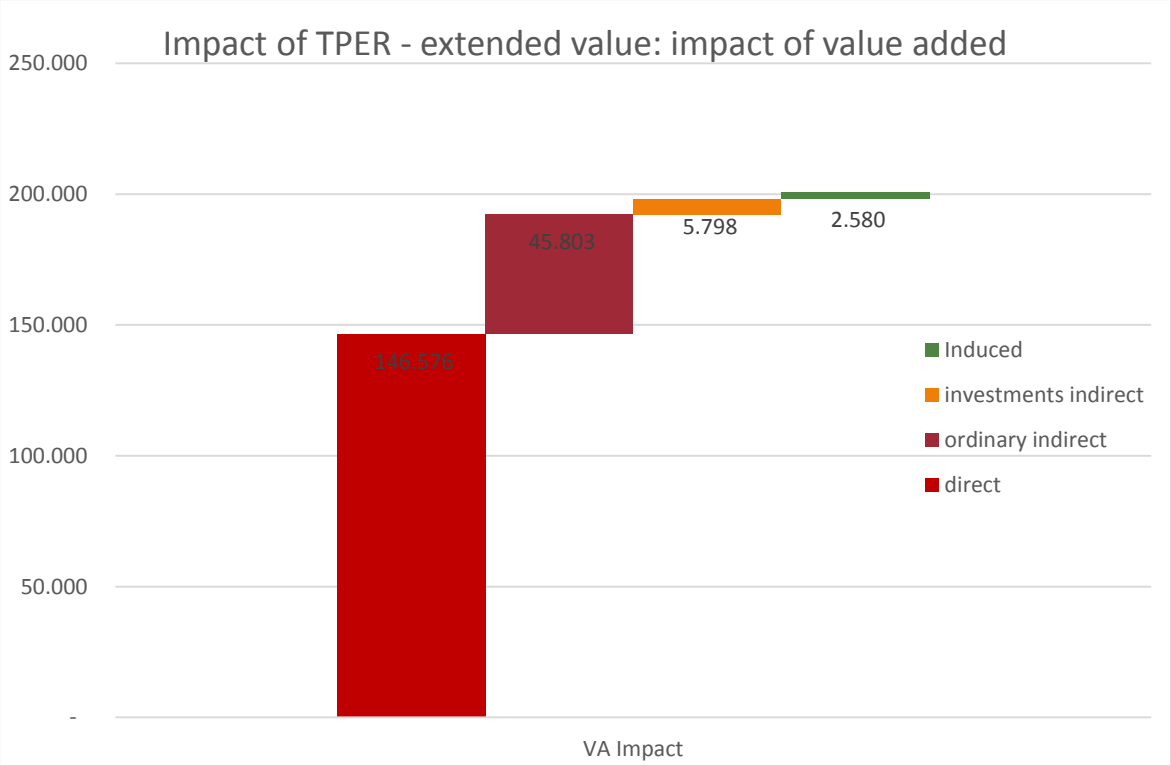


Figure 43

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

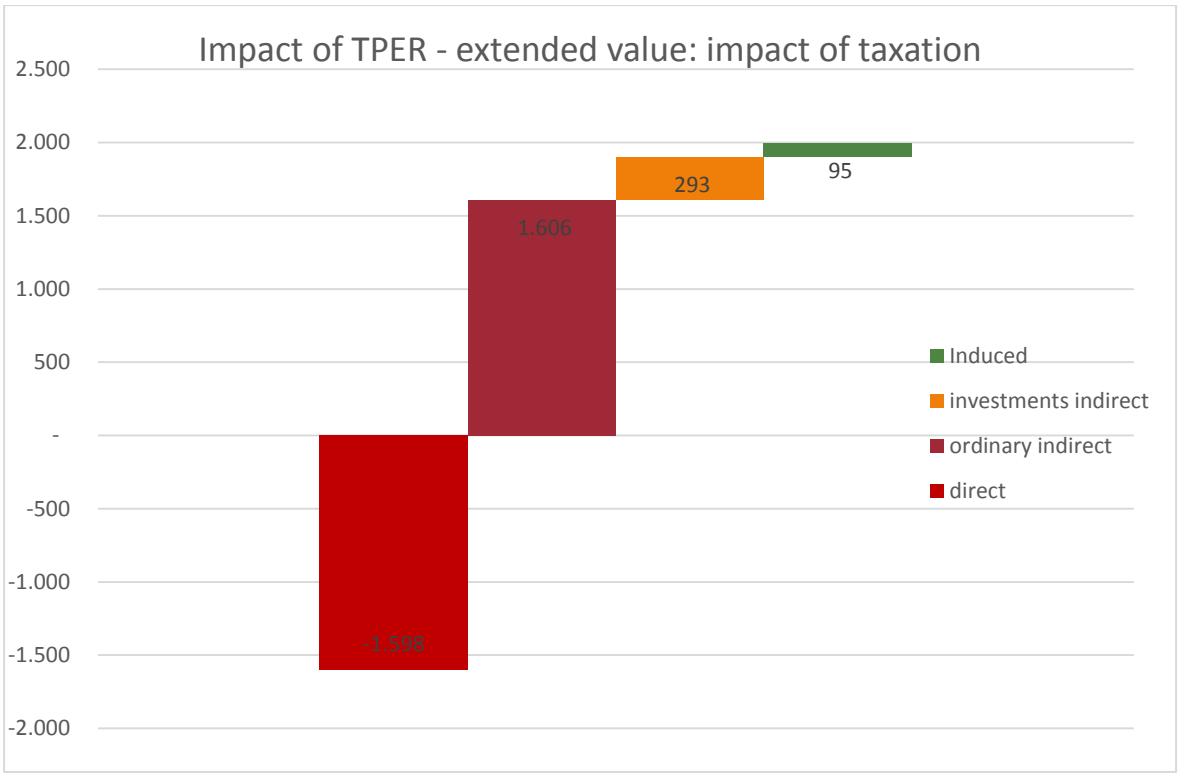


Figure 44

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

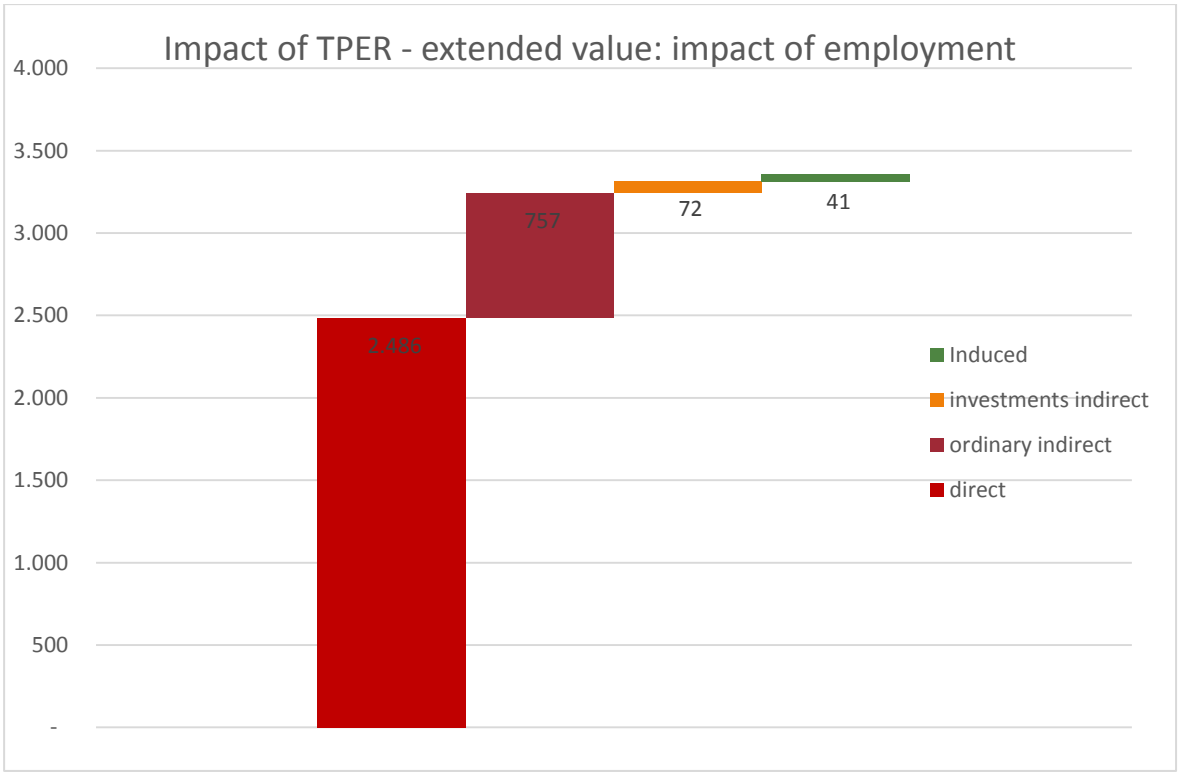


Figure 45

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

Creating Shared Value

TPER has launched a project to define its own model for creating Shared Value. The project seeks to define an appropriate form of representation ("model") of the portion of the Group's economic results (business lines and areas of activity) consistent with objectives of a financial nature, but which, at the same time, also respond to environmental and/or social needs.

The shared value model assumes that criteria, policies, reference methodologies and underlying metrics will be identified.

Policies: reference sources of shared value

The analysis was carried out to understand and map reference strategic policy sources, policies and guidelines for an initial design of Tper's Shared Value model. In this regard, as an initial analysis, some of the main reference international, European, national and local documents and regulations were reviewed, which make it possible to define the strategic reasons for sustainability, specifically with reference to the role, lines of action, commitments and objectives of the mobility sector and, in particular LPT / urban public transport.

The regulation, which establishes clear and measurable objectives, a time horizon and defines reference standards, favours an alignment of the actions of businesses in order to create shared value.

The main policies and regulations analysed which contributed to an initial definition of the Shared Value Model, also addressed in other parts of this document, are summarised below:

International and European policies

- United Nations 2030 Agenda / SDGs Sustainable Development Goals and relative 169 targets which are an integral part of them.
- EU Next Generation
- EU Green Deal Development of cleaner public and private transport
- EU Action Plan sustainable finance - Public transport (performance and transition)
- Europe on the move / "European strategy for low-emissions mobility" / 2018 measures linked to the "Europe on the move" initiative.

National measures

- Italian Legislative Decree no. 422 of 18 November 1997 as amended (the "Burlando Decree") and European Regulation 1370/2007, as well as the regional implementing regulations.
- LPT Fund - Fund for State financial contributions to the cost of local public transport Italian Decree Law no. 50 of 2017.

- Italian Decree Law no. 111/2019 (known as the Climate Decree) - Measures for the national strategic policy to combat climate change and improve air quality, Actions and effects in the local public transport sector.
- Ministry of the Environment - Integrated National Energy and Climate Plan.

Measures of the Emilia-Romagna Region

- Regional Law 30/1998
- 2016-2018 guidelines of 3 August 2015 (planning and administration of regional and local public transport - art. 8 of Regional Law no. 30 of 1998)
- Mobility Pact - Regional and local public transport pact for the three-year period 2018-2020
- Pums - The Urban Plan for Sustainable Mobility / Metropolitan City of Bologna
- Pums - The Urban Plan for Sustainable Mobility / Province of Ferrara
- PSM - The Metropolitan Strategic Plan

Assessment drivers for defining the Model

The indications and objectives established by the policies analysed define the characteristics of the Tper activities capable of contributing or otherwise to the generation of Shared Value.

- Energy efficiency
- Reduction of emissions / Climate change
- Sustainable mobility - Intermodality / transport - infrastructure system
- Urban quality / Sustainable cities / Social inclusion
- Responsible resource consumption / Circular economy
- Transport health and safety
- Innovation / R&D
- Service accessibility
- Economic development and employment

The drivers identified moreover cover the material topics subject to reporting in this DNF. Partnerships represent conditions and objectives transversal to the various drivers.

Reporting on shared value

On the basis of the results of the identification of the policies and underlying objectives / lines of action, the following reporting approach has been defined as the first Tper Shared value model:

Tper business segments	**Part of the Shared Value model**	**Excluded from the Shared Value model**
Automotive transport	X	
Ownership, management and maintenance of assets (including vehicle maintenance)	X	
Transport of goods	X	
Car sharing	X	
Parking and permits		X

Figure 46

The analyses are defined in dedicated documents to be shared with stakeholders.

Internal organisation - Human resources

On 1 January 2020, when SFP Scrl was renamed TrenitaliaTper Scrl, TPER's transfer of the railway service business unit was completed and the "new" company became effectively operational.

This is a significant change, as although this transfer was made to an associated company (under joint control), therefore in any event within the TPER group, it is not included - according to international accounting standards - within the consolidated values. Therefore, it is possible to identify a significant difference in the data between 2019 and 2020, precisely due to this event.

Also after the transfer of the business unit, it is expected that the shareholders (and therefore also TPER) will continue to perform the services on behalf of the new company TrenitaliaTper. Furthermore, as part of this process, the subsidiary Mafer, which maintains the rolling stock under the coordination of TPER, indeed remained within the TPER Group.

Management undertook a major effort to ensure standardisation and integration even at group level between the different parts of the merging companies, with the aim of creating simplification, synergies and cost savings over time.

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

Considering the relevant impact of the Covid-19 health emergency, many Human Resources function activities were carried out to limit the virus and provide best possible safety for people, which in any event guaranteed user services (see detailed point below).

Labour practices

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

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

The enhancement of people's skills is a significant objective. Communication with staff takes place through multiple channels, contributing to increase the dissemination of information and horizontal knowledge about the organisation.

In this regard, please note that precisely to favour resource engagement through knowledge of the most significant information regarding company life, as well as to guarantee not only top-down but also bottom-up communications processes, in the month of December 2020 company mail was activated for all employees, irrespective of their role within the Company.

As regards recruitment, TPER follows internal regulations based on the principles of equal treatment, non-discrimination and transparency. To this end, for the Bus Drivers category

and for recruiting ideal candidates for the Maintenance Department we have used a special classification defined following a public selection process.

For TPER, people are an essential part of the company's assets. Values underlying our people management processes include:

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

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

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

In this context, the project to assess the individual skills possessed by company resources continued in 2020 through the assessment methodology. This project, to which specific economic and organisational resources were dedicated, was progressively expanded to the Group companies as well, with a view to including these companies within the scope of application of human resource management and development policies.

This was done to have a series of useful Group-level elements and data available and to favour any transversal resource development processes in order to:

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

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

Aside from this instrument, coaching was introduced for those roles which based on the results of the assessments had growth margins.
This consolidated methodology was used to accompany resources in development roles (Key People) in the process of becoming aware of their gaps and obtaining the necessary skills to cover Key Roles.

Remuneration and incentive system

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

Valuing human resources

GRI 103-2 GRI 103-3

Specific attention is focused on corporate welfare measures to respond positively to workers' needs, also in the broader sense of people's overall life conditions (family, children, health, but also leisure), trying to achieve true diversification and personalisation both at regulatory and organisational level.

The "WellforTPER" platform continued to be used in 2020, for all employees of TPER Group, offering a broad and varied range of services aimed at improving the quality of life of workers and their family members.

The company also supports the Dozza Club, the recreational workers' club which for about 80 years has promoted numerous sporting and cultural events.

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

Due to the health emergency deriving from the Covid-19 virus, extraordinary initiatives were also implemented as a contribution to human resources to face that pandemic.

The main actions to boost quality of life in the company include the following measures:

1) Support for parents, particular flexibility when choosing shifts in order to favour work-life balance and the extensive number of voluntary part-time roles;
2) Following the decline in business activities, the Company made recourse to a range of tools and systems to minimise the impact on people, by adopting a mix of solutions, in part guaranteed by social shock absorbers and in part financed with its own resources.

   In particular:

- Advance on economic payments from the Bilateral Solidarity Fund to the normal pay period end dates;
- Provision to all personnel of holidays and leave by the Company (therefore, without impacting the total annual amount);

- Provision of a further sum equal to 20% of the INPS payments for days of parental leave.

In terms of facilitations for drivers and to guarantee the safe return of workers to their offices after driving, with a view to limiting the risk of contagion, the Company made company cars available (both Tper and “Corrente” Car Sharing cars). This was also done for service shifts between different areas.

Aside from having activated Smart Working basically for all staff activities (roughly 230 resources), a mixed form of work was introduced for operating resources, in which the inevitable in person part of the service was alternated with working remotely (through smart working), during which specific training courses were held on safety.
Lastly, with a view to promoting the social and mental well-being of its people and best managing the crisis situation and the uncertainty generated by Covid, the Company carried out a project named “Take care of your workers”, implemented along with a team of expert psychologists, with the goal of acquiring innovative working methodologies and instruments and improving the supervisor/employee relationship, to best meet new overall work-life balance needs in this time of crisis.

Catering

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

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

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

Intranet

The project to redesign the company intranet in terms of both layout and content continued in 2020. The purpose is to improve the transfer and sharing of information with all staff. With this in mind, the project involved around 60 resources from all company sites and areas in the phase of identifying requirements and designing the new company intranet.

Industrial relations

GRI 103-2 GRI 103-3

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

In 2020, various key agreements were made with the regional and corporate trade unions listed below

Accordi Aziendali sottoscritti
Buoni Pasto: sostituzione buono cartaceo con card elettronicaa
Proroga sperimentazione riconocimento buono pasto al personale del Bacino di Ferrara
Trattamento economico personale addetto al People Mover
Gestione sosta e supporto alla Mobilità: modalità applicative accordo 4 dicembre 2019
Verbale di incontro per accesso al fondo bilaterale di solidarietà
Verbale di accordo per utilzzo auto aziendali in relazione all'emergenza Covid
Verbale di incontro procedure USB per attivazione FIS
Protocollo Anticontagio Covid
Revisione Protocollo Anticontagio Covid
Revisione Protocollo Anticontagio Covid
Rinnovo CQC
Premio A e PDR
OQM - Coordinatori Sosta
Sistema TVVCC Depositi Battindarno Due Madonne Marconi Ferrara Autostazione
Sistema TVVCC Reggio Emilia
Sistema TVVCC Parcheggi Stiassi e Piazza Pace
Sistema TVVCC Piazza XX Settembre
Sistema TVVCC People Mover
Rotazione riposi addetti al call center

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

In 2020, various key agreements were made with the regional and corporate trade unions, producing the following results:

Compliance with corporate regulations and codes of conduct

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

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

The disciplinary council reviewed 145 cases out of 700 disputes in 2020.

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

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

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

The main detailed data referring to the roughly 700 disciplinary disputes raised are laid out below

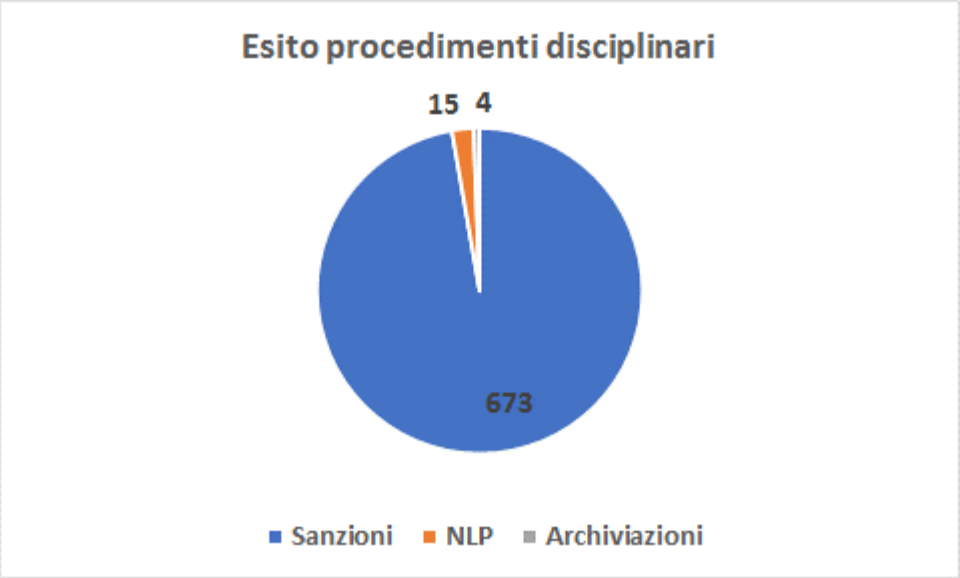


Figure 1

(*) NLP: No case to be answered

Management of the Covid-19 health emergency

To deal with the significant reduction in services, again due to the Covid-19 health emergency, the Bilateral Solidarity Fund, the social shock absorber for LPT companies, was used.

The activation of this instrument was preceded by an informational and consultation procedure with all company trade unions, at the end of which a specific agreement was signed on 2 April 2021; within this agreement, recourse to the Fund from last 8 April to next 8 June was planned for a maximum duration of 9 weeks.

“Qualified Mobility Operator” personnel made use of the Salary Supplement Fund immediately due to the suspension of Parking assessment activities. On the other hand, the remaining personnel made use of the social shock absorber on a rotating basis for the entire 9 week period while seeking to ensure internal fairness.

As a more beneficial measure, employees made use of the Fund only after using up their holidays and leave accrued at 31 December 2019 and not yet used, also in this case on a rotating basis.

As further protections for people involved in the rotation and/or suspension in the BSF/SSF, the following were decided upon:

- Payment of the indemnity disbursed by INPS in advance directly by the Company, at the normal pay period end dates with the INPS contribution adjustment mechanism
- The recognition of 13th/14th month bonus accruals for the relative payment at the normal contractual deadlines and the accrual of holidays and leave for the days spent in the SSF.

At quantitative level, the main data are set forth below:

- 450 people made recourse to the fund in 2020;
- Fund benefits were requested for roughly 7,500 days, equal to under 8% of the total workable days in the period concerned by the reduction of activities.

Employment

GRI 102-8 GRI 401-1

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

Employees: categories and contract types

The following table shows the employees at the end of the relative periods, i.e., the headcount. The group has a total of 2487 employees. The significant difference between 2019 and 2020 is due to the reduction in the number of employees as a result of the transfer of the railway business unit personnel from Tper to TrenitaliaTper.

The subsidiary SST was also included in the scope in 2020.

Employees by role/gender	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior managers	1	12	**13**	1	12	**13**	1	12	**13**
Middle managers	13	43	**56**	13	44	**57**	13	38	**51**
White collar workers	131	190	**321**	138	186	**324**	132	167	**299**
Blue collar workers	336	1,848	**2,184**	344	1,825	**2,169**	343	1,495	**1,838**
Apprentices	28	115	**143**	43	196	**239**	50	234	**284**
Associates	-	-	**-**	-	-	**-**	-	2	**2**
Total	**509**	**2,208**	**2,717**	**539**	**2,263**	**2,802**	**539**	**1,948**	**2,487**

Figure 47 Employees by role and gender

The workforce consists of 74% blue collar workers (primarily drivers) and 12% white collar workers. Senior managers represent 0.5% and middle managers 2% of the workforce. The employment figure is essentially stable, net of the transfer of the railway business unit.

Almost all personnel (98%) have permanent contracts, while 88% of contracts are full time. The majority of part-time contracts (55%) are held by female staff. In fact, 31% of women chose part-time contracts, compared to 6.9% of men.

Employees by contract type/gender	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent contract	507	2,206	**2,713**	535	2,248	**2,783**	523	1,904	**2,427**
Fixed-term contract	2	2	**4**	4	15	**19**	16	44	**60**
Total	**509**	**2,208**	**2,717**	**539**	**2,263**	**2,802**	**539**	**1,948**	**2,487**

Figure 48 Employees by contract type and gender

Employees by employment type/gender	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time	362	2,094	**2,456**	392	2,157	**2,549**	372	1,813	**2,185**
Part-time	147	114	**261**	147	106	**253**	167	135	**302**
Total	**509**	**2,208**	**2,717**	**539**	**2,263**	**2,802**	**539**	**1,948**	**2,487**

Figure 49 Employees by type of employment and gender

Turnover

In 2020, there were a total of 146 new hires (24 women and 89 men) and 119 terminations (9 women and 110 men). Aside from these changes, the railway transport business unit was transferred to the associated company TrenitaliaTper, which explains the decline in the total number of employees between 2019 and 2020.

New hires and turnover	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
New hires									
Up to 29 years of age	25	108	**133**	27	106	**133**	16	61	**77**
From 30 to 50 years of age	9	32	**41**	10	74	**84**	13	38	**51**
Over 50 years of age	1	2	**3**	2	12	**14**	4	14	**18**
Total	**35**	**142**	**177**	**39**	**192**	**231**	**33**	**113**	**146**
Terminations									
Up to 29 years of age	3	17	**20**	2	28	**30**	6	18	**24**
From 30 to 50 years of age	7	22	**29**	3	20	**23**	6	28	**34**
Over 50 years of age	3	83	**86**	3	77	**80**	2	85	**87**
Total	**13**	**122**	**135**	**8**	**125**	**133**	**14**	**131**	**145**
Reason for termination									
Resignation	10	103	**113**	6	106	**112**	7	107	**114**
Retirement	-	-	**-**	-	-	**-**	-	-	**-**
Dismissal	2	13	**15**	-	13	**13**	-	5	**5**
Other (e.g. end of fixed-term contract)	1	6	**7**	2	6	**8**	7	19	**26**
Total	**13**	**122**	**135**	**8**	**125**	**133**	**14**	**131**	**145**

Figure 50 New hires and turnover

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

Turnover - total values	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total

New hires	35	142	**177**	39	192	**231**	33	113	**146**
Terminations	13	122	**135**	8	125	**133**	14	131	**145**
Net change	**22**	**20**	**42**	**31**	**67**	**98**	**19**	**(18)**	**1**
Employees at year end	509	2,208	**2,717**	539	2,263	**2,802**	531	1,955	**2,486**

Figure 51 Turnover Rates

Turnover Rates	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Turnover rate by gender [Departures/Employees previous years]	2.7%	5.6%	**5.0%**	1.6%	5.7%	**4.9%**	2.6%	5.8%	**5.2%**
Hire rate by gender [Entries/Employees previous years]	7.2%	6.5%	**6.6%**	7.7%	8.7%	**8.5%**	6.1%	5.0%	**5.2%**
Total turnover by gender (net change/Employees previous year)	4.5%	0.9%	**1.6%**	6.1%	3.0%	**3.6%**	3.5%	-0.8%	**0.0%**
Total turnover by gender (entries+departures/Employees previous years) - figure in 2019 DNF	**9.8%**	**12%**	**11%**	**9.2%**	**14.4%**	**13.4%**	**8.7%**	**10.8%**	**10.4%**

Figure 52

Turnover Rates	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Turnover rate by age group - terminations									
No. employees by age group									
Up to 29 years of age	27	184	**211**	49	218	**267**	47	213	**260**
From 30 to 50 years of age	373	1,201	**1,574**	358	1,220	**1,578**	321	950	**1,271**
Over 50 years of age	109	823	**932**	132	825	**957**	171	785	**956**
	509	**2,208**	**2,717**	**539**	**2,263**	**2,802**	**539**	**1,948**	**2,487**
Turnover rate by age group									
Up to 29 years of age	21.4%	13.8%	**14.5%**	7.4%	15.2%	**14.2%**	12.2%	8.3%	**9.0%**
From 30 to 50 years of age	1.8%	1.7%	**1.7%**	0.8%	1.7%	**1.5%**	1.7%	2.3%	**2.2%**
Over 50 years of age	3.5%	10.4%	**9.7%**	2.8%	9.4%	**8.6%**	1.5%	10.3%	**9.1%**
Total	2.7%	5.6%	5.0%	1.6%	5.7%	4.9%	2.6%	5.8%	5.2%

Figure 53

Diversity and equal opportunities

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

As reported in the previous paragraph, there were 539 female staff as at 31 December 2020, representing 21% of the total workforce, distributed in all business areas. Below is the breakdown by gender and age bracket.

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Up to 29 years of age	27	184	**211**	49	218	**267**	47	213	**260**
From 30 to 50 years of age	373	1,201	**1,574**	358	1,220	**1,578**	321	950	**1,271**
Over 50 years of age	109	823	**932**	132	825	**957**	171	785	**956**
Total	**509**	**2,208**	**2,717**	**539**	**2,263**	**2,802**	539	1,948	2,487

Figure 54 - Employees by age bracket and by gender

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Up to 29 years of age	1.0%	6.8%	**7.8%**	1.7%	7.8%	**9.5%**	1.9%	8.6%	**10.5%**
From 30 to 50 years of age	13.7%	44.2%	**57.9%**	12.8%	43.5%	**56.3%**	12.9%	38.2%	**51.1%**
Over 50 years of age	4.0%	30.3%	**34.3%**	4.7%	29.4%	**34.2%**	6.9%	31.6%	**38.4%**
Total	**18.7%**	**81.3%**	100.0%	**19.2%**	**80.8%**	100.0%	**21.7%**	**78.3%**	100.0%

Note: data does not include the subsidiary SST

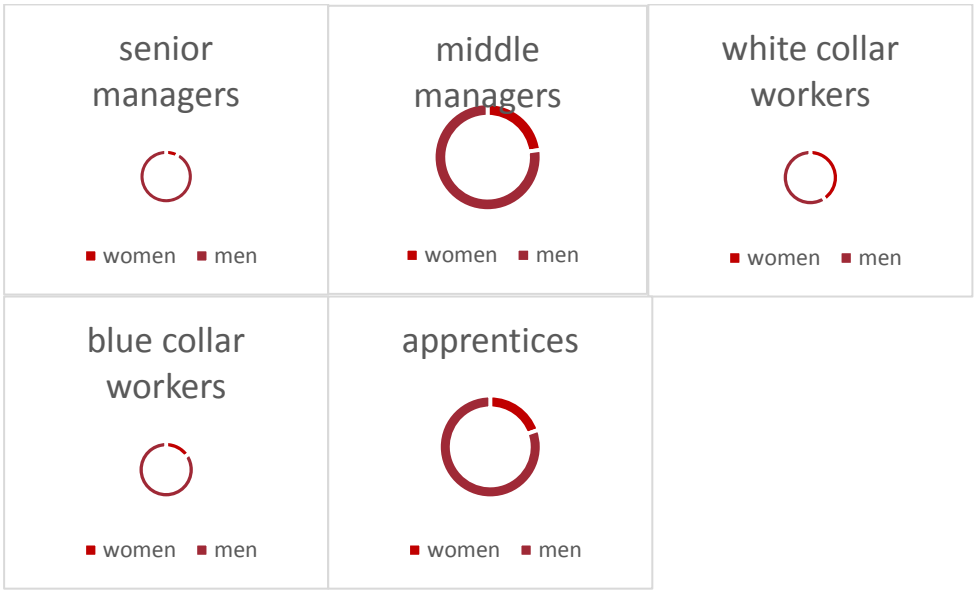


Figure 55

Female bus drivers represent around 19% of the total. This is a significant percentage given that women only started doing this job a few decades ago. At the end of the 1990s, the company promoted this trend by opening the recruitment procedure also to people not yet in possession of the necessary driving qualifications and, for a number of years, by reserving a number of places in the recruitment tests to women. This has had particularly positive effects in terms of female employment while at the same time allowing TPER to

use part-time roles to improve the work-life balance and employ certified professional standards for front-line roles.

Since 2019, the Company has been one of the businesses constituting, by signing a specific memorandum of understanding with the Municipality of Bologna and other local businesses, the "Capo D" Pact, in support of equal opportunities for men and women in the work environment.

In particular, in October, TPER virtually "hosted" the "Knowledge, know-how, doing: beyond gender stereotypes", an initiative that also involved other companies (Automobili Lamborghini S.p.a., Bonfiglioli Riduttori S.p.a., IMA S.p.a.) with a view to overcoming gender stereotype influences in the selection of courses of study.

	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior managers	0.04%	0.44%	**0.48%**	0.04%	0.43%	**0.46%**	0.04%	0.48%	**0.52%**
Middle managers	0.48%	1.58%	**2.06%**	0.46%	1.57%	**2.03%**	0.52%	1.53%	**2.05%**
White collar workers	4.82%	6.99%	**11.81%**	4.93%	6.64%	**11.56%**	5.31%	6.72%	**12.02%**
Blue collar workers	12.37%	68.02%	**80.38%**	12.28%	65.13%	**77.41%**	13.79%	60.11%	**73.90%**
Apprentices	1.03%	4.23%	**5.26%**	1.53%	7.00%	**8.53%**	2.01%	9.41%	**11.42%**
Associates	0.00%	0.00%	**0.00%**	0.00%	0.00%	**0.00%**	0.00%	0.08%	**0.08%**
Total	**18.73%**	**81.27%**	100.00%	**19.24%**	**80.76%**	100.00%	**21.67%**	**78.33%**	100.00%

Figure 56 Employees by category and gender

As regards pay, there are no base salary differences between men and women with equal roles and seniority, nor are there different criteria for defining or awarding company bonuses.

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

Base salary (women/men)	2018	2019	2020
Senior managers	100%	100%	100%
Middle managers	100%	100%	100%
White collar workers	100%	100%	100%
Blue collar workers	100%	100%	100%
Apprentices	100%	100%	100%

Figure 57 - Base salary women/men

The ratio between women's and men's salaries is shown in the following table: The data refer to the average of the overall compensation for the various categories and were calculated only for the parent company.

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

Average salary (men/women)	2018	2019	2020
Senior managers	86%	88%	92%
Middle managers	100%	108%	119%
White collar workers	97%	82%	93%
Blue collar workers	80%	82%	87%

Apprentices	99%	99%	100%

Figure 58 - Average salary men/women

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

During 2020, 322 people took advantage of this right.

Parental leave	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of employees who took parental leave, by gender	105	349	**454**	84	274	**358**	108	240	**348**
Days	5,647	4,379	**10,026**	4,946	4,197	**9,143**	4,841	4,618	**9,459**
Number of employees who returned to work during the reporting period after having taken advantage of parental leave, by gender	105	349	**454**	84	274	**358**	108	240	**348**
Number of employees who returned to work after having taken advantage of parental leave and who are still employed by the organisation 12 months after returning, by gender	104	345	**449**	84	272	**356**	106	235	**341**
Percentage of employees who returned to work after taking parental leave, by gender (%)	100%	100%	100%	100%	100%	100%	100%	100%	100%
Retention percentage of employees who took parental leave, by gender (%)	100%	100%	**100%**	100%	100%	**100%**	100%	100%	100%

Figure 59 Parental leave

Health and safety

GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9

Occupational injuries mainly consist of falls or accidental collisions when travelling personnel get into or out of the driver's seat, and injuries suffered by inspectors when checking tickets (due to aggression or violence by passengers without valid travel tickets).

The total trend of accidents declined over the years for both TPER and the Group.

Tper accidents in the workplace	2018	2019	2020
Number of accidents in the workplace			
Fatal accidents	-	-	
Serious accidents	2	11	2
Other accidents	106	93	81
Total accidents recorded	**108**	**104**	**83**
Of which traffic accidents	**n.a.**	**8**	**13**

Figure 60 – Accidents in the workplace Parent Company TPER

Tper Group accidents in the workplace	2018	2019	2020
Number of accidents in the workplace			
Fatal accidents	-	-	
Serious accidents	2	11	2
Other accidents	114	102	93
Total accidents recorded	**116**	**113**	**95**
Of which traffic accidents	**n.a.**	**8**	**13**

Figure 61 – Accidents in the workplace Group

Absence due to accidents Tper	2018	2019	2020
Days of absence due to accidents[1]	3,032	2,228	2,652
Total days of absence	72,039	141,301	154,063
Total hours worked	3,815,850	3,585,993	3,006,377
Total possible working hours	4,933,193	4,590,638	3,977,643

Figure 62

Absence due to accidents Tper Group	2018	2019	
Days of absence due to accidents[1]	3,407	2,601	3,013
Total days of absence	72,039	141,301	164,600
Total hours worked	3,815,850	3,585,993	3,428,571
Total possible working hours	4,933,193	4,590,638	4,516,523

Figure 63

The accident frequency rate, calculated as the number of accidents out of 1 million hours worked, is equal for TPER to 28 in 2020, down slightly compared to 2019, and for the Group to 28, a decline compared to 31.5 in the previous year.

The severity rate of those accidents was 0.88 days lost for every 1000 days worked for Tper (0.88 for the Group). The average duration of injuries was 32 days for Tper and for the Group.

Accident indicators Tper	2018	2019	2020
Accident indicators			
Accident Frequency Index (Number of accidents / hours worked x 1,000,000)	28.30	29.00	28
Accident Severity Index (days of absence for accidents / possible working hours x 1,000)	0.61	0.49	0.88
Injuries - average duration			
Average duration of accidents in calendar days (total days lost, holidays included)	26.71	21.4	32
Accidents while travelling (%) (2019)		7.7%	15.7%

Days of absence by type %			
Accidents		2%	2%
Illnesses		24%	20%
Leave (maternity - parental)		5%	6%
Other[1]		69%	72%
Total		**100.00%**	**100%**

Figure 64

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

Accident indicators Tper Group	2018	2019	2020
Accident indicators			
Accident Frequency Index (Number of accidents / hours worked x 1,000,000)	30.40	31.51	28
Accident Severity Index (days of absence for accidents / possible working hours x 1,000)	0.69	0.73	0.88
Injuries - average duration			
Average duration of accidents in calendar days (total days lost, holidays included)	29.37	23.0	32
Accidents while travelling (%)	*11%*	*7%*	*16%*
Days of absence by type %			
Accidents		2%	2%
Illnesses		24%	21%
Leave (maternity - parental)		5%	6%
Other[1]		69%	72%
Total		**100.00%**	**100%**

Figure 65

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

Occupational diseases

In 2020 there were no cases of occupational illnesses reported and/or recognised.

Training and education

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

In 2020, training activities were impacted by the restrictions imposed in relation to the pandemic situation; the restrictive measures concerning in person activities indeed influenced training programmes.

In any event, within the limits laid out by the various measures, a training plan was also carried out in 2020, which was broken down into several important areas:

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

- New hire training
- Mandatory training on workplace safety issues pursuant to Italian Legislative Decree 81/2008
- Legality training.

In the course of 2020, the company in any event provided a significant amount of training (over 45,000 hours in total, of which over 6,000 concerning occupational safety training programmes). Training activities involved 1,276 employees, with an average of 18 hours of training per person (calculated on the total number of employees, pursuant to the applied GRIs).

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

In the course of 2020, the coaching methodology was introduced as a tool to support resources in their development paths.

Starting from the areas for improvement identified with the assessment methodology, specific coaching paths were designed particularly for resources with coordination and/or management roles in general.

Furthermore, since it was necessary to guarantee training for the professional updating of people and at the same time to handle training "safely", online training was specifically emphasised for a total of 5,900 hours.

Below are the detailed data relating to the more than 45,000 hours of training provided overall in 2020.

As can be noted, the training hours and training events decreased between 2019 and 2020. This difference can be explained in two ways: first and foremost, as anticipated, it can be attributed to the extraordinary situation which was created following the Covid-19 pandemic, so many activities were frozen in the early months of 2020 and then towards the end of the year, with the onset of the second wave; in the second place, as of 2020 the railway service business unit was transferred to TrenitaliaTper, which also brought with it a share of the training activities previously accounted for as TPER training.

Average hours of training	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior managers	4	14	13	12	31	29	2	8	**8**
Middle managers	28	26	26	21	23	22	3	15	**12**
White collar workers	9	12	11	15	24	20	7	8	**7**
Blue collar workers	4	12	11	11	16	15	3	10	**8**
Apprentices	152	144	145	142	180	173	90	97	**96**
Total	**14**	**19**	**18**	**23**	**31**	**29**	**12**	**20**	**18**

Figure 66 Average training hours per employee category / gender

Average training hours provided per employee	2019			2020		
	Women	Men	Total	Women	Men	Total
Total training hours						
Senior managers	12	370	**382**	2	99	**101**

Middle managers	278	1,004	**1,282**	35	555	**590**
White collar workers	2,051	4,429	**6,480**	854	1,351	**2,205**
Blue collar workers	3,896	28,807	**32,703**	857	14,589	**15,446**
Apprentices	6,089	35,217	**41,306**	4,475	22,711	**27,186**
Associates	-	22	**22**			
Total	**12,326**	**69,849**	**82,175**	**6,223**	**39,306**	**45,529**
Number of employees who received training						
Senior managers	1	13	14	1	11	**12**
Middle managers	9	32	41	10	31	**41**
White collar workers	95	139	234	66	95	**161**
Blue collar workers	265	1212	1477	115	657	**772**
Apprentices	45	209	254	53	237	**290**
Associates	-	1	1			
Total	**415**	**1,606**	**2021**	**245**	**1,031**	**1,276**
No. employees given safety training						
Senior managers	-	2	2	-	-	**-**
Middle managers	8	22	30	-	25	**25**
White collar workers	86	129	215	42	134	**176**
Blue collar workers	205	854	1063	33	342	**375**
Apprentices	17	110	127	32	148	**180**
Associates	-	-	-	-	-	**-**
Total	**316**	**1,121**	**1437**	**107**	**649**	**756**
No. employees given legal training						
Senior managers	-	-	-	1	11	**12**
Middle managers	-	3	3	9	37	**46**
White collar workers	7	4	11	2	7	**9**
Blue collar workers	3	5	8	5	19	**24**
Apprentices	11	18	29	27	29	**56**
Associates	-	-	-	-	-	**-**
Total	**21**	**30**	**51**	**44**	**103**	**147**
No. of training sessions			**210**			**204**
Of which on safety			**67**			**57**
Of which on legality			**11**			**9**

Figure 67

Total training hours	**2019**	**2020**
Total	**82,172**	**45,529**
Of which:		
Safety	**15,670**	**6,096**
Legality (anti-bribery, transparency)	**1,227**	**275**
No. of training sessions	**210**	**204**

Figure 68 -

Approximately 772 of the employees involved in training activities are bus drivers, roles that are provided with a significant number of technical training courses, in addition to courses for the acquisition of behavioural skills for front-line roles.

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

Environmental sustainability

Mobility phenomena impact all aspects of human activities, from our homes to work and leisure. The transportation of goods and passengers represents a highly significant industrial sector for the economy and as such has impacts also in terms of sustainability, if we consider that these are business areas with a high absorption of energy, for a range of reasons coming primarily from fossil fuels.

To pursue environmental sustainability targets, especially with a view to reducing emissions, the sector should be redesigned from the industrial perspective (type of energy used, efficiency), but also cultural, especially when observing the modal mix used. In this sense, the efforts made by policy makers in public policies, but also by people, must move towards reducing the use of private vehicles, instead privileging public transport or shared vehicles.

In the specific passenger transport sector, Tper intends to provide its contribution to the important and now urgent path towards environmental sustainability precisely from this perspective: on one hand, by privileging cleaner technologies and pursuing innovation, and on the other by providing a quality alternative to private vehicles.

Public transport and the environment

GRI 103-2 GRI 103-3

Climate-altering emissions in the EU and the impact of transport

By observing the data, it can be seen that in 27 years, from 1990 (when records began being kept) and 2017 (most recent year with complete data available), greenhouse gas emissions reduced by 24.8% in the European Union. Per capita, the reduction exceeded 30%, even while the population grew by roughly 5%.

In this context, Italy is aligned with the average. In absolute terms, the United Kingdom and Germany recorded the largest reductions, however when observing emissions based on the number of inhabitants, both countries are above average. In Italy, emissions have declined at a good pace and in terms of tonnes per capita, it is on the low end of the range: 6.8 per year, equal to 18.6 kilograms per day, below the Eurozone (8.3 tonnes/year) as well as the European Union (7.9). This could be an indicator of good conduct, but it could also reflect a decline in our country's industrial development, in conjunction with the crisis of the last 10 years.

	millions of tonnes		% change 91-17	tonnes per inhabitant		% change 91-17
	1990	2017		1990	2017	
France	526	433	-17.7	9.0	6.5	-28.4
Germany	1,220	891	-26.9	19.3	10.8	-44.1
Italy	514	409	-20.4	9.1	6.8	-25.5
Spain	253	302	19.5	6.5	6.5	-0.3
UK	795	461	-42.0	13.9	7.0	-49.8
Euro	3,424	2,814	-17.8	11.1	8.3	-25.4
EU28	5,405	4,065	-24.8	11.4	7.9	-30.1

Figure 69 GHG emissions in total tonnes of CO2 equivalent, per inhabitant and cumulative % changes 1991-2017 - Calculations by the Confcommercio Research Office on European Environment Agency data.

From an environmental impact perspective, transport is the overall sector most responsible for the emission of greenhouse gases into the atmosphere after the energy production and transformation industries. Transport represents nearly one quarter of the greenhouse gas emissions in Europe, and is the main cause of atmospheric pollution in cities.

With the ongoing global transition towards a low CO2 emissions circular economy, the Commission's low emissions mobility strategy, adopted in July 2016, aims to guarantee that Europe can remain competitive and capable of meeting the growing mobility requirements of people and goods.

According to European studies, the main source of greenhouse gas emissions in the transport sector is the road transport of goods and people, accounting for around 94% of the greenhouse gases produced, and 23% of total greenhouse gases (not just CO2 but also CH4, N2O, CO, SO2, NMVOC).

The reduction of greenhouse gas emissions in the transport sector has been lower than in other industries. Total EU emissions have fallen by 10.9% since 2007, but only by 9.7% in the transport sector.

Production sectors understood as sources of emissions contribute to very different degrees to climate-altering emissions. In absolute terms, Energy, transport and manufacturing are the greatest generators of climate-altering gases.

	millions of tonnes		% change 91-17		% shares	
	Italy	**Euro**	**Italy**	**Euro**	**Italy**	**Euro**
Energy	143.7	986.5	-16.6	-22.8	35.1	35.1
Transport	99.5	663.2	-2.7	14.8	24.3	23.6
- Road transport	*92.4*	*628.4*	*-1.8*	*17.5*	*22.6*	*22.3*
- Heavy duty vehicles	*18.7*	*165.2*	*-29.7*	*18.4*	*4.6*	*5.9*
Residential	51.5	271.2	-10.5	-22.0	12.6	9.6
Manufacturing	84.0	638.8	-37.2	-28.2	20.5	22.7
Agriculture	30.8	304.0	-11.4	-12.8	7.5	10.8
Use of land	-18.4	-131.5	-	-	-4.5	-4.7
Waste	18.2	82.3	5.5	-34.5	4.5	2.9
Total GHG	409.3	2,814.4	-20.4	-17.8	100.0	100.0

Figure 70 - GHG EMISSIONS BY SECTOR millions of tonnes for the year 2017, % change 1991-2017 and % shares of emissions sectors out of total economy - Calculations by the Confcommercio Research Office on European Environment Agency data

Observing the data set forth above, which show emissions trends until 2017, it can be stated that the Italian transport sector is showing positive dynamics. Against an increase in Eurozone emissions of nearly 15%, in Italy the sector reduced emissions by 2.7%. Focusing the comparison on road transport, the difference is -1.8% in Italy compared to +17.5% in the Eurozone. Specifically, heavy duty vehicles in Italy reduced their contribution to emissions by almost 30% against growth of more than 18% in the Eurozone. There is still much to be done to reduce emissions, and it will be necessary to concentrate efforts in every economic sector.

In the case of passenger transport, local public transport plays a decisive role in transitioning from private road transport to public or shared transport.

Noise pollution (sound and vibrations)

Environmental impact is worsened by noise pollution, which has a strong impact on people's lives and on the environment. Such is its relevance that the EU has decided to address the issue of noise as a priority in the immediate future.

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

The mobility sector and the impact of Covid

The side effects of the epidemic also include the sustainability of transport in Italian cities.

As seen in the 2020 Osmm (Optimal sustainable mobility mix) report entitled “Sustainable mobility to relaunch metropolitan cities”, with respect to the period prior to the lockdown imposed by the coronavirus, the use of cars as a means of transport in cities grew by 70%, movement on foot rose by 26%, local public transport was down by 25% (data based on requests for information recorded by Apple Maps in Italy between 15 February and 19 September 2020 and on the positions of users from Google Maps data between 15 February and 11 September 2020). In this case, the effect of smart working is being seen, with a decline of 27% in the workplace recorded on 30 July compared to prior to the pandemic.

TPER's environmental policy

GRI 103-2 GRI 103-3

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

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

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

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

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

Service quality and efficiency

Improving the quality and efficiency of the service is a strategic element in incentivising people to choose public transport over private forms of transport. TPER has sought to ensure cleanliness, punctuality and suitable frequency for specific routes.

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

Environmental impact - means of transport

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

More specifically, the company has started to renew its vehicle fleet by purchasing new vehicles and using less polluting energy sources, such as electricity or methane. With regard to the latter source, TPER commissioned the first methane buses in 2001. In 2004 it built and commissioned the first high-speed methane filling station in Italy, an investment necessary to efficiently manage a large fleet of methane-powered buses. Today, TPER operates three methane gas supply facilities (two in Bologna, one in Ferrara) to refuel its vehicles.

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

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

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

Environmental sustainability and circular economy

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

Specifically, the project involves the production and use by TPER of the biomethane produced in the Hera Group plant in S. Agata Bolognese. The biomethane produced in this plant is a 100% renewable fuel, generated by processing prunings, residues and organic

waste. At full capacity, the plant is able to produce 7.5 million cubic metres of methane/year (as well as 20,000 tonnes of quality compost mainly destined for agriculture) and introduce it into the electricity grid, generating savings of 6,000 tonnes of oil equivalent.

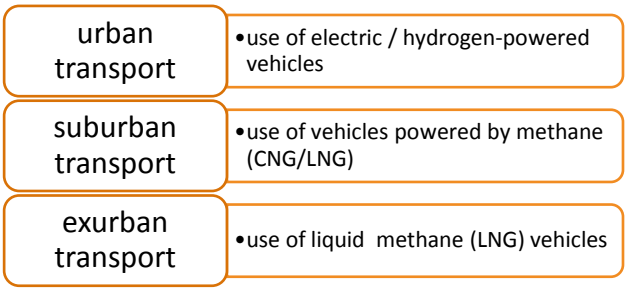
This circular process, which begins with the general public correctly sorting their waste and ends with providing a renewable fuel to the region, will have a transparent and certified supply chain.

TPER fleet

GRI 102-2 GRI 302-5

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

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



In total, the TPER Group had 1,187 vehicles at 31 December 2020 (1,173 at 31 December 2019 and 1,150 at 31 December 2018).

	Diesel	Electric	Diesel Hybrid	CNG	LNG	Total
Interurban	363				15	**378**
Suburban	161		29	63	31	**284**
Urban	132	100	43	250		**525**
	656	**100**	**72**	**313**	**46**	**1,187**

Figure 71

In the areas managed by subsidiaries TPB and TPF, the vehicles of its partners are also used (219 vehicles in total).

Partner - no. of vehicles	2020
AGI	29
Coerbus	47
Cosepuri	68
SACA	75
Total	**219**

Figure 72

Below is a detailed analysis of TPER Group vehicles only.

2020	Diesel	Electric	Diesel Hybrid	CNG	LNG	Total
EURO 1						-
EURO 2	163					**163**
EURO 3	236		20	15		**271**
EURO 4	32			21		**53**
EURO 5	86		2	7		**95**
EURO 6	139		50	53	46	**288**
EEV				217		**217**
ZEV		100				**100**
	656	**100**	**72**	**313**	**46**	**1,187**

Figure 73

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

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

Aside from the 359 natural gas vehicles, of which 217 Enhanced Environmentally Friendly buses and 46 LNG buses, there are 100 electric vehicles, with ZEV - Zero Emission Vehicles features, 72 hybrid buses, 288 Euro 6 buses of which 50 hybrid and 99 CNG or LNG methane and 95 Euro 5 buses. Almost all buses are equipped with devices to reduce emissions (with the exception of the new Euro 5, Euro 6, Zero Emission Vehicles and EEV, which have a reduced impact or no impact).

Considering the EEV (Enhanced Environmentally Friendly Vehicles), ZEV vehicles, which are emission-free, and hybrid and natural gas vehicles, 39% of the vehicles in the TPER fleet therefore have low emissions.

30% of the vehicles are powered by methane. These vehicles are mainly used in urban and suburban areas. To meet the needs of the natural gas fleet, TPER has fuelling stations at two depots in Bologna and at the Ferrara depot. TPER is the only company in Italy that uses three methane refuelling stations for its fleet, as methane does not release benzene, sulphur dioxide and particulate matter, though it does release carbon dioxide and nitrogen oxides.

Breakdown of TPER vehicles by service type and emission class											
2020	EURO 0	EURO 1	EURO 2	EURO 3		EURO 4	EURO 5	EURO 6	EEV	ZEV	Total
Interurban			68	134		6	69	101			**378**
Suburban			36	79		8	12	122	27		**284**
Urban			59	58		39	14	65	190	100	**525**
	-	-	**163**	**271**		**53**	**95**	**288**	**217**	**100**	**1,187**

Figure 74

TPER investments for urban routes are aimed at increasing the number of electric vehicles. The Bologna trolleybus network was already present in the 1960s and 1970s and, although unused for several years, was always maintained and has recently been refurbished. The current electric fleet consists of 100 trolleybuses, 49 of which are Crealis Neo.

Regarding the type of vehicles used, there are 74 short buses, 33 buses of medium length, 58 regular buses, 651 long and 371 super-long and articulated buses.

Breakdown of vehicles by size and service	Short	Middle	Regular	Long	Articulated / super-long / ultra-long	Total
Interurban	16	11	14	242	95	**378**
Suburban				227	57	**284**
Urban	58	22	44	182	219	**525**
	74	**33**	**58**	**651**	**371**	**1,187**

Figure 75

With regard to "architectural barriers", 902 buses are equipped with a platform for people with reduced mobility to use the vehicle (855 in 2019). 979 buses have a lowered platform (955 in 2019).

Buses with platform		2020		
		Without platform	With elevator platform	Overall total
Interurban	Standard platform	196	12	**208**
	Lowered platform	16	154	**170**
		212	**166**	**378**
Suburban	Standard platform			-
	Lowered platform	27	257	**284**
		27	**257**	**284**
Urban	Standard platform		1	**1**
	Lowered platform	46	478	**524**
		46	**479**	**525**
Total		**285**	**902**	**1,187**

Figure 76

With reference to the investment approach taken in 2020, TPER continued with its vehicle LNG fuelling project not only in the class 2 vehicles segment, but also for class 1 vehicles, with the entry into service in the middle-range suburban area of an additional 31 IIA Citymood model buses.

The operation of this already significant share of the LNG fleet was made possible by the entry into service in parallel in October 2020 of the mobile fuelling station located at the Ferrara depot, pending the completion of construction on the permanent refuelling station, thanks to which it will be possible to fuel an additional 30 vehicles (already subject to a call for tenders).

The extremely low temperature methane gas in the liquid phase is contained on board the vehicle in one or more special cryogenic tanks, making it possible to carry quantities of fuel whose performance in terms of kilometric autonomy makes this type of vehicle absolutely equivalent to those fuelled by diesel. As things currently stand in the development of the various automotive technologies, these vehicles will substitute diesel vehicles, which are planned to be gradually decommissioned for middle/long-range LPT services with a view to the "2030 Agenda".

Also in 2020, MAN delivered the first 6 natural gas-fuelled hybrid vehicles, which entered into service during the initial months of 2021, constituting an absolute technical novelty in terms of hybrid vehicles, so far linked to the diesel engine and which now instead assume even more significance with a view to gradually overcoming the use of that fuel type.

2020 also saw the completion of the tender procedure for the acquisition of completely electric battery-powered buses with plug-in overnight recharging, with the contract awarded in the initial months of 2021 and the first 6 vehicles which will be delivered in early 2022; the vehicles, which initially will be recharged in overnight mode using the recharging stations in the depot, will be already set up for the development of further subsequent phases of the electrification project, which also calls for opportunity recharging with the pantograph at the terminus.

In parallel, 3 additional Iveco-Heuliez battery-electric buses were purchased and equipped, which are expected to enter service in the course of 2021.

Unfortunately, the pandemic situation and the well-known ensuing reductions in usable seats on board and the resulting increase in the number of vehicles in operation, alongside the slowdown in all supplies of industrial products, including buses, resulted in a slowdown in the decommissioning of Euro 2 and Euro 3 environmental class buses, particularly with reference to 18 metre long vehicles, which allow for a higher transport coefficient, also in consideration of transport limitations regarding the number of passengers imposed by the various Prime Ministerial Decrees.

In parallel with the entry into operation of the newly manufactured vehicles in 2020, a targeted policy continued for the identification and purchase in the used market of roughly 20 vehicles, in service in 2021, predominantly in the Euro 5/6 environmental class or fuelled by NATURAL GAS, which can be used to soften the effects of fleet ageing and improve emissions, as well as in view of the further lack of proceeds from the diesel fuel excise duty reimbursement which as of 2021 also regards the Euro 4 class.

In class 2, 20 Iveco Crossway EURO6, low-entry, purchased as part of the national CONSIP tender, also entered into service.

Vehicles - Rail transport

Although the railway business unit was transferred to TrenitaliaTper, TPER maintained ownership of the assets functional to carrying out the service.

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

in advance of the expiries set forth in the contract linked to the regional railway service tender precisely to guarantee in advance new trains with positive impacts on service quality as well as in terms of emissions.

TPER has 14 electric and 2 diesel trains. The average life of trains owned by TPER is 5 years.

Average age of vehicles

In 2020, the average age of the automotive fleet was 12.4 years, an improvement from the previous year. The investments under way, and those planned, will contribute to further improving this indicator, while maintenance of the vehicles keeps them in a state of good quality and functionality.

	2017	2018	2019	2020
Average age of buses	13.1	12.8	12.7	12.4
Average age of trains	n.a.	4	5	6

Figure 77

Tper's impact on the environment

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

The European Union and TCFD recommendations

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

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

The TPER reporting system

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

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

	TPER fleet Energy policy - see specific information at the bottom of this table (sections Energy - Emissions)
Targets	TPER has made and plans to make significant investments in energy efficiency and the renewal of its fleet (TPER fleet) and for the resulting reduction in emissions. Currently, no specific targets have been defined for further interventions to reduce energy consumption and emissions.
Performance - indicators and metrics	The current TPER reporting system provides the following information: ▪ Energy consumption: direct and external (partner vehicles) ▪ Direct and indirect emissions (GHG Scope 1 and Scope 2) + other types of emissions relevant for the reference sector ▪ GHG Scope 3 emissions (partner vehicles) ▪ Energy and emissions intensity indexes

Figure 78

Energy consumption

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

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

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

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

Internal energy consumption

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

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

Figure 79

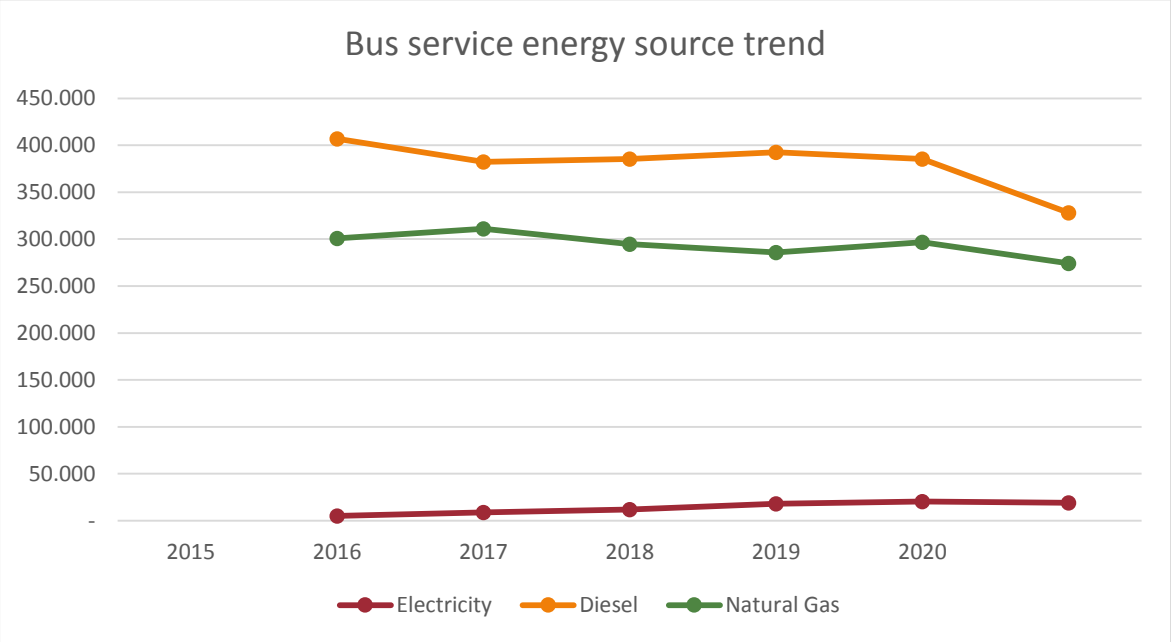
Overall energy consumption by service	2018	2019	2020
Transport	984,535	1,009,436	650,706
Other mobility services	7,984	13,654	14,282
Offices - Terminals and other	147,677	169,677	149,341
Partners	93,554	111,658	103,841
Total	**1,140,196**	**1,192,767**	**814,329**
Total with partners	**1,233,750**	**1,304,425**	**918,170**
Total with partners without trains	**949,723**	**997,539**	**918,170**

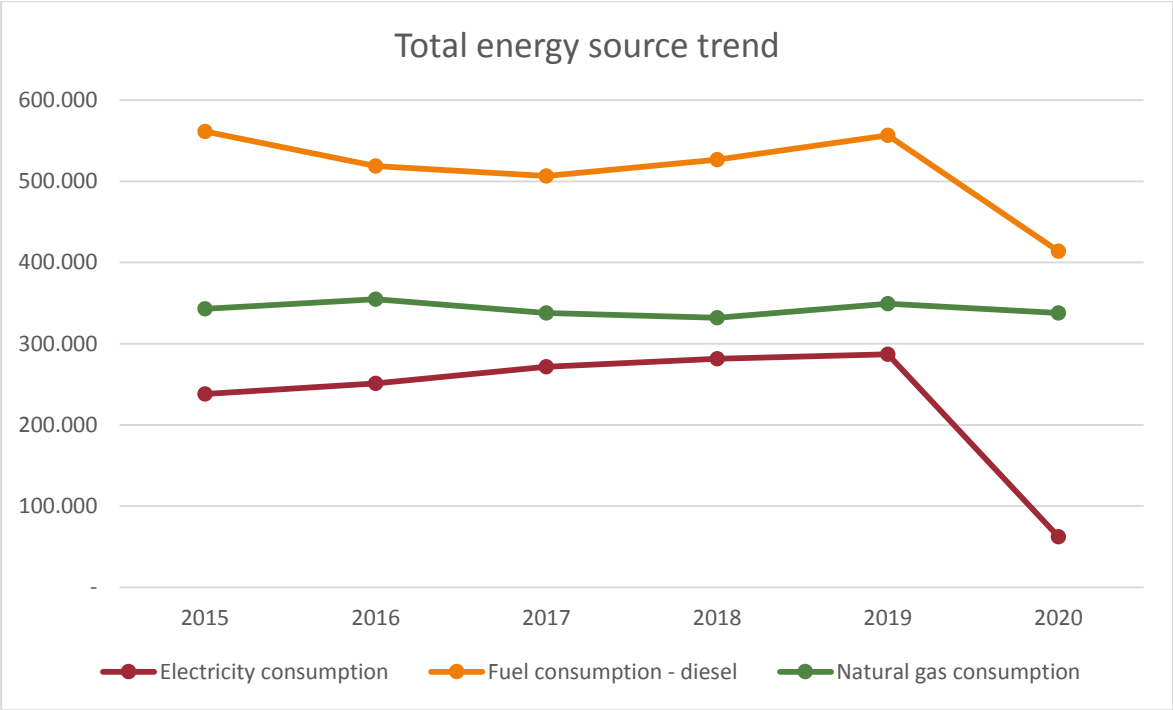
Trend in overall energy consumption	2.17%	5%	-32%
Trend in overall energy consumption with partners	2.39%	6%	-30%
Trend in overall energy consumption with partners without trains	2.30%	5%	-8%

Figure 80

Trend in overall energy consumption	2018	2019	2020
Electricity consumption	281,528	286,972	62,252
Fuel consumption - diesel	526,636	556,554	415,044
Methane consumption	332,032	349,241	337,033
Total	**1,140,196**	**1,192,767**	**814,329**

Figure 81





Energy consumed - GJoule	2018	2019	2020
Electricity consumption			
Transport (buses)	18,142	20,405	19,252
Transport (trains)	219,250	221,525	-
Thermal kWh - offices and terminals	3,702	3,749	3,781
Offices and other	33,793	34,443	33,700
SST	-	-	-
Mafer	5,262	5,545	4,232
Dinazzano Po	1,380	1,304	1,288
Total	**281,528**	**286,972**	**62,252**
Of which from renewable sources	70,819	104,272	57,836
Trend in overall electricity consumption	**3.62%**	**1.93%**	**-78.31%**
Fuel consumption - diesel			
Transport (buses)	392,553	385,350	329,308
Transport (trains)	64,777	85,361	-
Other mobility services	2,223	2,600	1,884
SST	3,841	14,484	11,634
Mafer	-	-	-
Dinazzano Po	64,522	68,759	72,218
Total	**527,917**	**556,554**	**415,044**
Of which from renewable sources	-	-	-
Methane consumption			
Transport (buses)	285,971	296,794	274,042

Other mobility services (including VAZ)	499	963	750
LNG / Biomethane			16,150
Offices and other	39,397	44,311	39,643
SST	1,281	1,402	321
Mafer	-	4,546	4,546
Dinazzano Po	1,043	1,225	1,582
Total	**328,190**	**349,241**	**337,033**
Of which from renewable sources	-	-	-
Total consumption	**1,140,196**	**1,192,767**	**814,329**
Of which from renewable sources	**70,819**	**104,272**	**57,836**

Figure 82

Electricity

Electricity consumption	Kwh	2018	2019	2020
Transport (buses)		5,039,544	5,668,169	5,347,678
Transport (trains)		60,902,720	61,534,796	-
Thermal kWh - offices and terminals		1,028,292	1,041,375	1,050,160
Offices and other		9,386,815	9,567,478	9,360,981
SST		-	-	-
Mafer		1,461,665	1,540,392	1,175,608
Dinazzano Po		383,204	362,225	357,893
Total		**78,202,240**	**79,714,435**	**17,292,320**
Of which from renewable sources		19,672,083	28,964,505	16,065,519
TOTAL WITHOUT TRAINS		**17,299,520**	**18,179,639**	**17,292,320**

Figure 83

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

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

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

Fuel - diesel

Fuel consumption - diesel (tonnes)	2018	2019	2020
Transport (buses)	9,192	9,023	7,711
Transport (trains)	1,517	1,999	-
Other mobility services (including VAZ)	52	61	44
SST	99	339	272
Mafer	-	-	
Dinazzano Po	1,511	1,610	1,691
Total	**12,371**	**13,032**	**9,718**
Of which from renewable sources	-		
TOTAL WITHOUT TRAINS	**10,854**	**11,033**	**9,718**

Figure 84

Methane

Methane consumption (m3)	2018	2019	2020
Transport (buses)	8,389,978	8,592,085	7,933,406
Other mobility services (including VAZ)	14,432	27,868	21,722
LNG / Biomethane			467,543
Offices and other	1,140,529	1,282,798	1,147,637
SST	37,077	40,597	9,289
Mafer		131,596	131,596
Dinazzano Po	18,631	35,461	45,800
Total	**9,600,647**	**10,110,405**	**9,756,993**
Of which from renewable sources	-		

Figure 85

External energy consumption

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

Energy consumption - Partners (GJoule)	2018	2019	2020
Fuel consumption - diesel			
Transport (buses)	91,573	109,407	97,668
Of which from renewable sources	-	-	-
Methane consumption			
Transport (buses)	739	2,251	**6,172**

Of which from renewable sources	-	-	-
Total consumption	**92,312**	**111,658**	**103,841**

Figure 86

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

Energy consumption - Partners	Unit	2018	2019	2020
Electricity consumption	**Kwh**			
Transport (buses)		-	-	-
Share of Thermal kWh - offices and terminals		-	-	-
Share of offices and other		-	-	-
Total		-	-	-
Of which from renewable sources		-	-	-
Fuel consumption - diesel	**Tonnes**			
Transport (buses)		2,144	2,562	2,287
Other mobility services		-	-	-
Total		**2,144**	**2,562**	**2,287**
Of which from renewable sources		-		
Methane consumption	**Cubic metres**			
Transport (buses)		21,391	65,169	178,687
Other mobility services		-	-	-
Offices and other		-	-	-
Total		**21,391**	**65,169**	**178,687**
Of which from renewable sources		-		

Figure 87

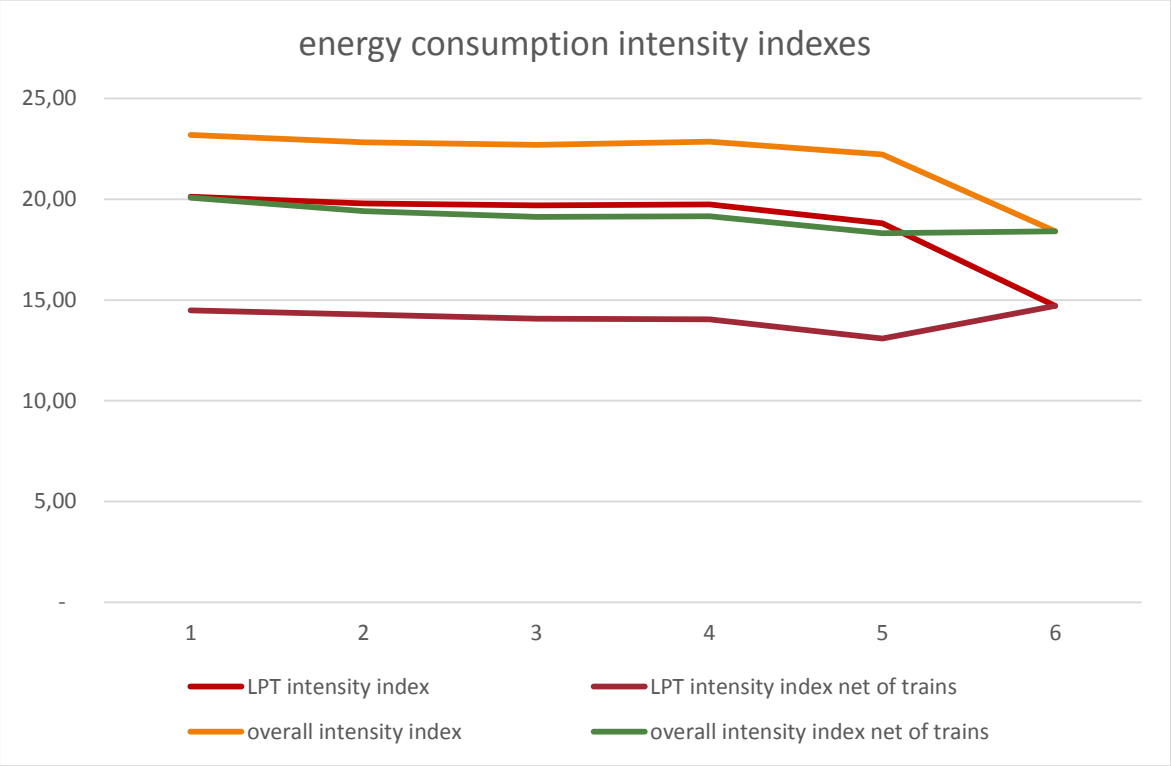
Energy consumption intensity index

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

Local public transport intensity index	Unit	2018	2019	2020
Energy consumption	GJ	984,535	1,009,436	650,706
Total km travelled	km	49,865,865	53,661,884	44,205,636
Intensity index	**GJ/km*1000**	**19.74**	**18.81**	**14.72**

Train net energy consumption	GJ	700,508	702,550	650,706
Total km travelled	km	49,865,865	53,661,884	44,205,636
Intensity index	**GJ/km*1000**	**14.05**	**13.09**	**14.72**
Overall intensity index	**Unit**	**2018**	**2019**	**2020**
Energy consumption	GJ	1,140,196	1,192,767	814,329
Total km travelled	km	49,865,865	53,661,884	44,205,636
Intensity index	**GJ/km*1000**	**22.87**	**22.23**	**18.42**
Overall intensity index (without trains)	**Unit**	**2018**	**2019**	**2020**
Energy consumption	GJ	856,168	885,881	814,329
Total km travelled	km	44,675,979	48,349,712	44,205,636
Intensity index	**GJ/km*1000**	**19.16**	**18.46**	**18.42**

Figure 88



Emissions

Environmental performance. TPER's contribution to emission abatement

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

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

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

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

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

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

These necessitate a new global approach to development and transport habits. The 196 signatory countries declared their intention to limit global warming to less than 2°C compared with pre-industrial levels in order to achieve zero greenhouse gas emissions by 2050. After the agreement was signed, EU Member States set the binding target of reducing greenhouse gas emissions by 40% compared to 1990 by 2030. As such, the reduction of emissions in the transport sector is crucial to lowering overall emissions. And in this regard, collective and shared mobility represent a great way of achieving the above goals.

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

In addition to improving its performance over the years in terms of reducing its fossil fuel consumption and emissions, TPER provides an economical and environmentally-friendly alternative to private transport.

The use of TPER public vehicles rather than private vehicles indeed makes it possible to save 96,000 tonnes of CO2 in the Bologna and Ferrara areas, of which 200 tonnes for the Corrente service.

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

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

CO2 emissions

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

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

The reduction in emissions from 2018 onwards was mainly due to the fact that all the electricity acquired by TPER for road transport, offices and other services derives from

renewable sources. This has led to a substantial drop in emissions, since in the calculation the indirect emissions, or those deriving from the source for the electricity production, are zero, as the electricity was purchased from renewable sources. This significant impact is also taken into account in 2020.

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

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

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

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

CO_2 emissions by Scope	2018	2019	2020
Scope 1 emissions	55,392,651	57,683,538	48,790,828
Scope 2 emissions	19,859,612	16,062,353	314,711
Scope 3 emissions	6,830,242	8,224,619	7,280,694
Total	**82,082,504**	**81,970,510**	**56,386,233**
Trend in overall emissions	-3.39%	-0.16%	-31.21%
CO2 emissions by Scope without trains	2018	2019	2020
Scope 1 emissions	50,585,591	51,348,996	48,790,828
Scope 2 emissions	583,901	481,743	314,711
Scope 3 emissions	6,830,242	8,224,619	7,280,694
Total	**57,999,734**	**60,055,358**	**56,386,233**
Trend in overall emissions	-5.51%	3.54%	-6.11%
	(0)	0	-
Total emissions / by activity type	2018	2019	2020
Transport	73,953,207	73,797,253	48,144,603
Other mobility services (includes Mafer and Dinazzano Po)	5,905,240	6,093,277	5,964,719
Offices and other	2,224,058	2,079,980	2,276,912
Total	**82,082,505**	**81,970,510**	**56,386,233**
Trend in overall emissions	-3.39%	-0.16%	-31.21%
	-	-	
Total emissions / by activity type excluding trains	2018	2019	2020
Transport	49,870,435	51,882,101	48,144,603
Other mobility services (includes Mafer and Dinazzano Po)	5,905,240	6,093,277	5,964,719
Offices and other	2,224,058	2,079,980	1,860,826

Total	**57,999,734**	**60,055,358**	**55,970,147**
Trend in overall emissions	-5.51%	3.54%	-6.11%

Figure 89

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

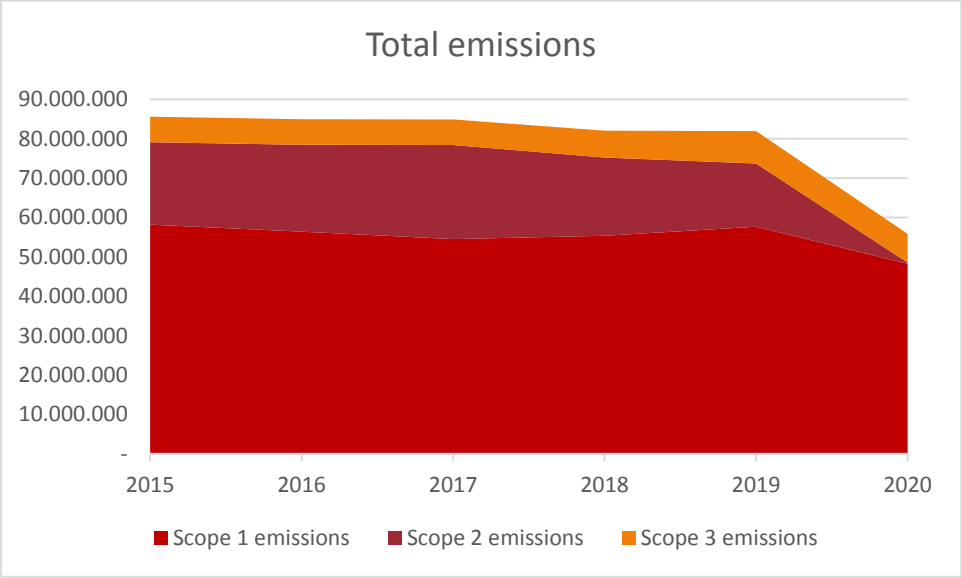


Figure 90

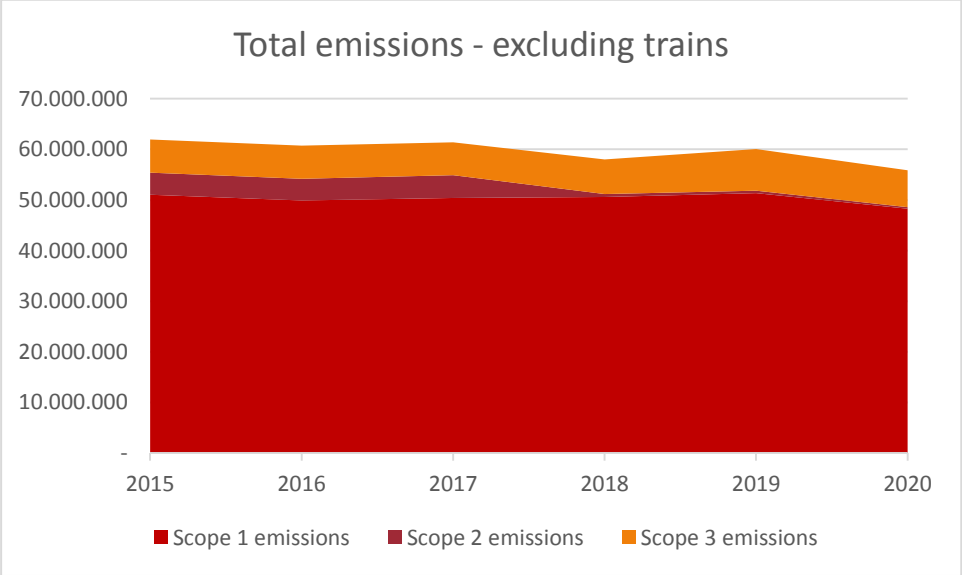


Figure 91

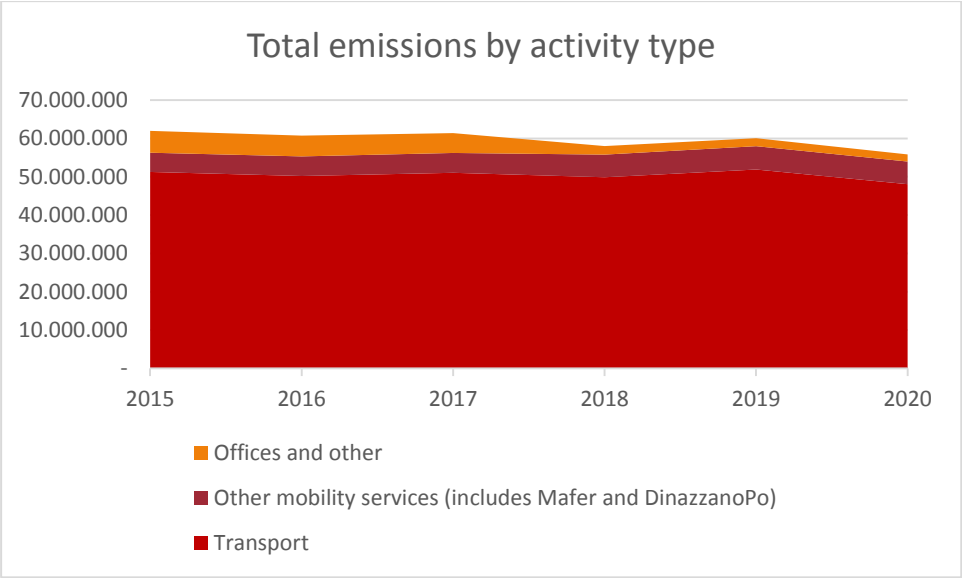


Figure 92

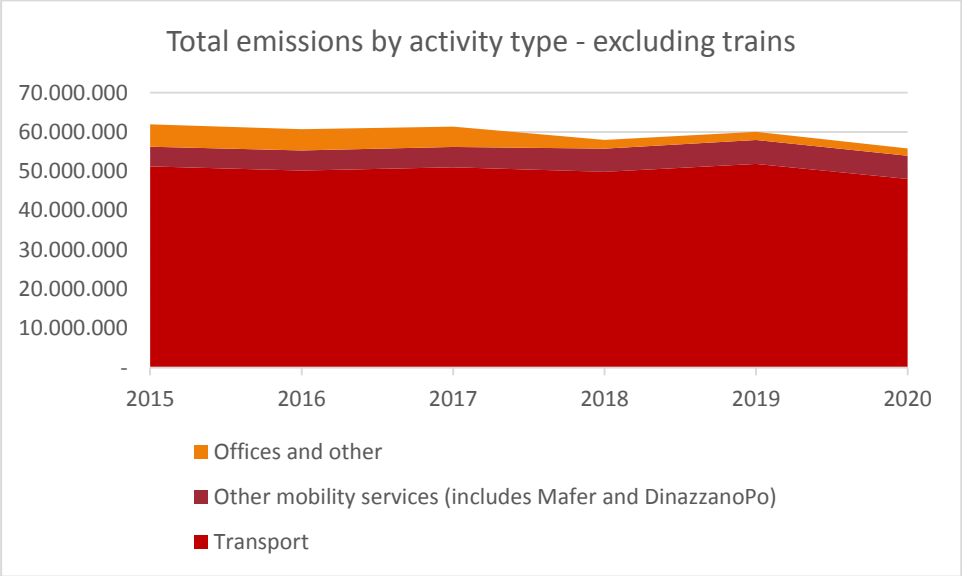


Figure 93

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

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

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

Harmful environmental emissions

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

	2018	2019	2020
Total hydrocarbon emissions	108,892	96,536	76,542
Not including methane	34,320	34,576	30,944
TREND	*-12.99%*	*-11.35%*	*-20.71%*
In the three-year period	*-20%*	*-23%*	*-30%*

Figure 94

	2018	2019	2020
Total carbon monoxide emissions	560,277	557,656	467,713.84

TREND	*-7.22%*	*-0.47%*	*-16.13%*
In the three-year period	*-12.95%*	*-7.65%*	*-16.52%*

Figure 95

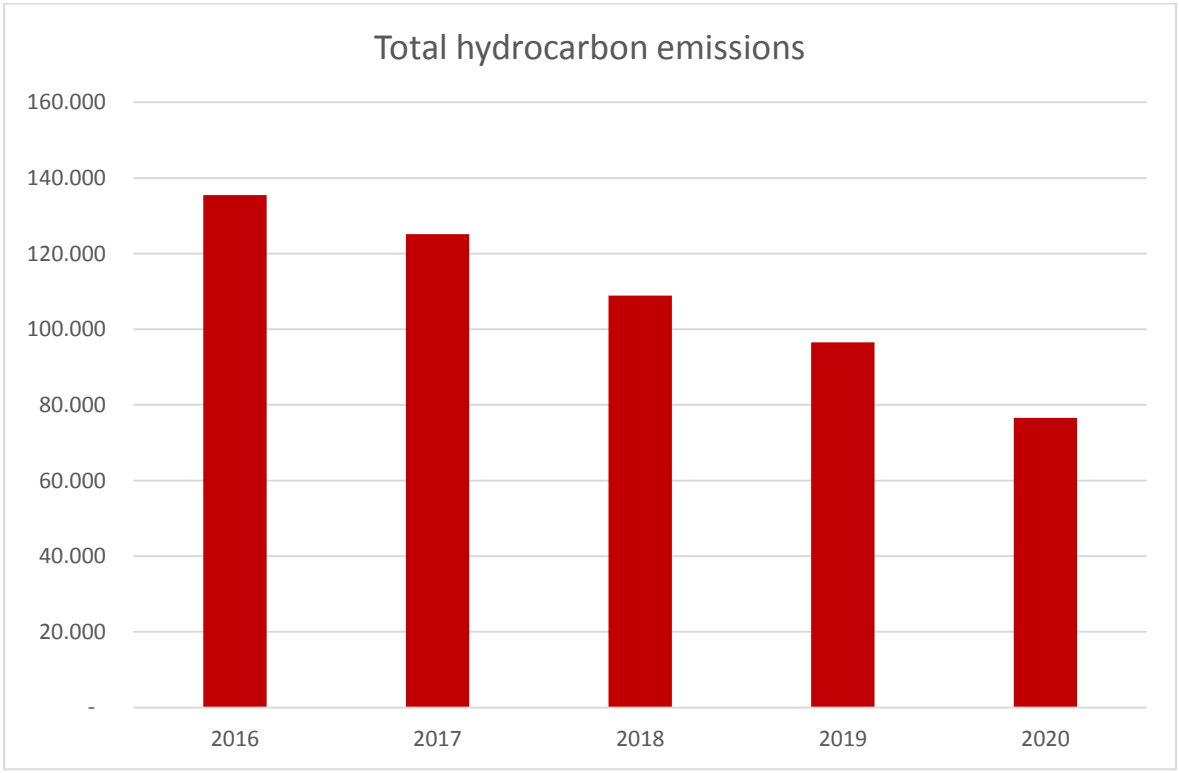


Figure 96

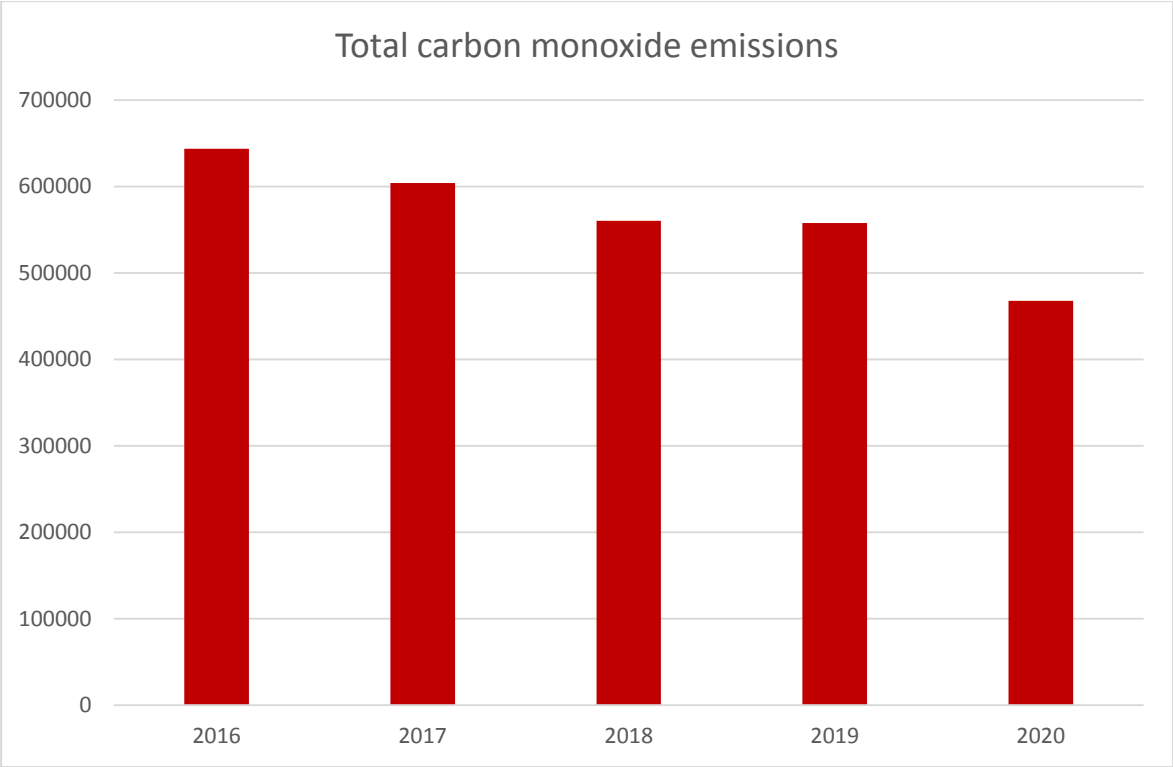


Figure 97

Harmful emissions to human health

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

	2018	2019	2020
Total particulate emissions	**13,014.41**	**9,732.14**	**6,535.23**
TREND	-23.37%	-25.22%	-32.85%
In the three-year period		-42.70%	-49.78%

Figure 98

		2018	2019	2020
Total nitrogen oxide emissions		**662,979**	**572,819**	**445,830**
TREND		-14.65%	-13.60%	-22.17%
In the three-year period		-21.87%	-26.26%	-32.75%

Figure 99

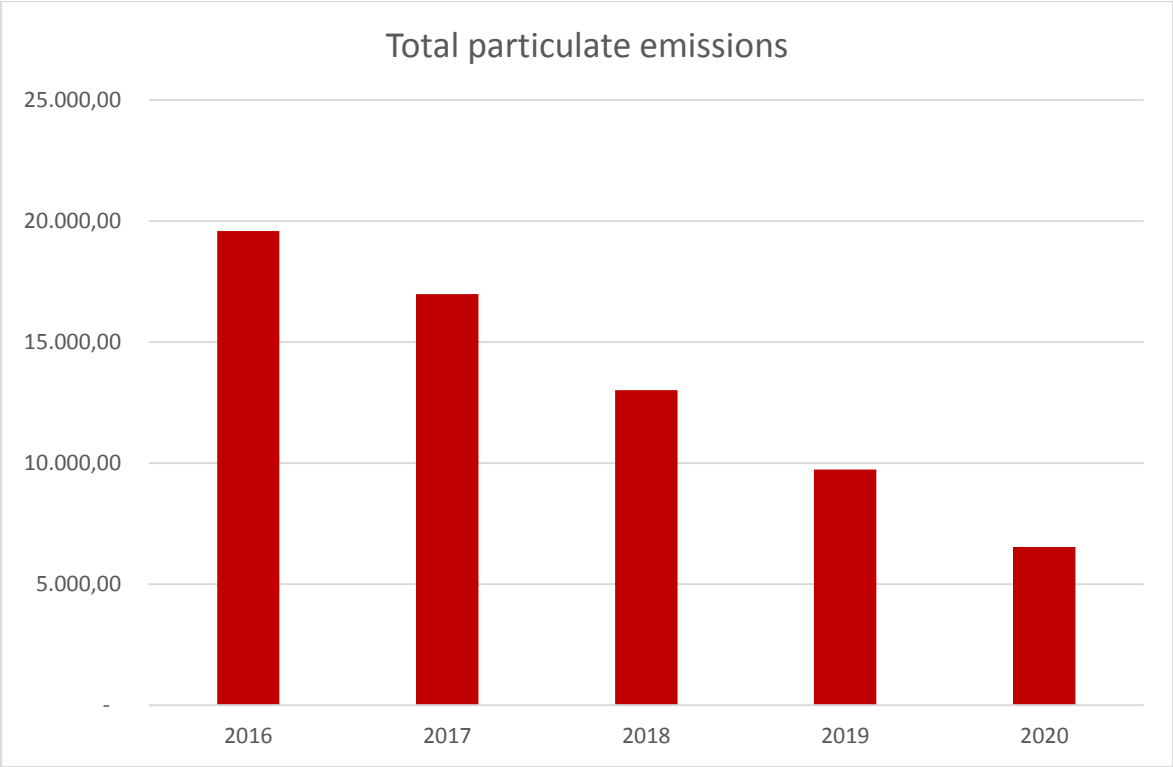


Figure 100

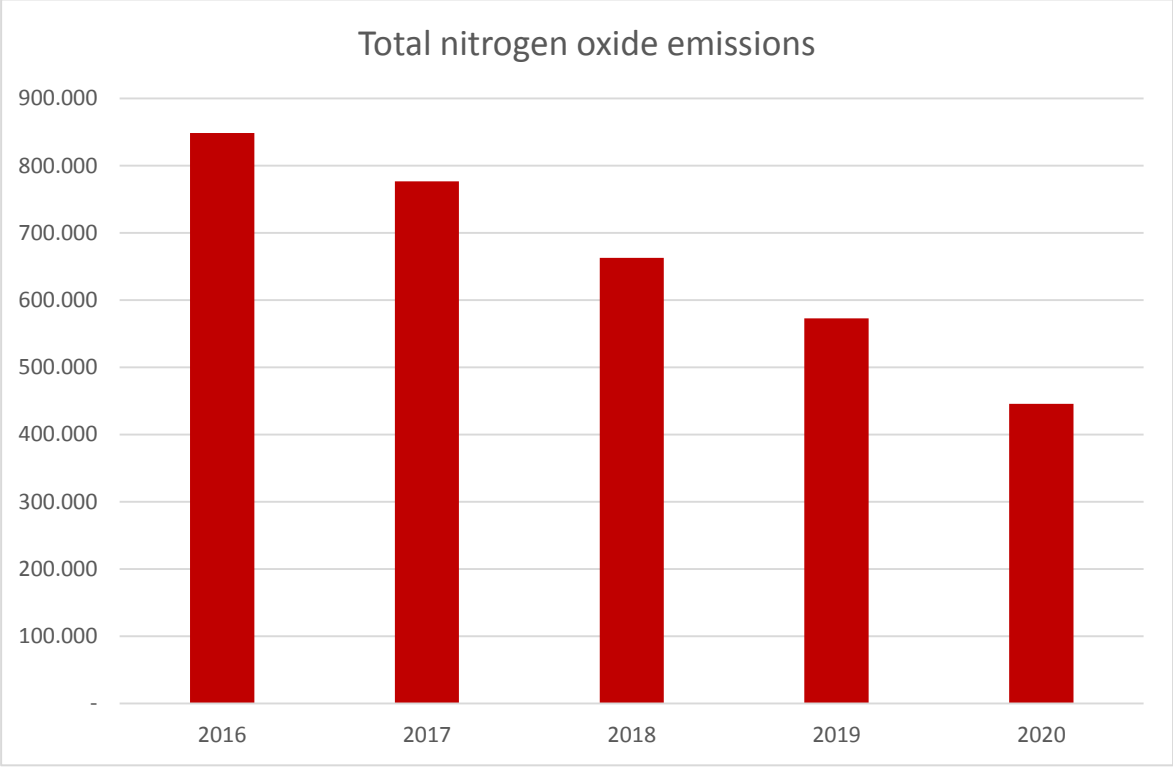


Figure 101

Emission intensity index

The emission intensity index is presented below.

Emission intensity	Unit	2018	2019	2020

Local public transport intensity index				
Local public transport CO2 emissions	kg CO2e	73,953,206	73,797,253	48,144,603
Total km travelled	km	49,865,865	53,661,884	44,205,636
Intensity index	**CO2/km**	**1.48**	**1.38**	**1.09**
Index trend		*-2.22%*	*-7.08%*	*-20.9%*
In the three-year period			*-9.4%*	*-26.6%*
Overall intensity index				
Total CO2 emissions	kg CO2e	82,082,504	81,970,510	56,386,233
Total km travelled	km	49,865,865	53,661,884	44,205,636
Intensity index	**CO2/km**	**1.65**	**1.53**	**1.28**
Index trend		*-4.74%*	*-7.2%*	*-17.3%*
In the three-year period			*-11.6%*	*-23.2%*
Local public transport intensity index - excluding trains				
Local public transport CO2 emissions	kg CO2e	49,870,435	51,882,101	48,144,603
Total km travelled	km	44,675,979	48,349,712	44,205,636
Intensity index	**CO2/km**	**1.12**	**1.07**	**1.09**
Index trend		*-4.02%*	*-3.9%*	*-1.9%*
In the three-year period			*-8.1%*	*-16.8%*
Overall intensity index excluding trains				
Total CO2 emissions	kg CO2e	57,999,734	60,055,358	56,386,233
Total km travelled	km	44,675,979	48,349,712	44,205,636
Intensity index	**CO2/km**	**1.30**	**1.24**	**1.27**
Index trend		*-7.21%*	*-4.3%*	*-2.4%*
In the three-year period			*-12.1%*	*-2.7%*

Figure 102

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

The emission intensity index trend is presented below.

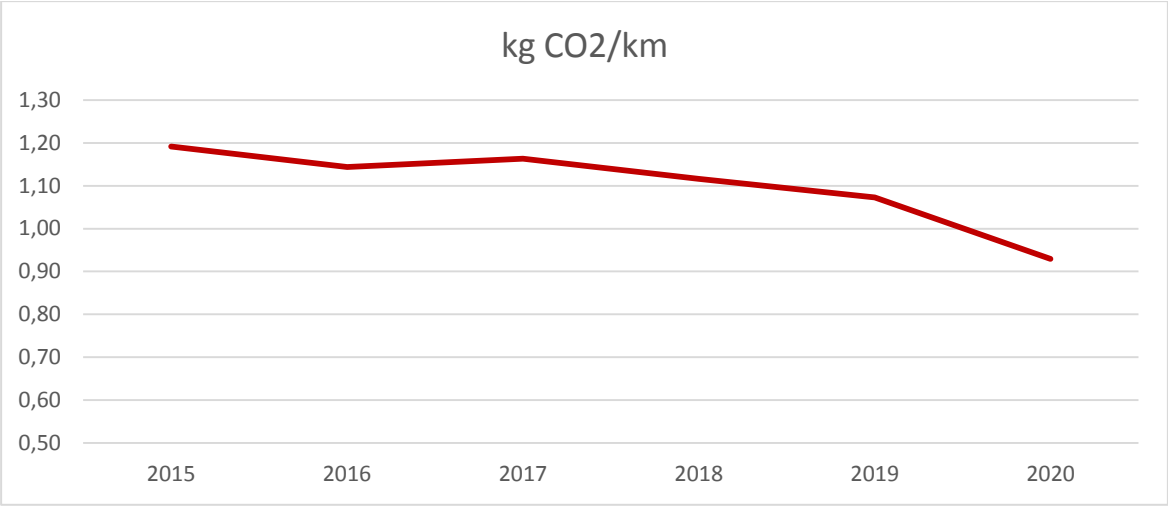


Figure 103

Waste management

GRI 306-2

In 2020, TPER produced a total of around 1,903 thousand tonnes of waste, of which around 731,000 were classified as non-hazardous.

Overall in 2020, around 67% of the waste produced by TPER was sent for recycling (paper and cardboard, oils, batteries, ferrous and non-ferrous materials, demolition of vehicles, etc.), while the remainder was disposed of according to the regulations in force.

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

Waste by category and method of disposal (tonnes)	2017	2018	2019	2020
Hazardous waste				
Recycled - recovered	610,209	**617,805**	827,998	568,811
Disposed	316,598	**355,207**	351,343	222,295
Total hazardous waste	**926,807**	**973,012**	**1,179,341**	**791,106**
Non-hazardous waste				
Recycled	454,115	**449,656**	**521,970**	**484,712**
Disposed	81,339	**115,439**	**202,175**	**268,675**
Stored	-	**28,980**		
Other	184	-		
Total non-hazardous waste	**535,638**	**594,075**	**724,145**	**753,387**
Total	**1,462,445**	**1,567,087**	**1,903,486**	**1,544,493**

Figure 104

Waste produced (in thousands of tonnes)	2017	2018	2019	2020

From Total Waste Management	1,462	**1,567**	**1,903**	**1,544**
Of which recycled	961	**1,067**	**1,350**	**1,030**
Of which disposed	489	**471**	**553**	**514**
Of which hazardous	927	**973**	**1,179**	**791**

Figure 105

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

Water resources

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

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

Water withdrawal policies - shared resource

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

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

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

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

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

depots, all water discharges are monitored and authorised for discharge in public sewers in accordance with current regulations.

Water withdrawal

TPER consumed around 48 megalitres of water in 2020. The water used comes from the local water distribution network (aqueduct). These are accurate values, derived from the consumption invoiced to TPER by the water service utility company.

The increase compared to previous years is the result of a change in scope, which in 2020 includes the water consumption of all the subsidiaries.

Water withdrawal	2017	2018	2019	2020
Third-party water resources / aqueducts				
Fresh water (≤1,000 mg/l total dissolved solids)	49,156	45,542	57,561	47,586*
Other types of water (>1,000 mg/l total dissolved solids)	-			
Total (cubic metres)	**49,156**	**45,542**	**57,561**	**47,586**
Total in litres	**49,156,000**	**45,542,000**	**57,561,000**	**47,586,000**
Total in megalitres	**49**	**46**	**58**	**48**
***difference due to different scope - railway business unit not included**				

Figure 106: The definition of fresh water / other types of water, adopted by the GRI Standards, is based on the ISO 14046:2014 standard and the USGS (United States Geological Survey) document, "Water Science Glossary of Terms" (water.usgs.gov/edu /dictionary.html - accessed on 1 June 2018) and on the World Health Organisation (WHO) document, "Guidelines for Drinking-water Quality" of 2017.

Water discharges

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

TPER's commitment to the region

GRI 413-1

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

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

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

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

In the municipalities of Bologna, Casalecchio di Reno, Granarolo nell'Emilia and San Lazzaro di Savena, use of the bus is free for young primary school students (generally children under 10 years). In Bologna, specifically, thanks to a contribution from the city, students from secondary schools also travel for free. In September 2020, the benefit was extended throughout the region.

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

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

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

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

With a view to incentivising the accessibility of public transport and its “smart” use, starting in September 2018, at the initiative of the Emilia-Romagna Region, those who subscribe to a monthly or annual pass for a railway line can use the urban transport of the departure/arrival city free of charge.

Local communities

GRI 103-2 GRI 103-3

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

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

Impact on the region

Local Public Transport (LPT) is a sector of absolute importance for the national economy, since it is part of the more general transport industry.

The public transport sector has a strategic nature that goes beyond the mere economic size of the industry, since quality local transport systems can affect the overall competitiveness of a country, not counting the positive external effects in terms of protecting the environment and general quality of living conditions.

In addition to having an important economic impact, transport systems play a fundamental role in the daily lives of citizens: they ensure the fundamental right to mobility and contribute to improving the competitiveness of the economy as a whole.

Greater use of public transport as an alternative to the use of private vehicles would also produce a series of positive effects of an economic nature, as well as possibly improve the quality of life and the environment. The benefits could be summarised as follows:

- Reduction of road congestion and traffic
- Improvement in air quality
- Reduction in noise pollution
- Guarantee of the right to mobility for the disabled, the elderly and students
- Possible "stress-free" alternative to the private car
- Stimulation of economic growth
- Economic advantages for families, businesses and the community

- Safety
- Guaranteed availability
- Financial savings
- Lower cost of living

Subscribers and loyalty

In recent years, TPER has consolidated the methods for rewarding its subscribers' loyalty in two ways. The first is to offer advantages in terms of leisure and consumption: the TPER subscription incorporates value in itself by allowing discounts, rebates and deals in the main theatres of Bologna, its museums, its film archive and major classical and contemporary music events. The second is to reward subscribers who regularly validate their travel document through a competition reserved for those who register in the TPER Web Club. The Web Club aims to promote loyalty with its most frequent users, reserving special offers from partner companies for them, as well as more "personalised" online information on mobility.

In the early months of 2020, the drawings for the prizes offered for the 2019-2020 campaign were completed and the competition was not renewed pending the evolution of the health situation. The prizes were divided into three groups: Theatre and Exhibitions, Sports and Classical Music.

The Theatre and Exhibitions group involved the following: Teatro Arena del Sole, Teatro Duse, Teatro Europa Auditorium, Teatro delle Celebrazioni, Palazzo dei Diamanti in Ferrara and Palazzo Fava - Genus Bononiae. For music lovers, winners were given the opportunity to attend scheduled shows at Teatro Comunale, Teatro Manzoni and Teatro EBE Stignani in Imola.

Any prizes which were not claimed or assigned (not including those which were refused) were donated to the non-profit association GRD Bologna for children with Down's syndrome.

Safety for over 65s

TPER financially contributes to an initiative of the City of Bologna in favour of those over 65 who are victims of scams and theft. The project entails the direct transfer of lump sum contributions by the municipality (until December 2020).

Alongside the contributions, through collaboration with Anteas, Bologna Volunteers and the Revivere Association, free one-stop psychological support is available to provide support in dealing with the trauma resulting from theft, fraud and deception.

The grant provides for the maximum coverage of 100 euros per claim, raised to 500 euros on days that pensions are paid out. When theft occurs with or without break-ins that results in the need to repair doors, locks and windows, a refund can be obtained up to a maximum of 300 euros with the presentation of an invoice/professional receipt for the intervention.

Reports must be submitted to the desks of CGIL-SPI, CISL-FNP, UIL-UILP, CNA Pensionati and San Bernardo Association, active within the area of the City of Bologna.

Support for the associative and cultural life of the cities

TPER's interest in the community and the organisation of cultural activities is demonstrated through partnerships with local cultural institutions. In particular, holders of annual season tickets have advantages and reductions on admission for all permanent and temporary exhibitions of the Bologna Musei institution, the Duse and Europa Auditorium theatres and projections of the Fondazione Cineteca Bologna. TPER supports the activities of the Teatro Comunale di Bologna and cultural and sport initiatives in the city of Ferrara with a financial contribution.

TPER also actively participates in all initiatives related to public transport and sustainable mobility, as well as events for which it is particularly effective to develop awareness actions on good rules, the correct use of the service and environmental sustainability.

An agreement has been in place for several years with the Italian Paralympic Committee Emilia-Romagna in order to encourage ever greater social integration of people with disabilities.

TPER also supports a team in the 5-a-side football league organised by the Italian Paralympic Sports Federation for the visually impaired and the blind.

Shareholders, institutions, regulators

For a public transport and mobility company, the local institutions of the regions in which it operates have multiple roles. In fact, they may be shareholders of the company, with certain expectations regarding its results including from an economic point of view. At the same time they also play a role in planning and defining service guidelines and, lastly, representing the needs and interests of the regions, thanks to the mandate received from the voters (who are themselves Users of the LPT services).

The management of relations with Local Authorities is therefore very complex, precisely because they hold different functions: in addition to being shareholders, or holders of share capital, public shareholders play a stakeholder role, that is, of wider interests with impact on the community.

The mobility agencies, enacted by local authorities, on the other hand, have a service regulation role and represent the interlocutors with which the public transport company consults to define the characteristics of the service and monitor the activities carried out in compliance with the signed service contract, once the contract has been awarded by tender.

TPER interacts with the shareholders regarding corporate trends and business development strategies, while it consults government bodies on the construction of mobility development plans in the area. Finally, it maintains continuous relationships with the Agencies to meet the transport needs of the region and for the necessary monitoring of the activities.

The leaders and management of TPER frequently interact with these stakeholders on individual planning and monitoring actions, providing answers to questions and queries, and presenting responses to all the questions on the subjects for which they are responsible, on a weekly basis. All responses to questions, participation in board

commissions and meetings with entities are tracked by the company, also due to the important commitment of company personnel to provide a response to the requests made.

Also in 2020, there were many joint initiatives with institutions, which are also reflected in the press conferences organised together.

Training and education

GRI 103-2 GRI 103-3 GRI 413-1

The culture of mobility

A daily meeting place, a preferred space for gathering stories and characters, a public square condensed into a few square metres where, above all, respect for the rules and neighbours must prevail: a public means of transport is this and much more. To foster dialogue and culture on mobility, TPER has launched a series of initiatives in the region, aimed at the different users of the service, in different ways.

Small students

To educate on collective mobility, respect for the rules and care of the environment, TPER promotes initiatives for elementary school students, in particular educational activities and classroom meetings with company operators, exhibitions, prize competitions, guided visits at the operations centre and the depots.

Specifically, "in media stat bus" is a project-competition created for secondary school students to promote an active awareness on the issues of compliance with the rules and the importance of public transport.

Young students: the community-to-community bus

Again in 2020, TPER continued with its initiative for discussion and growth on the themes of sustainable mobility and respect for the rules in collaboration with the Centro Antartide, which deals with social and environmental communication and training. The themes developed include the correct use of public transport, compliance with the rules of conduct in the dynamics that are created every day, from ticket validation, to collaboration in the maintenance of cleanliness. For 2020, a particular focus was also dedicated to safety on board vehicles to take into account the protocols adopted by the company on the risk of infection.

Moreover, considering the Covid emergency, for 2020 the usual meetings took place with TPER personnel remotely. Specifically, three meetings were organised with three classes of two lower middle schools. The students thus at least virtually met TPER drivers and inspectors, in an exchange on the approach and visions of the common good that is "public transport", the good performance of which depends on the contribution and the ability to collaborate of the staff and users of the bus and the road. The TPER people involved responded to queries and provided the general information requested by the young students.

Company growth

GRI 103-2 GRI 103-3 GRI 413-1

TPER compliance with rules

TPER has established some internal rules for staff who interface with users. Specifically, all staff in contact with the public are required to demonstrate willingness to listen and not to impede the exercise of rights, to respond to requests for information with courtesy and to avoid discussions while maintaining a correct and available attitude.

As far as the journey is concerned, the driver is not permitted to smoke in the vehicle and is obliged not to use telephones or other devices for personal reasons. He/she avoids any behaviour that could reduce attention to driving and safety. If passengers are waiting at the stop, he/she is required to slow down in order to stop safely even without specific signs or in the event that passengers show their intention to get off at the last minute. At the stop, the driver opens all the entrance doors of the bus and during the service maintains a correct posture, in keeping with the safety of the service and the image of the company.

With regard to the management of the service, the driver is expected to turn off the engine when at the terminus, properly update the line and destination indicators, properly use the devices and on-board systems, such as air conditioning, access ramps, signs on operation of the ticket machines, etc.

In addition to these rules regarding staff behaviour, TPER is committed to ensuring standards of quality, accessibility, regularity and punctuality and service safety as provided for by the contract and service charter, with the aim of improving the guaranteed standards over time and the overall perceived quality.

Compliance with the rules for passengers

In combating fare evasion, TPER has identified a fundamental activity to strengthen the economic sustainability of the company but also to promote the culture of public transport as a common good to be used in compliance with the rules and with a sense of civic duty.

The aim is to contribute to the establishment of a positive and loyal relationship between the company and users, which can strengthen the ability to listen on the one hand and raise awareness of compliance with the rules on the other. On several occasions, the project has involved all the company staff who on a voluntary basis can support their inspector colleagues, in order to directly understand the operational context and potential critical issues and strengthen the sense of belonging to the company.

For 2020, respect for rules also regards the risk of infection, and therefore respect for the safety protocol adopted by TPER, particularly with reference to the obligation of wearing masks and sanitising hands.

Marketing communication

GRI 103-3 GRI 103-3

A message that travels: TPER's choices for communication on transport vehicles

Despite having entrusted the management of advertising activities on its vehicles to an external concessionaire for several years, TPER carries out a check on the relevance and nature of the promotional activities present on its vehicles via its Communications Office. In particular, TPER has adhered to a memorandum of understanding with the Department of Security of the City of Bologna, assuming the commitment - also with the advertising concessionaire - to avoid the promotion of gambling or images that are damaging to the image of women or are harmful to minors on buses.

Among the various spaces dedicated to advertising on the company means of transport, TPER reserves the space behind the driver for promoting activities and events linked to institutional, cultural and non-profit initiatives, bearing witness to its commitment to deserving initiatives of the community.

In recent years, TPER approved a double name for certain stops, to remind people of the Museum, Theatre or centre of cultural or institutional interest in the vicinity. The stops that have a double name include Opificio Golinelli, Mast, Teatri di Vita, Mambo, Genus Bononie, AVIS, Piazza dei Colori, Accademia Filarmonica di Bologna, MEIS, Museo nazionale dell'Ebraismo italiano e della Shoah in Ferrara, Fondazione Cirulli in San Lazzaro di Savena and as of 2020 Fondazione Marconi in the Municipality of Sasso Marconi, a stop that was also upgraded to take into account improved recognisability for cultural and tourism reasons.

Other initiatives

GRI 413-1

All the activities listed below entail the involvement of the local community in various ways.

Promotion of institutional activities

In view of the dialogue with public stakeholders, TPER has supported local and regional authorities and other institutions in implementing major projects in the social area. Below is a list of the main initiatives.

- Urban Innovation Foundation - communication and awareness-raising campaigns on sustainable mobility in Bologna, in particular in terms of visibility of the communication campaign regarding participatory budgeting, with a presentation of ideas by residents of Bologna and voting on proposals
- Youth Policies Department - collaboration to provide visibility for a training and career guidance campaign aimed at young people (18-25 years) of the City of Bologna
- Genius Bononiae – collaboration to provide visibility to the initiatives launched
- Visibility for the communication campaign of the Emilia-Romagna Region on the proper use of antibiotics
- Continuation of the activities envisaged within the Collaboration Pacts between residents and the Administration for the care and regeneration of urban communal property.

- Capo D Pact, signed by the City of Bologna with eight outstanding entities from the Bologna area, including TPER, in support of equal opportunities for men and women in the work environment.
- Navile Neighbourhood - Agreement with Fortitudo Social for the organisation of summer camps

Diversity and inclusion

TPER supported the Municipality of Bologna in the process for candidacy for the 2021 European Access City Award. A procedure which even before being administrative, is cultural and values-based and begins from recognising people with disabilities as active parties who should be placed in the conditions to live an independent life.

In collaboration with the Italian Paralympic Committee of Ferrara, TPER has offered support to ensure athletes with disabilities have the structures and tools to play sports and attend sporting events, including by delivering the necessary equipment for playing the various sport specialities.

Circolo Dozza activity promotion

TPER supports the Circolo Autoferrotranvieri, collaborating in activities that involve employees and members. The initiatives concern the world of sports, including Paralympic sports, culture and school.

Cultural and Sporting Initiatives

Some of the main initiatives in the cultural and sporting sector are listed below, with details of the organisations with which TPER has collaborated:

- ANTARCTICA UNIVERSITÀ VERDE - in media stat bus school project, community-to-community bus
- BOLOGNA SUMMER 2020 - Calendar of events from June to October which included the distribution of informative material, also relating to the Subscribers Campaign.
- BOOKCROSSING - construction of three bookcase spaces where employees and guests can leave or take the books exhibited, registered with a TPER stamp and sticker
- Participation in the FAIR PLAY communication campaign of the Regional Observatory on Road Safety, which consists of producing a promotional and informative video on road safety.

TPER also provided its contribution for the Alma mater summer school, for a Master's programme in journalism and for the Antonian choir.

Events and festivals

Below are the main demonstrations and events in which TPER participated:

- Participation in the commemoration event "Bologna does not forget - 2 August 1980", commemorating 40 years since the Bologna massacre of 2 August 1980. Due to Covid-19, the usual event could not be held in traditional form, although Tper wished to be present and play an active role in the organisation of the initiatives. It therefore responded to the invitation of Cantiere Bologna for participation in the

events on Saturday 1 August, by setting up one of the 10 “Memory stations” present from Piazza Nettuno and along via Indipendenza, until Piazza XX Settembre. Precisely the one at the via Indipendenza line 20 stop platform, where a roll up with images and the history of Bus 37, sadly known for having been used to transport the victims, also recognised the great work done by Tper employees to place it back into service. A photographic exhibit of the G. Dozza Circolo Autoferrotranvieri was also set up at the platform, with the images of the Bologna Station and those who provided assistance during those tragic moments. At the same time, Cantiere Bologna launched a fundraising effort for the project, also supported by the Region’s Legislative Assembly. Tper participated with a financial contribution, in exchange for which it received a quantity of remembrance bracelets with the Clock of the Bologna Station depicted on them, at the exact hour of the explosion, which were distributed to those involved in carrying out these initiatives. Furthermore, Sunday 2 August not only was the 40th anniversary of 2 AUGUST celebrated, but also the Day of remembrance of victims of all massacres. Tper, with the aim of providing a sign of its proximity and affection to the relatives of the victims, accompanied them with a transfer service carried out with its buses, from Piazza Maggiore - location of palco delle Autorità and site of Bus 37, to the Station. Due to the importance of the event, interviews and videos were also carried out by RAI NEWS24, RAI STORIA, with Agide Melloni, the driver of Bus 37, colleagues responsible for placing the vehicle back into service and Chairperson Gualtieri.

- Participation, with a TPER stand in Piazza Maggiore in Bologna, and support for the European Week of Sustainable Mobility (September 2020), an event promoted by the European Commission with the objective of promoting the use of public transport or alternatives to private cars for daily commuting. On this occasion, topics of on-board safety were analysed with respect to Covid risks.
- Participation in the charity dinner on 2 September 2020 in Piazza Maggiore, organised by Bologna Welcome for healthcare personnel working during the Covid emergency

Support for non-profit associations

The institutions and associations TPER supported in various ways are listed below.

- Rivestiti - Terra Equa - Fair Trade Festival
- Casa dei Risvegli Amici di Luca - innovative facility dedicated to rehabilitation, training and research in the field of severe brain injury
- AMOA - ophthalmologists association for Africa - specialist ophthalmology and optical services and supply of glasses
- UDI - Union of Italian Women - support for organised campaigns against violence against women and media visibility with posters for the dissemination of drop-in centres
- Donne al Centro - Contro la Violenza - support for organised campaigns against violence against women and media visibility with posters for the dissemination of drop-in centres
- MOZART14 - visibility for the Mozart14 Association initiatives, created to carry on the social and educational projects started by Claudio Abbado. TPER supports and contributes to the implementation of the association's main project, which is to

bring music to prisons and hospitals, to adults and adolescents, including through the purchase of tickets for all events, distributed to employees or subscribers, as in the case of the charity concert in memory of the maestro Claudio Abbado

- AIL - association that promotes and supports scientific research into the treatment of leukaemia, lymphoma and myeloma. It assists the sick and their families, and raises awareness on the fight against blood diseases. Support and visibility for AIL campaigns, providing space for posters on board vehicles and the possibility to sell products in solidarity at TPER terminals
- ANT - non-profit foundation in Italy to provide in-home social and healthcare assistance to cancer patients. Support and visibility for ANT campaigns, providing space for posters on board vehicles and the possibility to sell products in solidarity at TPER terminals
- TELETHON - TV marathon created in 1965 in the United States on the initiative of the famous actor Jerry Lewis with the aim of raising funds for research on muscular dystrophy; support and visibility for TELETHON campaigns. Contribution during holiday season
- Doctors Without Borders - international non-governmental organisation, founded on 22 December 1971 in Paris by doctors and journalists, including Bernard Kouchner, with the purpose of providing healthcare and medical assistance in the areas of the world where the right to healthcare is not ensured. Contribution during holiday season
- Save the Children - independent international organisation that since 1919 has fought to improve the lives of children, working in 120 countries. Contribution during holiday season
- KOMEN - volunteer organisation at the forefront in the fight against breast cancer. In addition to the contribution during the holiday season, TPER participates with its corporate team led by the president of the sporting event that takes place in the centre of the city of Bologna, with high public participation

GRI Content Index

GRI 102-55

When not specified otherwise, the GRI Standards adopted refer to those published in 2016.

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Report by the external auditors

GRI 102-56

TPER SPA

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018

YEAR ENDED 31 DECEMBER 2020

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Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

To the Board of Directors of
Tper SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Tper SpA and its subsidiaries (the "Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 27 May 2021 (the "NFS").

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2019, by the GRI - Global Reporting Initiative (the "GRI Standards"), with reference to a selection of GRI Standards, as described in the paragraph "Presentation and note about the method" of the NFS identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;

2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;

3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;

4. understanding of the following matters:

   - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
   - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
   - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;

5- understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Tper SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the company Tper SpA, which was selected on the basis of its activities and its contribution to the performance indicators at a consolidated level, we carried out meetings and interviews during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Tper SpA for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Bologna, 14 June 2021

PricewaterhouseCoopers SpA

Signed by

Roberto Sollevanti
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2020 translation.