



BUILDING FUTURE'S MOBILITY TOGETHER

#RESTARTINGTOGETHER



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01

2020 SUSTAINABILITY REPORT
#RESTARTINGTOGETHER

INTRODUCTION



INTRODUCTION

The public health emergency caused by the Covid-19 outbreak hugely impacted most businesses in the country.

The FS Italiane group **has never stopped in its 100-year history and it did not stop now**, connecting and moving the country every day, guaranteeing customers safe environs and services that meet their needs and providing employees with the tools needed to work well.

At the outset of the emergency, trains were sanitised, infrared thermometers were activated at main stations, hand sanitiser dispensers were installed and train and workshop interiors were brought up to safety standards. Working from home was expanded where possible and distance learning programmes were rolled out, fully embracing digital transformation causes.

The tools provided by the group allow employees to **work from anywhere and using any device** so that they can continue team activities, organise meetings and stay in contact with their colleagues.

Despite the emergency, many group employees were on-site every day, putting their skills and enthusiasm to good use to give customers the best possible experience and spread the joy of travelling. Trenitalia had approximately 3,800 regional trains in circulation when Stage 2 began, along with 14 Freccie trains and six Intercity trains between Italy's main cities to permit the essential journeys indicated by the competent authorities.

FS Italiane is Italy's leading industrial group as regards capital expenditure, giving it the responsibility and the means **to blaze a new trail**, leading Italy towards the future.



Indeed, from just mid-July to mid-October 2020, around 5 million protective masks were produced for group employees and the National Civil Protection Service, turning some facilities, such as the National Electrical Equipment Workshop (ONAE) site in Bologna, into production centres for safety devices. This was one of many actions taken by Ferrovie dello Stato Italiane to combat the spread of Covid-19 in order to offer utmost safety levels to its employees and passengers and play its part in the collective fight against the pandemic.

The group's **forward-looking approach and openness to change have allowed it to see** the emergency as a possibility rather than a restriction, providing it with the tools to decipher the present and rethink the future.

Thus, the **recovery plan** was created by Ferrovie dello Stato Italiane to strengthen its **internal organisation and management, which were greatly impacted by the emergency.**

An **intragroup task force was set up** for the same purpose. It was put to work as soon as the emergency broke to organise and implement all the measures necessary to obstruct and contain the spread of the virus in the work areas. The task force's efforts were initially focused on guaranteeing workers, customers and station users the best possible health and safety conditions with a view to minimising all risks of infection and ensuring continuity of operations.

This document details **the Group's efforts, initiatives and actions during the emergency, tracing the path to the future.**





MASK







02

2020 SUSTAINABILITY REPORT
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THE IMPACT OF COVID-19 ON TRANSPORT IN ITALY

THE IMPACT OF COVID-19 ON TRANSPORT IN ITALY

The Covid-19 crisis **has left deep scars**, especially among those at risk and the elderly, impacting all economic sectors and provoking a generalised profound sense of uncertainty during the year.

According to Audimob Report estimates¹, **there was an upswing in demand for mobility in the 2017-2019 two-year period** (+8% journeys, +14% passenger-km), after almost a decade of contraction born from the 2008 financial crisis.

During the **lockdown period** (from 12 March to 3 May 2020), there was an **unsurprising nose-dive in the volume of demand** compared to ordinary pre-Covid-19 times (2019 average), estimated at over 65% less daily journeys and over 80% less passenger-km. As well as the sharp dip in daily journeys per person, the strict travel restrictions also meant the average length of journeys plummeted (by roughly 40%), a clear and foreseeable

fallout of the rule imposed during lockdown to keep to your local area except for justified exceptions.

In the weeks following the **lifting of restrictions on movement** (from 18 May to 17 June 2020), the demand for mobility in Italy surged, with the number of journeys more than doubling those during lockdown (up 144%) while the number of passenger-km rose 366% due to the sharp lengthening in the average journey length.

However, **2019 pre-Covid levels are still far off**, falling roughly 15% short in the number of journeys and approximately 25% in the number of passenger-km.

In general, it is safe to say that people's travel habits underwent a dramatic upheaval in 2020, on the one hand due to restrictions, which were gradually revised, and on the other, evolving along new paths of demand.



Source: processing of Audimob figures

¹ "17th Report on mobility in Italy - Between managing the present and strategies for the future" by ISFORT (Higher Institute of Transport Training and Research) in partnership with the MIT and CNEL (National Council for Economics and Labour) and the scientific contribution of AGENS (Confederal Transport and Services Agency).

Even though it would appear the risk of a boom in private transport has been averted, **an analysis of data on modes of transport used in 2020** shows that the impact of the pandemic caused:

- › a **huge surge in active mobility**², which accounted for over 30% of mobility consistently throughout the year, with absolute volumes of journeys from the end of lockdown to mid-October exceeding the 2019 level by 10% as a daily average;
- › a **substantial perseverance of car travel**, which lost few share points and recorded a lower number of journeys, in the average of the post-lockdown period, estimated at -20% on 2019;
- › a **considerable contraction in collective and intermodal transport**, which, despite the post-lockdown recovery, saw its share cut by a third (at 8%) and almost 50% less passengers than the 2019 average.

During the recovery stage, **the “fear of infection” was the main psychological factor behind the desertion of public transport** in favour of other means of transport perceived

as safer, such as non-motorised mobility and cars, mainly in urban and suburban areas, respectively. Other factors to be considered are the inconvenience of accessing vehicles due to protection regulations, the restructuring of the business world (e.g., working from home, unemployment) and the reduced public transport services offered.

Looking at the analysis, the **collective mobility sector** is light years from pre-Covid numbers and is **one of the worst affected sectors**. This highlights the frailty of the old transport systems and models which, now more than ever, need to be completely overhauled with regard to the environment and sustainability, driving us to develop a new vision for our system and build a more equitable and sustainable company.

The financial performance of many industrial groups in 2020 - especially, but not exclusively, the transport sector - was severely impacted by the public health emergency sparked by the global outbreak of Covid-19.

For details on Covid-19's impact on the FS Italiane Group's financial position and performance, reference should be made to the “2020 Annual report”.

² By foot, by bicycle or micromobility.







03

2020 SUSTAINABILITY REPORT
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ACTIONS TAKEN TO HANDLE THE EMERGENCY



ACTIONS TAKEN TO HANDLE THE EMERGENCY

PRIME MINISTER'S DECREE OF 9 MARCH 2020

#IoRestoCasa (stay at home): Restrictions to people's movements throughout all of Italy.

DECREE OF THE MINISTER OF INFRASTRUCTURE AND TRANSPORT OF 13 MARCH 2020

Reorganisation of passenger railway transport according to the lower demand for mobility. Night trains suspended starting from the evening of 14 March.

DECREE LAW OF 17 MARCH 2020

"Measures to strengthen the national healthcare system and provide economic relief to households, workers and businesses in connection with the Covid-19 epidemiological emergency". Face masks made mandatory throughout all of Italy.

DECREE LAW OF 16 JULY 2020

Simplification and fast-tracking of contracts, allowing amendments and temporary waivers to the public contracting code.

PRIME MINISTER'S DECREE OF 14 JULY 2020

Additional provisions implementing Decree law no. 19 of 25 March 2020. Percentage of train capacity increased.

DECREE LAW OF 14 AUGUST 2020

Relief for local public transport operators.

PRIME MINISTER'S DECREE OF 7 SEPTEMBER 2020

Standard safety measures for transporting pupils and students as schools and universities opened up throughout all of Italy.

On 30 January 2020, the World Health Organisation (WHO) declared the Covid-19 epidemic that originated in China to be an international **public health emergency**. The **Italian government declared a state of emergency** the following day and implemented the first measures to contain the spread of the virus throughout the entire country, marking the start of "Phase 1" of the Covid-19 emergency.

Decree laws, ministerial decrees and implementing decrees issued in 2020 are summarised below highlighting their impact on the Group's activities:

DECREE LAW OF 25 MARCH 2020

Competent national and regional authorities are allowed to limit, reduce, suspend or suppress passenger and freight transport services.

PRIME MINISTER'S DECREE OF 26 APRIL 2020

Phase 2. Guidelines for public transport to contain the spread of Covid-19 were issued on 27 April. Reopening of work sites: 27 April 2020.

DECREE OF THE MINISTER OF INFRASTRUCTURE AND TRANSPORT OF 2 JUNE 2020

Reopening of interregional travel. Temperature checking made mandatory for passengers of long haul trains.

DECREE LAW OF 19 MAY 2020

Support and relief for the transport sector, available to FS.

PRIME MINISTER'S DECREE OF 3 NOVEMBER 2020

Classification of three different critical levels in the country's regions as yellow, orange and red with corresponding measures allocated to each one. Curfew from 10pm to 5am throughout all of Italy.

DECREE LAW OF 9 NOVEMBER 2020

Additional funds allocated to the local public transport relief fund and relevant period extended.

PRIME MINISTER'S DECREE OF 3 DECEMBER 2020

New guidelines for informing users and organisational methods for the containment of Covid-19 in public transport.

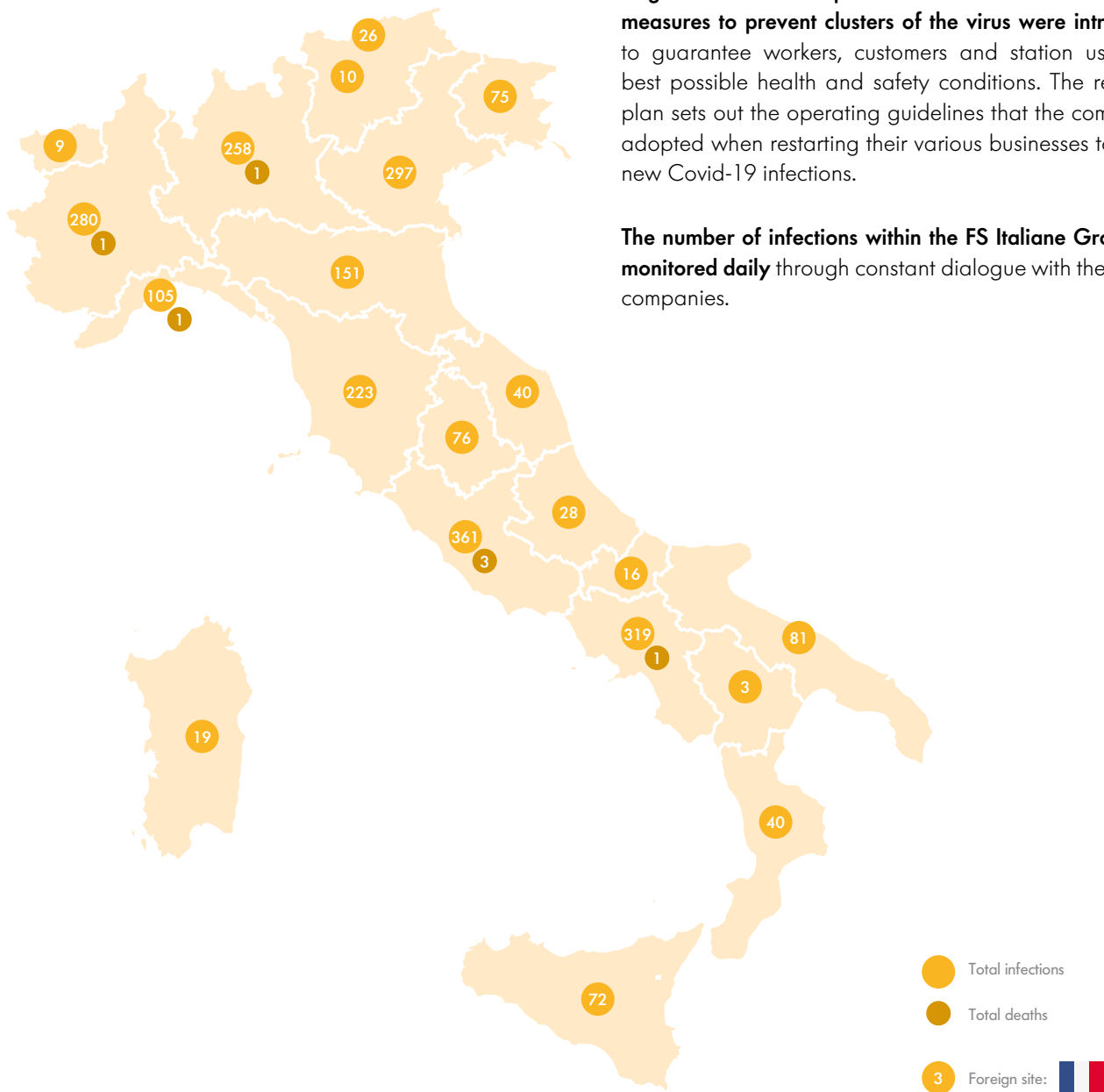
INTRAGROUP TASK FORCE

On 24 February 2020, the Group set up an intragroup task force to continuously monitor the development of the Covid-19 situation. The task force coordinated the measures required under the government measures, defining the necessary and timely internal measures. The task force members are the heads of the parent's central departments, the CEOs and the HR managers of the Group companies.

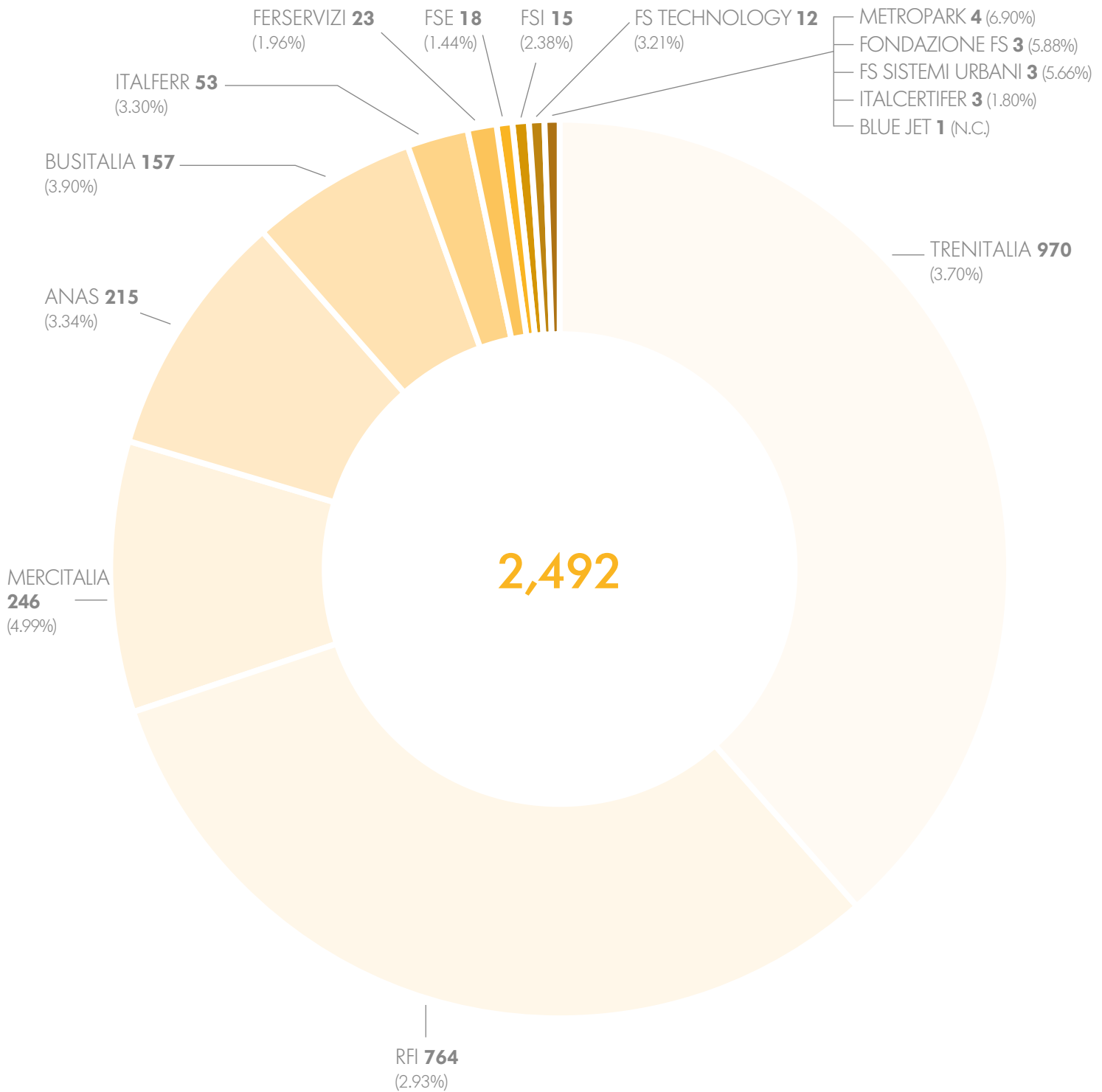
The task force coordinator - the head of the parent's Central Corporate Protection Department - communicates with the Operating Committee of the Civil Protection Department and constantly informs the parent's CEO and general director on developments in the situation and the task force's activities.

The task force drafted a group recovery plan based on the measures adopted during the initial stages of the public health emergency with a view to minimising all risks of infection and ensuring continuity of operations. Organisational and protective measures and specific measures to prevent clusters of the virus were introduced to guarantee workers, customers and station users the best possible health and safety conditions. The recovery plan sets out the operating guidelines that the companies adopted when restarting their various businesses to avoid new Covid-19 infections.

The number of infections within the FS Italiane Group are monitored daily through constant dialogue with the Group companies.



TOTAL INFECTIONS – CURRENT AND PAST
(in proportion to the workforce of each company)

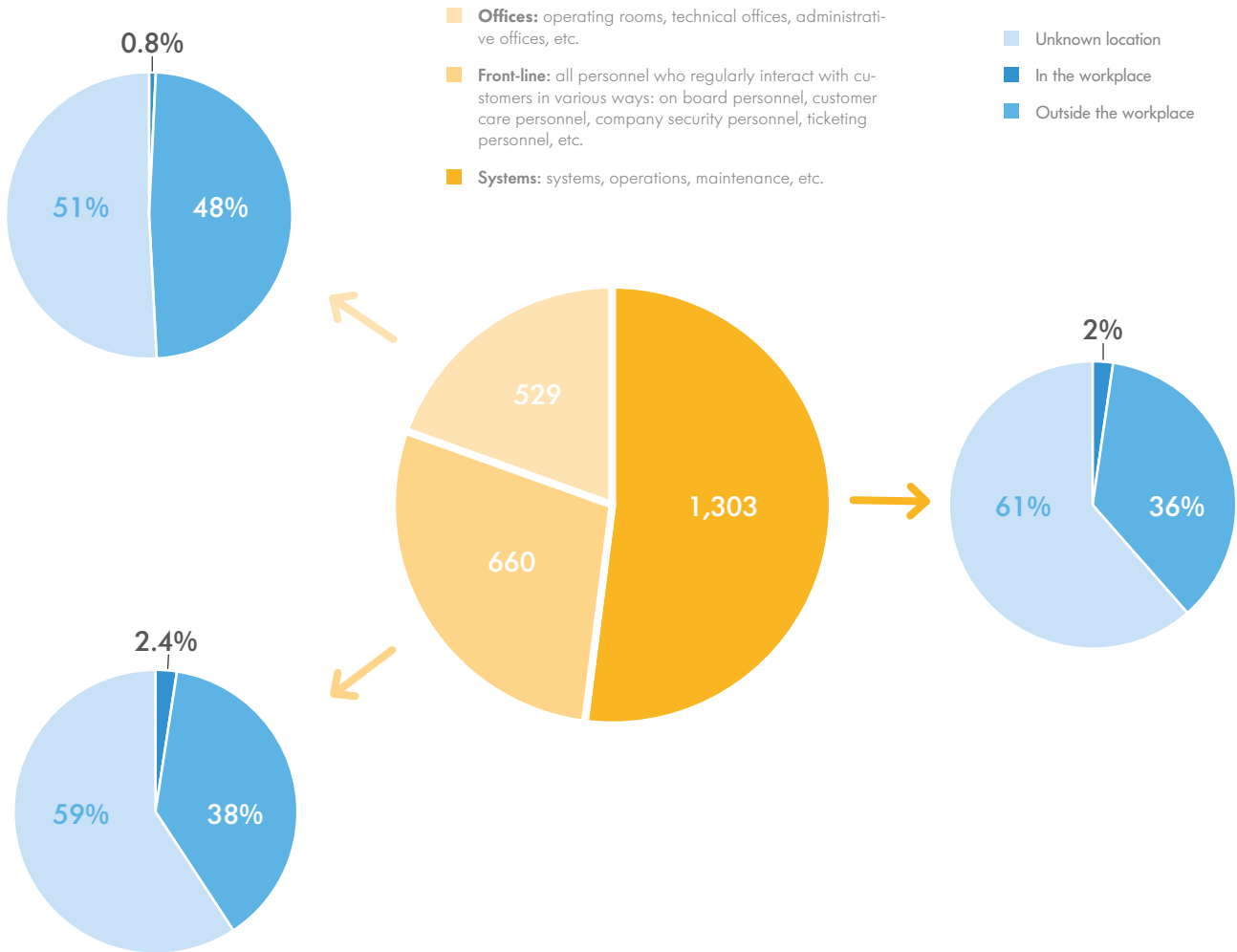


➔ **TOTAL EMPLOYEES RECOVERED 1,696**

Data updated to 10/01/2021

An analysis of the **type of activity carried out by infected employees (current and past) and where they suspect they caught the virus** shows that only a minor percentage

got infected at work, proving the effectiveness of the measures taken by the Group to ensure the safety of its employees.

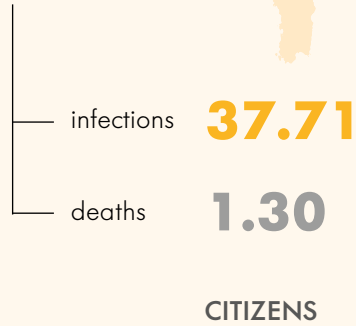


Moreover, if we compare these numbers with the national figures³ published by the Ministry of Health - looking at the **number of cases recorded per 1,000 employees/citizens**

- the results confirm the effectiveness of the measures implemented by the FS Italiane Group.

³ Population: 60,360,000 (Source: Istat); Total infections: 2,276,491 and total deaths: 78,755 (Source: Ministry of Health).

NO. OF CASES PER 1,000 EMPLOYEES/CITIZENS

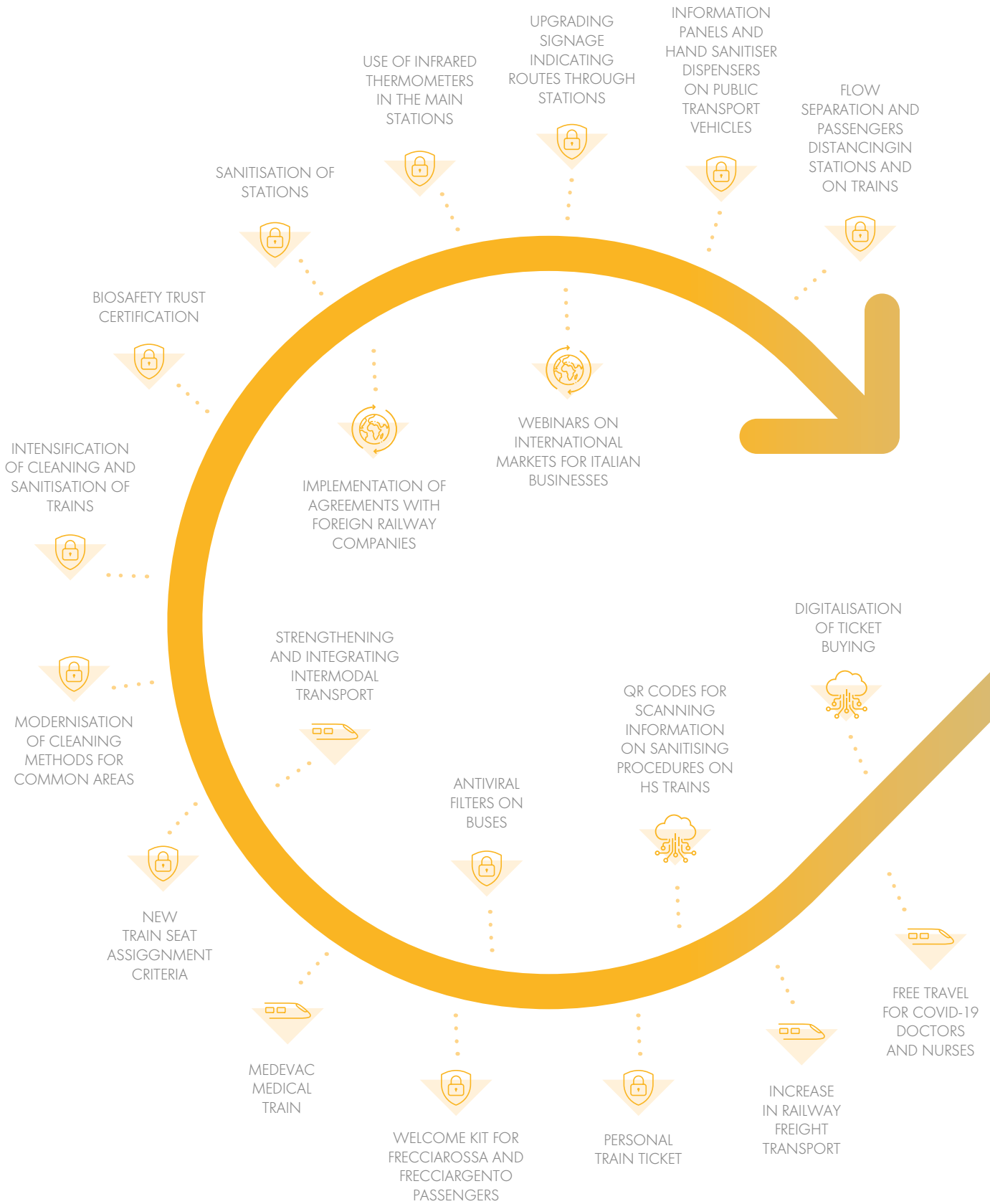


PERCENTAGE DIFFERENCE



As soon as the public health emergency erupted, the FS Italiane Group rolled out a solid, structured action plan to ensure utmost safety for both passengers and employees and to curb the spread of Covid-19 on the basis of the measures issued by the government.





KEY



Digitalisation



Internationalisation



Investments



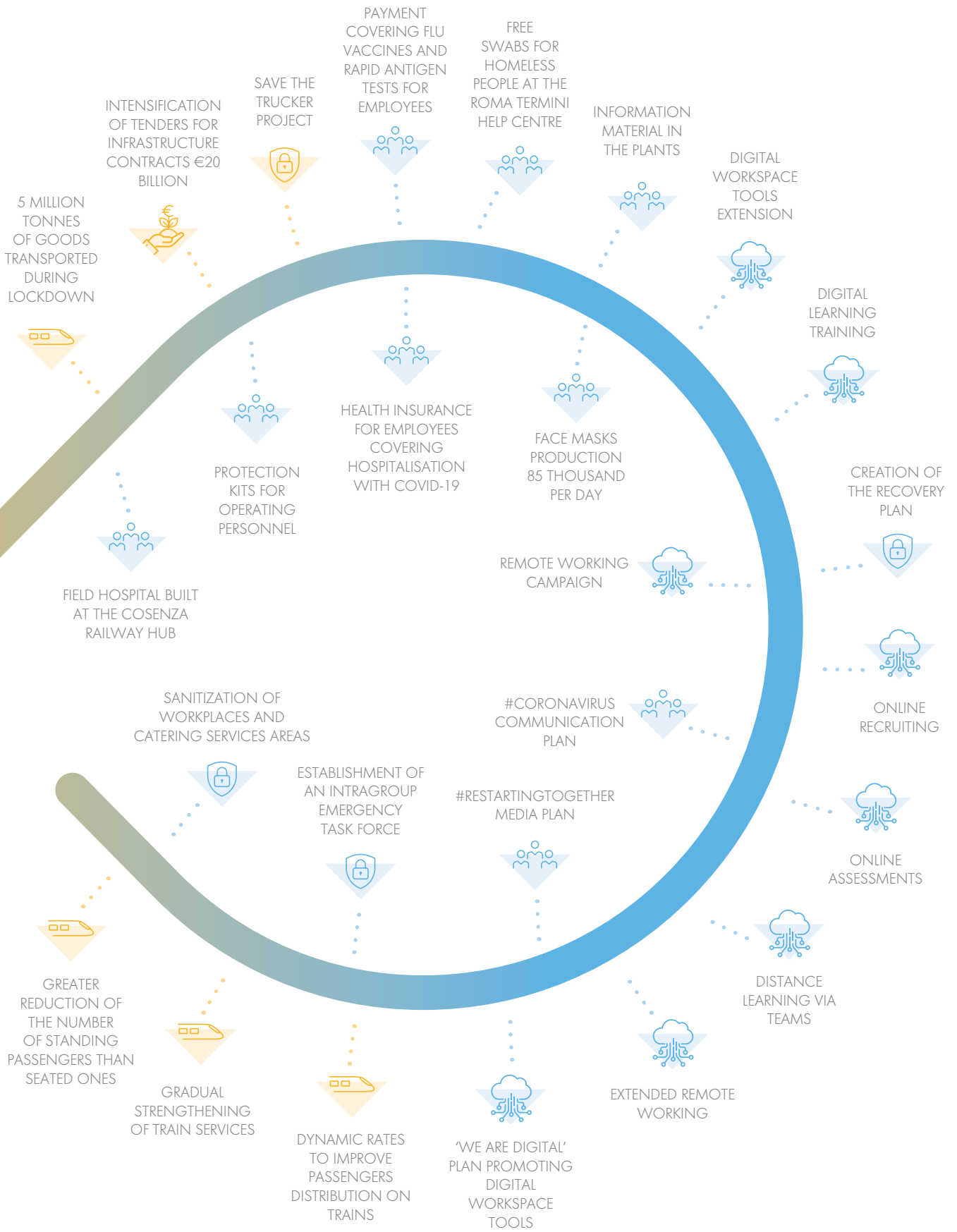
People



Safety



Transport



ACTIONS FOR

Customers Employees

SAFE TRAVEL AND WORK

Travelling and working has always been safe thanks to the measures and actions taken by the FS Italiane Group.

The **Group's main focus in handling the emergency was protecting people's health**, ensuring social distancing and constant hygiene of the vehicles and spaces used by passengers and employees.

Right from the outbreak of the pandemic, the Group implemented the necessary measures and protocols to ensure safety. The Group's actions became a **globally renowned and respected model**.

MANAGING AND CONTROLLING OFFICES, STATIONS AND VEHICLES

Employee presence in offices and common areas was reduced to a minimum **via remote working, flexible working hours and shifts**. This also created the best conditions for social distancing.

Mandatory face masks at work - or specific PPE where necessary - and in common areas (corridors, canteens, break rooms, bathrooms, etc.), also maintaining social distance wherever possible; **the number of people in a room or other enclosed work space capped**; specific signs posted in work spaces requesting employees to **comply with the basic health and hygiene measures and maintain social distance**; **travelling suspended** within Italy and abroad **and meetings only held via telephone or video calls**; **temperatures measured**



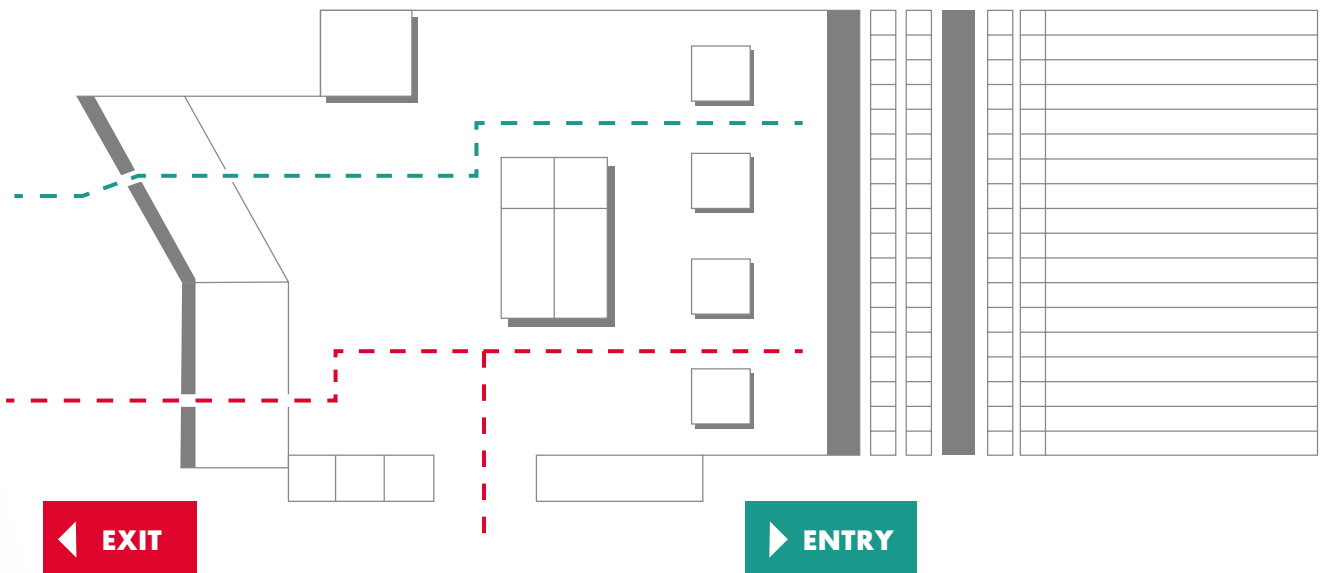
at the entrances to offices and operating rooms; new contracts signed to **increase the cleaning and sanitisation of work spaces.**

These are just some of the actions taken by the FS Italiana Group to ensure the safety of its employees in the workplace.

The Group introduced numerous protective measures at stations and on vehicles to **provide customers with safe transport.** These were met with the approval and **collaboration of all passengers** who were asked to comply with the hygiene regulations and rules set out in the Prime Minister's decrees to tackle the Covid-19 emergency. Since the pandemic began, the Group's media channels - from on board and station monitors to digital communication channels - have **spread the guidelines and recommendations issued by the Ministry of Health.**

There were many actions taken at **railway stations** in particular, regarding both the layout of spaces and services and directing passenger flows, in line with new health safety regulations.

Specifically, Rete Ferroviaria Italiana fitted its busiest stations with **information boards and hand sanitiser dispensers** near the platforms. To ensure social distancing, it has created **paths with highly visible floor markings** to separate incoming and outgoing flows of passengers and allow distance between arriving and departing passengers on platforms.



Infrared thermometers were used to measure passengers' body temperature at large stations⁴, including Roma Termini, Milano Centrale, Napoli Centrale, Firenze Santa Maria Novella and Messina.

Controls on passengers were carried out in collaboration with the Group's Corporate Protection Department. A medical triage was also set up for further controls required by the healthcare service at the barriers.

The public was constantly informed on the measures in place to protect passengers' health both at stations and on trains and buses via spoken announcements, messages displayed on monitors and paper and digital posters.

However, FS Italiane's commitment went **beyond protecting passengers to encompass the entire community.** In Cosenza, for instance, **an area of roughly 10,000 m²** at the good yards of the Vaglio Lise railway hub **was made available free of charge** to build a field hospital to help manage the Covid-19 emergency in Calabria. The hub operator, RFI, made sure the area was fit for building the hospital, removing any tracks, sleepers and rolling stock stored there.

At the **Roma Termini help centre**, the social assistance centre operating in the spaces provided by the Group free of charge, the "Binario 95" volunteers in partnership with Istituto San Gallicano (IRCSS) offered **free swabs to homeless people.**



⁴ Usage at other stations throughout the country was assessed on the basis of passenger flows and volume of runs.

RFI set up an **“Observatory on passenger sentiment during Covid-19”** to monitor satisfaction levels among station users with the measures adopted and to survey needs and requests in the early months of the public health emergency. This series of targeted surveys involved over 20 thousand people and provided a better gauge of the measures adopted.

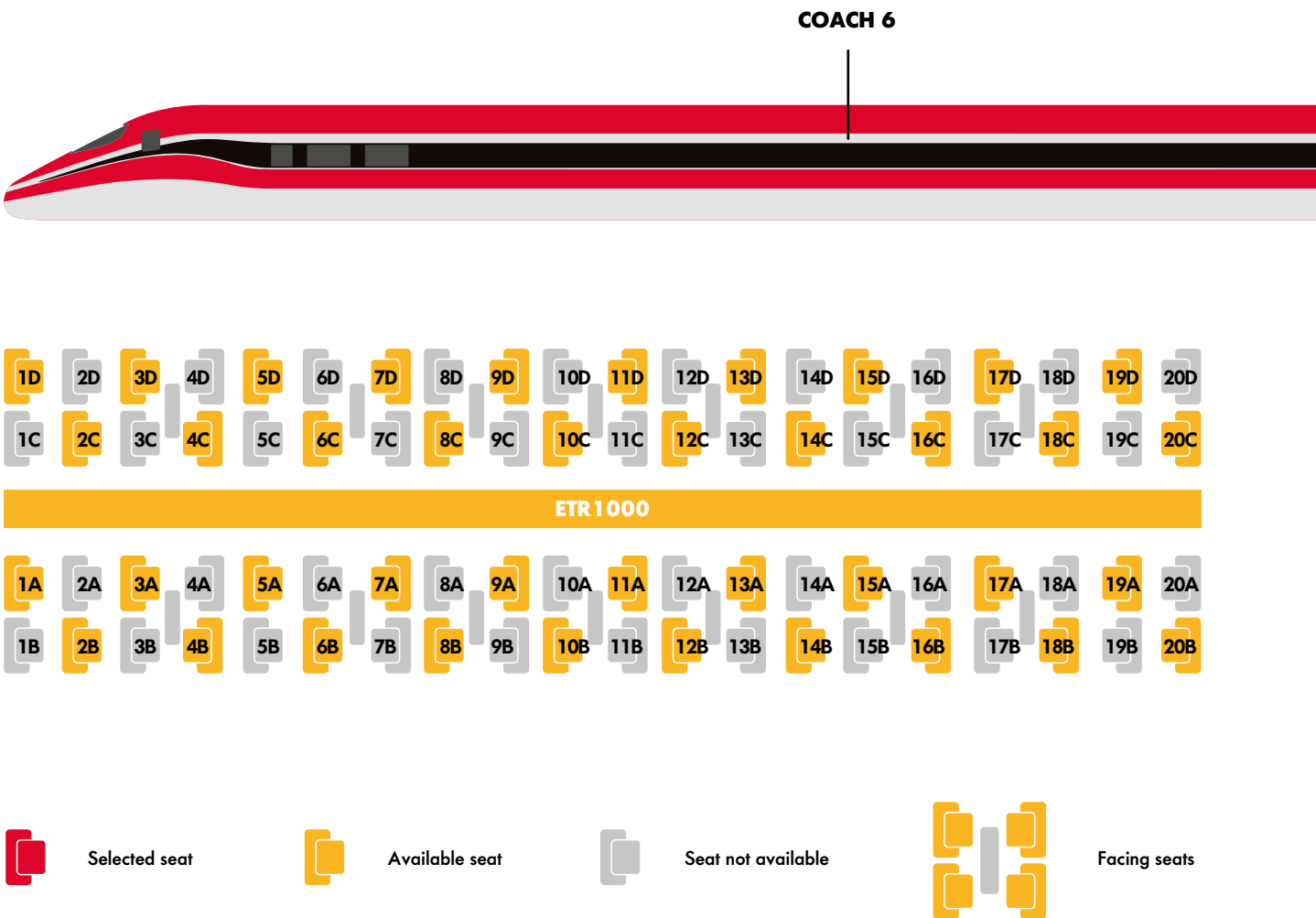
Security personnel - present to protect passengers, employees and Group infrastructure from risks and damages linked to external causes - **were reinforced** in an attempt to invite users to collaborate with railway personnel, on trains and at stations, when entering or leaving through the barriers.

Social distancing measures implemented by Group companies **on trains and buses** were crucial throughout

the year. These were based on the national measures adopted to tackle the epidemiological emergency.

Distance was guaranteed between passengers on **Frecce and Intercity trains**, for which tickets and passes are issued with the passenger’s name, by **assigning staggered seating**. This was reinforced by red markers on seats reserved for social distancing.

The new seat booking function rolled out on Frecce trains on 10 March 2020 **ensured compliance with social distancing requirements** as per regulations issued to prevent the spread of Covid-19 **while maintaining passenger comfort**. In addition, even passholders were obliged to book their seats.



As on Freccie trains, **red markers were placed on seats to be left vacant** on regional trains to enforce social distancing. In accordance with the Prime Minister's decree of 7 September 2020, which set out measures to be implemented for the reopening of schools, public transport capacity was capped at 80%, reducing the

number of standing passengers allowed more than seated passengers. Furthermore, entry and exit doors were separated on the trains of the entire FS Italiane Group fleet to avoid contact between passengers. Floor markings on trains direct passengers to the correct door for leaving the train.



Busitalia's vehicles were also fitted with special signage, including marked routes and markers on seats to be left vacant, in order to guarantee social distancing.

The driver cabs were also blocked off to protect the drivers by preventing possible interaction with passengers.



In accordance with government measures, on board ticket sale and control was suspended, encouraging passengers to **buy tickets online or on apps**.

In line with regulations, Busitalia also launched a campaign to promote correct bus etiquette, including letting other passengers exit before boarding.

The subsidiary SAVIT developed an **automated system**,

integrated with on board **passenger counters**, to monitor occupancy levels in real time and inform the on board systems, including route indicators, if maximum capacity has been reached (activating the "bus full" message). This system is currently **up and running in Umbria**.

Plexiglass barriers were installed to protect front office and customer service staff at **bus stations** and **ticket offices**, along with marked routes and posters about the correct etiquette. Furthermore, waiting rooms were closed.



TRENTALIA

GRUPPO FERROVIE DELLO STATO ITALIANE



AMUCHINA

Gel Xgerm

DISINFETTANTE MANI

- ▶ ELIMINA FINO AL 99.9% DI BATTERI, FUNGHI E VIRUS
- ▶ AGISCE RAPIDAMENTE. SI UTILIZZA SENZ'ACQUA

Amuchina Gel X-GERM Disinfettante Mani è un gel anisettico, studiato per disinfettare a fondo la pelle delle mani. La sua formulazione è in grado di ridurre efficacemente in modo sicuro i germi e batteri presenti sulla cute.

STATION AND VEHICLE CLEANING AND SANITISATION

With a view to ensuring a safe journey for passengers and Group employees, new procedures - approved by sector experts - were adopted to fine-tune and upgrade the **cleaning and sanitisation of trains and station areas**.

As soon as the pandemic broke out, stations were regularly sanitised by specific cleaning, while waiting rooms were closed to prevent gatherings of people. Similar measures were also adopted for ticket offices, self-ticketing machines, FrecciaDesk, FrecciaLounge, FrecciaClub and SalaFreccia⁵.

Again to ensure social distancing, though the areas were physically closed, Sale Blu services were available via telephone reservation.

The FS Italiane Group reinforced **procedures for the cleaning and sanitisation of trains**, cutting times between cleaning sessions. **Trenitalia** was assigned Biosafety Trust Certification, the management system certification aimed at the prevention of the spread of infections, by the certifying body Rina S.p.A.. The Biosafety Trust Certification protocols help, inter alia, offer a better quality service, minimise the risks of spread the epidemic in areas of public and private gathering and ensure greater responsiveness in the event of accidental infection.

The following **measures were taken to clean and sanitise trains**:

- › installing hand sanitiser dispensers on board;
- › cleaning and disinfecting trains and driver cabs when entering/exiting terminals with specific sanitising products and atomisers;
- › cleaning and disinfecting high touch surfaces - during the journey - by travelling cleaning staff;
- › sanitising surfaces and interiors during longer stops at stations;
- › sanitising with atomisers in the event of suspected or confirmed cases;

- › at least every 48 hours, disinfecting carriages, bathrooms and driver cabs with biocides using atomisers that saturate the vehicle with the product to deeply disinfect all surfaces. Regional trains are sanitised daily where allowed by the conditions of the terminal.

The trains of the FS Italiane Group companies that run long haul passenger railway services between France and



⁵ FrecciaLounge, FrecciaClub and SalaFreccia were closed during the first phase and reopened in summer 2020.

Italy were also cleaned and sanitised according to the guidelines of the Italian Ministry of Health.

Specific work was carried out to clean and sanitise the **train air conditioning systems**, install hand sanitiser dispensers in bathrooms and vestibules and sanitise surfaces and interiors during longer stops at stations.

The **travelling cleaning staff** were reinforced on the entire train fleet of the FS Italiane Group. As well as making sure trains are clean, the travelling staff sanitise and clean spaces and bathrooms during the journey to protect the

health of passengers and employees.

During the second phase of the public health emergency, a welcome service was added to **Frecciarossa and Frecciargento trains**. Passengers were given **free safety kits** which contained a face mask, hand sanitiser, latex gloves, a disposable headrest and a can of water. In addition, a QR code was stuck to the tables on Frecciarossa and Frecciargento trains which passengers could scan with their smartphones to access information on the cleaning and sanitising procedures adopted by the FS Italiane Group.



Busitalia introduced extra **daily sanitising and disinfecting** of surfaces on buses and interiors. It also installed **hand sanitiser dispensers** on board vehicles and provided drivers with **face masks** and **disinfectant gel**.

Approximately **21,000 litres of sanitising gel** and **530,000 face masks** were distributed in 2020. Specialised operators carry out the extra sanitising of vehicles using **atomisers that spray hydrogen peroxide** (or other sanitising products approved by the Technical Scientific Committee and/or the Italian Institute of Health) **inside the buses**, effectively sanitising all of the interiors.

Busitalia is also installing **antiviral filters** in its entire fleet. These filters, along with constant ventilation with fresh air, help keep a sanitised interior **even while the vehicle is on the move**. By implementing these actions, Busitalia guarantees its passengers and employees safer journeys.



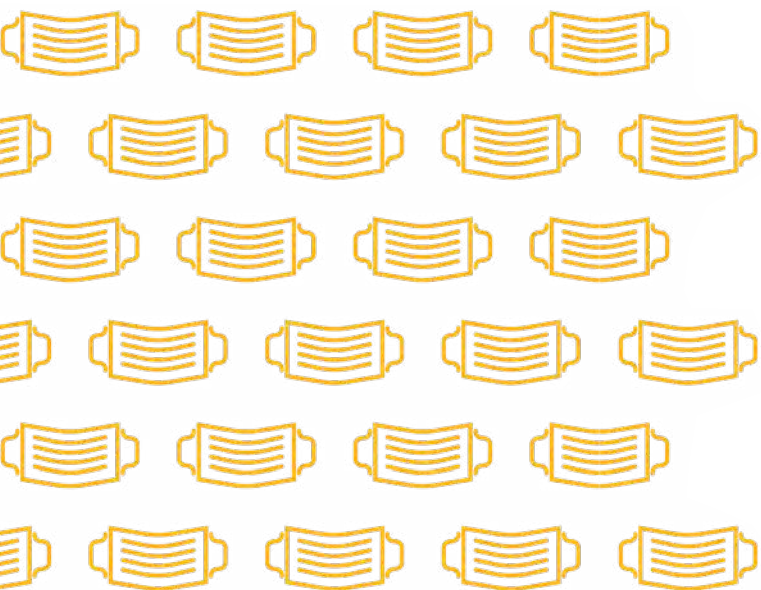


FS FACE MASKS, IN-HOUSE PRODUCTION

During the emergency, the FS Italiane Group set up a face mask production line at a workshop used to build and maintain railway infrastructure components. From early July to the end of 2020, **9,475,000** type IIR face masks certified by the Italian Institute of Health were made at the ONAE⁶ (national workshop for electric equipment) site in Bologna and distributed to railway personnel of the entire Group.

 **85 THOUSAND FACE MASKS PER DAY**

The Group had to adapt the dedicated spaces within the Bologna workshop and purchase and install ad-hoc machinery. Two machines were imported from China and a third was made in Italy which will soon enable the Group to also produce FFP2-type masks.



MEDICAL TRAIN: USING INNOVATION TO TACKLE THE PUBLIC HEALTH EMERGENCY

The FS Italiane Group made an important contribution to dealing with the sudden public health emergency. It set up a **medical train to transport patients who require treatment outside their own region or state (based on special agreements)**, due to the saturation of intensive care beds available, via medical evacuation (MEDEVAC).



⁶ The national workshop for electric equipment was originally set up as the electrical traction workshop in Bologna in 1955. Its mission was to build and maintain equipment for electric substations and electric traction. In the late seventies it expanded its activities to railway signalling and work vehicles. In the early 2000s it began calibrating measuring equipment and developing metrology laboratories.

The medical train can be used in the following circumstances:

- › to transport intensive care and other patients throughout Italy and abroad (based on special agreements). Up to a maximum of 21 intensive care patients (including in biocontainment pods) are transported with mobile resuscitation units on special carriages equipped with advanced medical devices and electromedical equipment;
- › for disaster medical services provided directly at the disaster area (e.g., earthquakes or other natural disasters) to support the local healthcare services;
- › other types of medical transport, e.g., providing private patient transport services while ensuring that priority is given to national emergency requirements.

The train's three medical carriages are fitted with **equipment for healthcare personnel to assist patients**: 21 intensive care units, biocontainment stretchers, oxygen tanks and resuscitation equipment to be used at stations and during the journey.

The train was also designed for great flexibility of use thanks to its **energy self-sufficiency and unlimited circulation ability**.







ADDITIONAL INSURANCE POLICY AND FLU VACCINES

The FS Italiane Group took out **insurance for its employees to cover hospitalisation with Covid-19**. This measure was taken, along with all the others, to further protect all Group personnel in a very difficult time for Italy.

The insurance policy with UniSalute has a one-year term and provides employees and managers with a daily allowance if they are hospitalised with Covid-19, a flat-rate daily allowance if they are admitted to intensive care with Covid-19 and a package of assistance services, including healthcare information, telephone medical consultancy and booking healthcare services.

Among the measures adopted to provide workers with the best possible health and safety conditions with a view to minimising any risk of infection, ensuring continuity of operations and protect the health of the individual, the FS Italiane Group also **encouraged employees to get the 2020 flu vaccine** as promoted by the Ministry of Health.

Aware of the vaccine's importance - especially in these times - and in agreement with the trade unions, the Group offered a payment covering the cost of the vaccine to all employees who voluntarily decided to get vaccinated (excluding those who already receive the vaccine for free by law).

OTHER MEASURES TO PROTECT EMPLOYEES

In these circumstances of great adversity - both medical and financial - provoked by the Covid-19 pandemic, the FS Italiane Group immediately took a series of additional **actions aimed at protecting its employees, guaranteeing financial support** for absences linked to the current emergency or to curb the spread of the virus.

Specifically, the FS Italiane Group and the trade unions signed agreements on 19 March and 27 April 2020 defining measures to manage the emergency situation, such as:

- › implementing social safety nets provided by law, including the ordinary benefits of solidarity funds to mitigate the financial losses as a result of work being reduced/suspended due to the public health emergency, providing guidelines and IT update instructions. In some cases, the Group supplemented the benefits provided;
- › supplementing the extraordinary Covid-19 parental leave allowance granted by INPS (the Italian social security institute) as extraordinary support to parents (without the supplement, the allowance would be 50%). Specifically, this leave was granted due to the temporary closure of crèches and schools of all levels and covered a period of absence from work of no more than 30 days up to 31 August 2020 for parents of children under 12 and/or children of any age with disabilities;



- › setting up “Covid-19 committees” which, with the active contribution of the trade unions, proposed measures aimed at providing workers with the best possible health and safety conditions.

These measures also include an additional initiative, promoted by the intragroup task force and as agreed with the trade unions, to provide rapid antigen tests for all employees who were in suspected close contact in the workplace with someone who tested positive for the Sars-Cov-2 virus⁷.

Furthermore, in the interests of its workers, the FS Italiane Group immediately implemented the regulations issued to handle the public health emergency. It provided guidelines on how to benefit from and apply the provisions and requested an update of the IT system to enable workers to avail of the benefits provided. The measures taken are summarised as follows:

- › **employee attendance bonus** - workers who carried out their duties in person during March 2020 were automatically paid a €100 bonus if all the conditions set out in the relevant legislation were met;
- › **allowance for parents of children under 16** who had the right to be absent from work for the duration of the closure of crèches and schools of all levels, without payment of salary or allowance and without losing their job;
- › **extraordinary Covid-19 allowance for parents of children under 14 placed in quarantine and/or whose schooling was suspended in the cases provided by law** - 50% of salary indemnified by INPS and paid in advance by Group companies for employees not working from home. Parents of children of between 14 and 16 years old had the option of being absent from work without payment of salary or allowance and without losing their job;
- › **extraordinary Covid-19 allowance in so-called “red” areas for parents of children whose in-person schooling was suspended** - 50% of salary indemnified by INPS and paid in advance by Group companies solely in areas identified by ordinance of the Ministry of Health and for employees whose duties could not be performed from home;
- › **extension of leave pursuant to article 33.3/6 of Law no. 104/1992** - for those who already benefited from leave pursuant to Law no. 104/1992 for themselves and/or to assist people with serious disabilities, 12 additional days (which could also be taken by the hour) were granted for March-June 2020;
- › **workers in Covid-19 quarantine** - protection of employees absent from work due to Covid-19 quarantine by paying them sick leave;
- › **“vulnerable” workers** - to protect employees considered “vulnerable” in the event of exposure to the virus, financial support was provided for absences from work through the equivalent of sick pay for hospitalisation, or they were given the option of working from home and/or engaging in professional training;
- › **employees who had contracted Covid-19** - in order to protect the health of Group workers, employees returning to work after contracting the virus were obliged to undergo a medical examination by the company doctor.

⁷ The tests are performed free of charge and on a voluntary basis by the regional offices of RFI's Health Department starting from 15 January 2021.



TI TROVI
SANITÀ

AREU
Unità mobile di
terapia intensiva

B



GUARANTEEING PASSENGER AND FREIGHT TRANSPORT

The transport sector was pummelled by the pandemic. Transport demand and services took a nose-dive due to the epidemiological situation and the economic slump brought out by lockdown.

The FS Italiane Group reacted straight away by adjusting its business model, revising its services and, above all, focusing on the emergency under way. It guaranteed the ongoing supply of essential materials for the entire goods production line by boosting its system of connections along the logistics chain, always providing for the full safety for all the workers involved.

EMERGENCY LOGISTICS

Unseen but vital work along the tracks of the Italian and EU railway networks.

Polo Mercitalia - all of the FS Italiane Group's freight transport and logistics operators - helped guarantee the services needed by the country during the pandemic's most critical phase, in line with all safety regulations, by adopting the protocols issued and complying with the rules set out in the FS Italiane Group's recovery plan.

Transporting goods by train also greatly curtailed the risk of Covid-19 infection, reducing the number of trucks, and thus people, needed to transport the equivalent quantity of goods. Indeed, **one freight train carries the equivalent of 32 articulated lorries.**


5 MILLION
 TONNES OF GOODS
 TRANSPORTED


 =
 
1 **32**
 FREIGHT TRAIN TIR

The FS Italiane Group transported over 5 million tonnes of goods, especially foodstuffs, pharmaceutical products and medical materials. This mass supply meant large and medium-sized retailers were constantly restocked.

In an effort to help the public health situation during the first wave of the Covid-19 pandemic, Anas launched the Save the Trucker project in **May 2020** in partnership with the Italian Red Cross. This initiative was aimed at safeguarding the health of the **truckers transporting goods** all over the country, providing the necessary support via activities to inform and raise awareness about how to act in order to fight and prevent the spread of Covid-19.

Four temporary information and screening points were installed and manned by Italian Red Cross and Anas staff who offered truckers:

- › free **personal protection devices** (surgical masks and disposable latex gloves);
- › free bottles of **hand sanitiser gel**;
- › **measuring of body temperature**;
- › **measuring of blood pressure**, oxygen levels in the blood and heart rate;
- › **information on Covid-19 infection**, such as the symptoms and the main precautions to take.

The information points were set up for five weeks from 20 May to 11 July 2020 at four service areas along stretches of road operated by Anas; as follows:

- » Lazio - A90 ring road - Casilina Interna service area;
- » Campania - A2 motorway - Sala Consilina service area;
- » Calabria - A2 motorway - Rosarno Ovest service area;
- » Umbria - E45 SS3 bis Tiberina - ENI km117+200 service area.

During the five-week period, over **6,000 truckers were monitored and 14,424 surgical masks, 3,049 bottles of hand sanitiser and 2,399 pairs of gloves** were distributed.

“COVID-19 DOCTORS” OFFER

A “Covid-19 doctors” task force was set up to support struggling healthcare structures in northern Italy. Starting from 23 March 2020 and in coordination with the National Civil Protection Service, the FS Italiane Group **offered free train travel to these volunteer doctors so that they could reach the worst-affected regions.**



2,340

DOCTORS, NURSES AND PUBLIC HEALTHCARE WORKERS TRANSPORTED

This offer was available for the entire duration of the emergency and was **valid for all classes or service levels on the Group’s national trains (Freccie, Intercity, night trains)**. Starting from 29 March 2020, the offer was also **extended to nurses** recruited by the National Civil Protection Service for the technical-nurse unit set up to handle the Covid-19 emergency and support selected regional healthcare structures. Finally, the offer was also **extended to public healthcare workers** recruited by the National Civil Protection Service to deal with the public health emergency along with Italian Red Cross volunteers and staff.





ON THE FRONT LINE TO KEEP THE COUNTRY MOVING AND SUPPORT TOURISM

During the first phase of the public health emergency, the **FS Italiane Group ensured essential services for those who needed to travel** in compliance with the regulations issued by the Prime Minister and the competent authorities.

From the start of March, due to lockdown, the Freccie train service was cut back, as were Intercity and regional trains in agreement with the public sector customers (government and regions).

Starting from phase two of the public health emergency, **train services were gradually reinstated.**

Specifically, **approximately 3,800 regional trains were scheduled from the start of phase two.** With regards to medium and long-haul transport, **12 Freccie and six Intercity trains** operated on the country's main routes. Subsequently,

regional and long haul train services were gradually increased. **From 3 June 2020, over 4,600 regional trains were scheduled, while 74 Freccie and 48 Intercity trains** operated on the country's main routes.

In addition, Thello connections between Italy and France were restored with four trains a day available between Milan and Nice via Genoa, two in each direction. **From Monday 8 June 2020, 86 Freccie and 48 Intercity trains** were operating.

From the start of July, passengers could travel on 6,000 regional trains, over 170 Freccie trains along with 100% service restored on Intercity day (88) and night (20) trains.

From the onset of the emergency, the government bodies in charge of **local public transport** decided to drastically cut back both urban and suburban services considering the restrictions on movement (especially with the closure of schools).

So services were restored according to the schedule and means decided on a regional basis by the competent bodies and respecting the various maximum occupancy percentages set each time in the relevant legislation⁸.



Concerned about providing safe travel for passengers, Busitalia submitted rescheduling proposals to the relevant bodies to **increase services during peak hours**, especially routes covering schools, while simultaneously extending school start and finish times. This would allow Busitalia to meet demand while also minimising additional services needed.

The Covid-19 pandemic also **caused an upheaval in tourism**. **The FS Italiane Group is leading the way in reviving mobility and getting tourism and the Italian economy back on track** by boosting transport services with the summer timetable and earmarking €20 billion to invest in railway and roadway infrastructure.

Ferrovie dello Stato Italiane launched a **campaign to support local tourism and the entire tourism network**, highlighting the role of rail travel and fine-tuning numerous ad-hoc promotions for the summer of 2020. This wide-reaching campaign covered all regions and included widespread Trenitalia incentives and offers with Freccie, Intercity and regional trains.

The new summer train connections were designed to meet new transport demands, focusing on people and their needs.

They included Frecciarossa and Frecciargento connections from Reggio Calabria to Turin and Venice, a new Frecciarossa 1000 train from Milan and Rome to Levante Ligure, Versilia and Argentario, and the first direct Frecciargento train from Florence to Puglia. The new Freccie stops together with connections with Intercity and regional trains are an integral part of a broader domestic tourism development plan. **A key factor was offering connections to discover and rediscover the beauty of Italy by train**. Thanks to the dense network of lines and stations, the railways smoothly link up all corners of the country. These new connections also helped spread out flows of tourists to small to medium-sized locations with amazing tourist, landscape and cultural attractions in addition to the larger cities of art and the more renowned beach and mountain destinations.

During the summer season, **Busitalia stepped up advertising of local public transport services for tourism purposes**, also promoting services integrated with soft mobility (e.g., the "Bus & Bici" - bus & bike - service in Umbria).

⁸ Calculated on the basis of the number of passengers allowed as per the vehicle registration certificate, reducing the number of standing passengers more than seated passengers.







THE FIRST AND LAST MILE

Managing the first and last mile is a hugely important factor in restarting the business and ensuring a sustainable future for the transport sector. The **integration of train services with other means of transport such as bicycles and scooters needs to be reinforced and developed.**

Promoting soft mobility and train/bicycle integration has been a goal of the FS Italiane Group for many years and will continue to be throughout the current revision of the entire transport sector.

Regional train tickets are free for folding bikes (both electric and manual). Accident insurance and reflective armbands are also offered free of charge to regional and Intercity train passholders and CartaFRECCIA members who buy a folding bike from Decathlon. Rock and Pop regional trains now have additional space for bicycles. From 17 October 2020, the service was active on eight daily trains to/from Rome-Reggio Calabria and on two daily trains to/from Rome-Salerno. From 13 December 2020, the service was extended to the following

connections: four daily trains to/from Rome-Ancona, two trains to/from Rome-Perugia, two daily trains to/from Rome-Bari, six trains to/from Rome-Taranto (of which two weekend trains), two trains to/from Rome-Florence, four daily trains to/from Trieste and two daily trains to/from Rome-Ventimiglia. The bicycle service is scheduled to be extended to other Intercity trains during 2021.

To facilitate sustainable and integrated mobility, **folding bikes no larger than hand luggage can also be brought on board the Group's buses free of charge.**

Passengers of Freccie, Intercity, Intercity night, Eurocity and Euronight trains who **plan to rent a car** to continue their journey can avail of exclusive offers for Trenitalia customers and CartaFRECCIA members with the rental companies Maggiore, Avis and Budget. CartaFRECCIA members also get fidelity points for money spent on car rental. There are also exclusive rates for car rental services with a chauffeur available to book on [Frecciatransfer.com](https://www.frecciatransfer.com) to and from main locations around Italy.



DIGITAL TRANSFORMATION

The Group is currently in the midst of a **large-scale digital transformation process**.

The digitalisation of transport and mobility set off a **process of human and industrial transformation of the entire sector**.

Widespread use of new technologies will give the industry as a whole cognitive and operating capacities that would have been unimaginable just a few years ago. Therefore, **investments in digitalisation and IT system innovation are crucial to get Italy's transport system back on its feet again**.

DIGITALISATION OF TICKET BUYING

Since the onset of the emergency, the FS Italiane Group companies have invited passengers to use digital channels to buy tickets, particularly the Trenitalia app and website, encouraging digital transition via marketing actions. Trenitalia unveiled its new app in the summer of 2020 in an effort to elevate the user experience, information and purchasing by smartphone or tablet. One of the new functions is self check-in, available in this first phase for all Freccie and Intercity tickets and soon to be available for regional transport. This innovation helps protect people's health and facilitates social distancing as passengers communicate their presence on board to the train manager without any physical contact.



NEW TRENITALIA APP

For **regional transport**, the new **digital counter system** provides passengers with real-time information on seat availability on the new app. An algorithm shows seat occupancy **via a traffic light system** and blocks ticket purchases as soon as the train sells out to help people choose the best regional train for their journey.

Busitalia also used its main communication channels to recommend that passengers buy tickets before boarding buses and use self-ticketing machines, the web shop, company apps or the Nugo app for purchases.

Furthermore, Busitalia made the **reimbursement of unused tickets** due to Covid-19, as provided by Decree law of 19 May 2020⁹, a fully automated and digital process. This reduced the number of people at ticket offices and helped allocate reimbursements, benefiting health safety and the future relaunch of the local public transport service. The reimbursement campaign ran from 1 September to 30 November 2020.

⁹ Article 215 of Decree law no. 34 of 19 May 2020, converted with amendments by Law no. 77 of 17 July 2020.

Busitalia is still working on adopting technological solutions for a more user-friendly experience of public transport services in the utmost safety. An app for **booking seats** on some suburban lines in Umbria and buying tickets, “**SALGO**”, is slated for launch in 2021.

The app is designed to meet the needs and expectations of both users (no waiting and certainty of having seat booked) and Busitalia in terms of: optimising the fleet, organising social distancing, minimising crowds at stops and maintaining service continuity. It may be extended to other lines in Umbria and other areas in the future.



EMERGENCY REMOTE WORKING AND THE DIGITAL WORKSPACE

As soon as the public health emergency broke out, the FS Italiane Group encouraged its employees to **work from home** wherever possible, a decision backed by agreements signed with the trade unions on 19 March and 27 April. This was an **effective way to contain and prevent the spread of the virus by reducing contact between workers and enable social distancing in the workplace, while simultaneously ensuring business continuity**. The FS Italiane Group **turned a crisis into an opportunity by extending this option to roughly 20,000 workers**.



ROUGHLY 20,000 EMPLOYEES

UNDER EMERGENCY REMOTE WORKING ARRANGEMENT

Guidelines were issued on the correct application of regulations which allowed workers to work from home throughout the state of emergency even if no individual agreement had been made, electronically meeting disclosure requirements regarding protection against work-related injuries or illnesses.

Particular attention was paid to certain categories who were guaranteed the option of working from home where possible:

- › parents of children with disabilities;
- › parents of children placed in quarantine or whose in-person schooling was suspended;
- › vulnerable workers;
- › distance learning.

Furthermore, shifts were organised in order to equally distribute duties that require physical presence in the office among the relevant workers.

The public health emergency unquestionably **sped up company processes towards more widespread digitalisation**. Many advancements were made, however the FS Italiane Group was already well prepared. **Indeed, various arrangements and strategic decisions were made long before the pandemic**. Implementation and usage of the company intranet, WE, and various Office 365 tools for working remotely and flexibly had already been well-established.

All of the organisational units were able to swiftly adapt their work methods to the new reality, thanks to the tools available for working remotely and by planning training sessions on how to use them.

A “we are digital” plan was rolled out with **87 Teams Lab sessions** organised for **over 1,000 employees** to inform them about the new **digital workspace** tools and encourage them to access and use them.

This digital tendency helped these new collaboration tools spread the aspired cultural and organisational change.

The Group personnel’s place of work, communication and collaboration has become “virtual” thanks to the **Digital Workspace** which enables employees to perform their daily duties, efficiently, effectively and rapidly providing them with access no matter where they are. The full set of Microsoft Office 365 tools is available on the company intranet WE. These include **professional communities**, virtual workplaces co-designed and supervised by the intranet and professional community team together with the relevant units requesting them.



Professional communities are the Group’s new workspace: they offer a place of operational collaboration and coordination that allows team work, bringing people together, exchanging documents and information in real time and access from any device at any time.



ONEDRIVE

To store, synchronise, share and access your cloud files in full safety and from anywhere.



TEAMS

To collaborate and share information within organisational units and work, project and process groups.



YAMMER

To connect all colleagues, discuss WE content and create informal interest groups.



SHAREPOINT

To create and manage document archives and professional family communities.

There are **different types** of professional community:

- › **Project community:** for colleagues involved in a specific project, involving various different companies/units, for the project period;
- › **Process community:** for people involved in a specific process, involving various different companies/units, who need to communicate, coordinate and share information;
- › **Organisational unit community:** for people belonging to a specific department/unit and/or an individual company;
- › **Interest community:** for people who share a personal or professional interest and feel the need to share it and socialise with one another.

These professional communities were promoted within the Group, leading to **1,500 users joining** in one year with **over 55,000 active users**, **65 professional family communities** with **67,000 active users** and **251 networking communities** with **66,000 active users**. **People are becoming aware of this transformation and actively adopting a new digital mindset.** Though this transition began some time ago, it becomes more and more pertinent every day.

New more effective and efficient means of communicating and working were tested for the first time. The Group is furthering and controlling this **change as a strategic goal and the product of a new awareness, not just a consequence of the current emergency.**

The Group launched a **“be smart” campaign** with a few simple tips for working from home.



BE SMART RECOMMENDATIONS FOR REMOTE WORKING



FIND A DESIGNATED **PLACE** WHERE YOU CAN CARRY OUT YOUR WORK, WITH A DOOR YOU CAN CLOSE AND WITH A TIDY AND CLEAN BACKGROUND.



YOUR **AUDIO** SHOULD BE CLEAR. DISABLE THE MICROPHONE WHEN NOT TALKING. ALSO DISABLE THE CAMERA IF NOT NECESSARY.



RESPECT THE SCHEDULED **TIMES**, IN ACCORDANCE WITH OFFICE HOURS. AVOID SENDING MESSAGES OUTSIDE OFFICE HOURS.



REMEMBER TO NOTIFY YOUR COLLEAGUES AND CHECK THEIR AVAILABILITY BEFORE MAKING A **VIDEOCALL**.



HAVE SEPARATE HOME AND WORK **CLOTHING**, SO AS NOT TO NEGLECT PERSONAL CARE.



KEEP A **CORRECT POSTURE**: KNEES AND ELBOWS AT A ROUGHLY 90° ANGLE WITH YOUR BACK AND KEEP YOUR BACK STRAIGHT. POSITION THE SCREEN AT EYE LEVEL (USE SOME BOOKS TO RAISE IT).



WHEN ATTENDING A VIDEOCALL, REMEMBER TO **GREET** AND INTRODUCE YOURSELF, EVEN IF YOU ARRIVE LATE.



IF POSSIBLE, USE **NATURAL LIGHT** AS LIGHTING AND POSITION YOUR WORK STATION PARALLEL TO THE WINDOW.



TAKE A **BREAK** EVERY HOUR/HOUR AND A HALF IN ORDER TO STRETCH YOUR MUSCLES AND REDUCE TENSION.



PLACE A **PILLOW** AT THE SMALL OF YOUR BACK, IF YOU DON'T HAVE AN ERGONOMIC CHAIR AT HOME, ESPECIALLY IF ARE SEATED FOR MORE THAN SIX HOURS A DAY.



TRAINING, RECRUITING E SVILUPPO DELLE PERSONE A DISTANZA

Thanks to the digital workspace, **training, recruiting and developing the Group's people continued remotely every day.**

Training processes and activities have always essentially been carried out in person at the Group and thus the Covid-19 emergency posed a huge threat to training continuity. However, the FS Italiane Group companies were exceptionally quick to react. Indeed, as soon as the Prime Minister's decree of 9 March 2020 announced Italy's lockdown with the work-from-home regime fully imposed for office workers, the Group had already reactivated its training activities via Microsoft Teams by 16 March.

The interruption of technical skills training due to Covid-19 would have had a serious impact on train operations, threatening the possibility to train personnel in upgraded machinery and maintenance skills mandatory by law and necessary to ensure the safety of operations.

To safeguard against this risk situation, in just two months, from 16 March to 16 May, the Group created two important training programmes and adopted digital solutions to allow the roll-out of large-scale remote learning programmes.

"Teams Train the Trainer", for over **400 technical skills instructors** at Trenitalia, RFI and Polo Mercitalia, quickly prepared instructors for teaching online, in compliance with the regulations of the national agency for railway safety and fully guaranteeing effective instruction and methods. This meant that technical skills training could continue without significant interruptions.

"Teams Training" taught over **1,600 FS Italiane Group personnel** how to use the digital workspace tools, keeping the productivity of staff processes at pre-Covid levels.

In this way, the Group solved the urgent issue of ensuring training continuity to support the business as much as possible in lockdown. Then **in April**, it rolled out and completed a significant **redesign of the overall training programme, making it fully available via distance learning** with perceived quality and effective learning levels comparable with pre-Covid standards.

The Group's entire managerial and cross training programme was overhauled. A flipped classroom approach was applied to all of the main training programmes. Methods were aligned with internal and external faculties. In-house production of digital content was accelerated to meet the demand for training and information on the code of conduct to protect worker health and safety. The Group companies stepped up their interchange of experience in order to pool their innovative solutions for efficient training processes.

The Group also decided to launch all main training programmes with the utmost urgency, including those linked to soft skills, developing people, diversity management and inclusion. In a time of difficulty, physical distance and separation, an extraordinary situation that would inevitably generate disorientation, the Group **was convinced that remaining close to its people would be a crucial in keeping the social fabric intact.**

The relational side of training was safeguarded by maximising the practice of simultaneous activities and introducing additional opportunities to communicate, interact and build relations. E-learning was proposed as an accessory activity to ensure that everyone received the same content **and training experience. The customer satisfaction rates among employees** who took part in training activities were **similar to, and at times higher than, those recorded pre-Covid.**

This **innovation of training design and methods** meant that even the courses least suited to distance learning were back up and running in June. These include the self-development and team-building activities included in the induction programme for new hires. Certain innovative digital solutions enabled **virtual tours of operating and/or maintenance sites**.

Starting from the second half of the year, the Group also launched training programmes directly linked to the strategic plan targets that had already been planned for 2020. These were fully provided online. The first **International Programme** was inaugurated to support the Group's global development by establishing professionals with an international profile. Set up to develop a widespread innovation mindset, the **Innovation Skill Hub** Programme was the first cross training programme open to all 83,000 employees of the FS Italiane Group and won the **SMAU award for innovation in human resources**.



In the face of the serious difficulties that dominated 2020, the FS Italiane Group's training processes made the most of the new conditions to speed up the progression towards continuous learning, self-development, social learning, digitalisation and innovation. The opportunities offered by digital tools were maximised to get people to engage and actively participate in company life.

Despite the public health emergency, the FS Italiane Group also duly continued **talent acquisition and recruiting** activities. Various online channels for interacting with candidates for all targets, especially recent university graduates, were activated starting from 23 February 2020. Specifically, these included web recruitment channels, virtual job meetings/career days and presentations organised with universities to inform students about the Group and its job opportunities and to help steer young people towards developing hard and soft skills that are useful on the labour market.

With a view to promoting professional diversification and developing the Group's resources, each recruitment process for professional targets and middle management jobs involved a preliminary job posting online. In parallel, recruitment on the external market adopted a more innovative and digital process.

Online recruitment was possible thanks to the progressive roll-out of the **Smart Recruiting project**, with the adoption of a new talent acquisition model through the development of the technological platform to support and introduce an AI system for the semantic reading of CVs. Online assessment tools were also added.

High school attendance was sporadic during the year in compliance with the Prime Minister's decrees issued by the government. Accordingly, the Group initiatives launched during the 2019/2020 school year, such as site visits, apprenticeships and open days, were suspended.

The digital channels to advertise and promote professional opportunities were managed to consolidate talent attraction and recruitment on all targets (the "FSitaliane.it/Work with us" career page, the company's Facebook pages "FS Careers" and LinkedIn). With "FirSt", the Group's first chatbot for talent acquisition, thanks to machine learning, responses were sent to thousands of requests for information, support or cooperation from external stakeholders.

Undeterred by the emergency situation, the FS Italiane Group continued to invest in promoting and implementing networking initiatives with universities, bringing all activities targeting university and post-graduate students online.

The Group also sped up the **digitalisation** of managers' potential **Assessment processes** despite the initial halt in activities in March 2020, which was in any case used to redesign the processes. First, this led to a revision and remodelling of the in-person assessment tests used, which were adjusted to be used online, without foregoing any quality in terms of drawing out the required managerial conduct.

The Teams business platform was a powerful tool in this process, making it possible to conduct any type of test (group, written, two-person interview) remotely, ensuring the assessor was able to evaluate the managerial characteristics necessary to assess the manager's potential.

The priority in terms of revising the digital projects was to assess management targets and a higher organisational impact on the coverage of critical/key positions of the various Group companies.

The assessment of the potential of professionals, i.e., the group's recent university graduates, was effectively slowed down and showed smaller volumes at year end because of the particularly complex project to build a digital in-tray test¹⁰. The solution was developed innovatively and, thanks to its complete integration within the Talent ROAD system, the Group can now manage this process completely online, meaning that it will boast large-scale assessment capacity once it is up and running, and this will drive more rapid managerial and professional development for resources who have been with the company for around two years.

While the project was being redesigned to enable the recent graduate development process to begin, personality and motivational questionnaires and logic tests were given to about 700 graduates online, ending in December. Each person will receive a report that they may use as a resource for their development. The report contains their strengths and improvement areas, along with practical on-the-job tips and development actions they can take on their own to consolidate and develop managerial conduct according to the Group's talent management model.



¹⁰ An individual test that simulates a company environment used in assessments to gauge the person's organisational and managerial skills in a work setting.

FORGING AHEAD WITH INTERNATIONALISATION

The FS Italiane Group is a **world leader in the mobility sector**, distinguished by its level of professionalism in using innovative technologies.

The Group **exports its Italian-made technological and engineering know-how throughout the world**, generating revenue and developing projects encompassing mobility as a whole, with a strong focus on railway transport.

The Group plans to expand its engagement abroad, empowered by its standing and prospects of increasing global demand for infrastructure (also as a stimulus for growth to recover from the pandemic).

Despite the grim public health situation across the globe, **the FS Italiane Group continued to develop its business on international markets during the year. It achieved significant results**, including important contracts signed by Itaferr in India (for project management services regarding the design, procurement and works supervision of the Kanpur and Agra metropolitan lines) and Colombia (for works supervision on Line 1 of the Bogotá metro). Italcertifer also acquired a new independent safety assessment contract for a new railway network being developed in the United Arab Emirates (Etihad Rail) after already successfully working on the first phase of the huge UAE project.

RESTARTING ON THE INTERNATIONAL SCENE TOGETHER WITH ITALIAN INSTITUTIONS

The global public health emergency provoked by the spread of Covid-19 **did not put a halt to the Group's international infrastructure and transport partnerships**. In fact, **its international agreements** (12 in total: nine signed directly by FS Italiane, of which one in Europe and eight outside Europe; one signed by Mercitalia outside Europe; and one each by RFI and Italcertifer both in Europe) were strengthened during the pandemic for the mutual benefit of the parties and to boost their long-term interests by developing and implementing joint projects. During the year, the Group renewed its memoranda of understanding, mainly regarding personnel training and technical/specialist consultancy, with **AFE** (Administración de Ferrocarriles del Estado, the Uruguayan railways), **TCDD** (the Turkish railways) and **MAV** (the Hungarian railways).

The **memoranda of understanding are currently being**

renewed between Mercitalia and UTLC (United Transport Logistics Company - a company of the Russian railways, RZD) to transport freight in containers between China and Europe through Kazakhstan, Russia, Belarus and European countries, **between PT KERETA API INDONESIA (PT KAI)**, the Indonesian railways, mainly focused on personnel training. Finally, initial contact was made between **Mercitalia and RZD Logistics**, the largest multimedia logistics operator in the Commonwealth of Independent States (CIS) and Baltic region, to transport freight in containers between China and Europe and between **the FS Italiane Group and Ukrzaliznytsia**, the Ukrainian railways freight company, to develop the railway infrastructure in the Ukraine. Support for the Group companies' commercial initiatives provided by public and government institutions for internationalisation in Italy, via the parent FS Italiane S.p.A., was extremely crucial, especially during this phase. It helped maintain active relationships with the relevant parties abroad, such as institutions, decision-making bodies and ministries, and facilitate direct contact with stakeholders in order to grow and become more competitive on the market.

The FS Italiane Group **took an active part in the various initiatives organised by Italian institutions and foreign railway companies** to provide information and updates on opportunities on the top markets for Italian exports. For instance, these included:

- › **webinars for Italian businesses interested in international markets**, interactive video-conferences organised by the Ministry of Foreign Affairs and International Cooperation (MAECI) and ICE (the foreign trade institute) to place a spotlight on the tools that the Italian system provides to relaunch companies abroad;
- › **promotional webinars organised by foreign railways companies**, including, inter alia, those by RZD (the Russian railways), TCDD (the Turkish railways) and IR (the Indian railways);
- › **sector panels**, launched by the MAECI, bringing together sector associations and business representatives to join forces together with the MAECI for a joint communication strategy ("Export pact").

FS Italiane also organised for work personnel abroad to get back home with the support of the MAECI.



Furthermore, **FS Italiane also partnered with the Italian Embassy in Bangkok and the Thai Embassy in Rome to send a team of group experts to Thailand** to get preliminary preparations off the ground and provide expert assistance in designing and building the country's

high speed railway line (the High Speed Rail Linking Three Airports Project).

Against the backdrop of the public health and economic emergency caused by Covid-19, **the numerous important initiatives undertaken were key agents in relaunching the country and the Group's international role.**

The FS Italiane Group made its debut at Asia Pacific Rail, one of Asia's top trade fairs for the railway sector and mobility in general.

Held virtually in 2020, the trade fair focused on sector trends, especially in digitalisation and innovation. FS International, Italferr, Italcertifer and RFI took an active part via speeches, presentations, videos, etc., while the Group also promoted various Group companies not currently directly active in Asia, such as Mercitalia, Busitalia and FSTechnology.

Precious support was also provided by diplomatic representatives in the area's main states who sent short videos highlighting the FS Italiane Group's excellence.



OVER 1,000
ITEMS OF INFORMATION
ORGANISED BY COUNTRY

Finally, the Group **adopted smart tools** during the year to further **intensify monitoring of international opportunities**. It created a **single database** for all Group companies that offers a structured collection of articles, news, bids for tender and potential business opportunities on foreign markets. The archive is updated daily from specialised sector websites and sources and is accessed via a special Teams community by over 50 employees with various roles in international activities. Currently **filled with around 1,000 items of information**, the database is broken down by country, with indexed search fields allowing easy browsing and tracing of development opportunities and projects in the railway sector on European and non-European markets.

INVESTMENTS TO SUPPORT THE COUNTRY

The FS Italiane Group **supported the Italian economy and tourism industry during the emergency through its investments** and will continue to do so, generating growth, work and income over the next ten years to enable the future generations to live in a more sustainable and competitive country with better services for residents and tourists.

The Group has confirmed its role as the powerhouse behind the country's economic and infrastructural development, driving robust growth in the number of work sites in 2020.

MORE TENDERS FOR INFRASTRUCTURE CONTRACTS



20 BILLION
FOR RAILWAY
AND ROADWAY
INFRASTRUCTURE

The Group is banking on a green overhaul **to get transport up and running again after Covid-19** and to stimulate tourism and the Italian economy. **It called for tenders for contracts worth roughly €20 billion** in railway and road infrastructure in 2020.

For railway infrastructure alone, RFI called for tenders for contracts worth €13.9 billion, almost three times the amount recorded in 2019. The numerous tenders published to drive the entire country and especially to bridge the gap between the north and south included the final lot of the Hirpinia-Orsara section of the **Naples-Bari HS/HC line**, the executive design and construction of the Fortezza-Ponte Gardena section of the **Verona-Fortezza** line, and the doubling of tracks on the Giampilieri-Fiumefreddo section of the **Messina-Catania-Palermo** line.

With regard to road infrastructure, tenders for works to strengthen the road network were firmly ramped up in recent years, reaching €6.4 billion in 2020, and are expected to remain at this level for the coming years.

INFRASTRUCTURE STRENGTHENING AND DEVELOPMENT

Cutbacks to railway circulation due to restrictions on mobility caused by the public health emergency **did not put a stop to railway infrastructure works**. In fact, they were stepped up and brought forward in some cases, e.g., work on the HS/HC Turin-Milan-Naples lines to boost the efficiency and performance of the entire line or maintenance activities to upkeep the safety of railway operations.

Overall, **RFI made investments of roughly €4.9 billion in 2020** (including contractual advances to suppliers of €549 million), supporting the recovery of the country's economy and labour market.

The main milestones reached included: works began on the new section of the **HS/HC Brescia Est-Verona** line, where the Lonato tunnel will be built, with an investment of roughly €2.1 billion, and the first lot of the Verona-Vicenza section of the new **HS/HC Verona-Padua** line, for over €2.7 billion; infrastructural and technological strengthening works were resumed on the **Genoa railway hub** for roughly €670 million; technological upgrade works were carried out on the first section of the **Florence-Rome direct route** fitted with an ERTMS (European Rail Traffic Management System) for a total investment of roughly €150 million.

Anas investments totalled €2 billion in 2020 (including contractual advances to suppliers of €465 million). In particular, **these projects were worth €1,550 million**, roughly

46% of which for new works and 52% to maintain the efficiency of the existing road infrastructure, with the residual amount mainly relating to technological and computer features.

UPGRADING THE REGIONAL TRAIN AND BUS FLEET

The European Investment Bank (EIB) is supporting the FS Italiane Group's investment plan for new regional transport trains in Italy. **More efficient trains that pollute less, with roughly half to be used in southern Italy.** This is the purpose of the €450 million loan granted by the EIB.

The **first €150 million instalment has already been finalised** with a corporate bond subscribed on the Group's EMTN programme, with private placement, confirming the Group's commitment to sustainable finance.

€ **450 MILLION**
TO UPGRADE
THE REGIONAL FLEET

135
NEW REGIONAL
HYBRID TRAINS

The financing will cover the purchase of the first **43 trains ordered from the Group's entire investment plan total of 135.**



These new hybrid trains with three to four passenger carriages will be used in various regions (including Calabria, Lazio, Molise, Sardinia, Sicily, Tuscany and Valle d'Aosta). The total investment for upgrading the regional fleet on sections where the electrification of the lines has not yet been completed is roughly €960 million. The new trains will be equipped with diesel engines for the diesel fuel lines, with pantographs for the electric lines and with batteries to travel the first/last mile on diesel fuel lines, thus avoiding the use of fuel causing emissions near inhabited areas.

For the EIB, this deal fully meets its new mission as the "climate bank". Its goal is to mobilise €1,000 billion in new investments to fight climate change in all economic sectors from 2020 to 2030.

For the FS Italiane Group, the deal expands the range of sustainable finance it has been tapping into since 2017. In addition to public green bonds, since 2020 the Group has also been using private placement transactions based on ESG principles to finance projects with a low environment impact that encourage rail travel.

Busitalia also continued to invest in upgrading its fleet in 2020. Its dual objective is to cut emissions and the **average age of vehicles**.

Specifically, **90 buses** were purchased in Italy, including 10 alternative traction vehicles and 80 Euro 6 diesel vehicles. The total investment was roughly **€14 million**¹¹.



90

NEW BUSES
IN ITALY

Also in 2020, Qbuzz (Busitalia subsidiary operating in the Netherlands) added **55 electric buses and 20 hydrogen buses** to its fleet, as agreed with the local awarding bodies.

The company also collaborated with local awarding bodies that received government grants under the **national strategic plan for sustainable mobility** in Italy¹² to define upgrade plans for the introduction of alternative traction vehicles (hydrogen, natural gas, electric) and supporting infrastructure.

For instance, Busitalia is working with the Terni municipal authorities and steel mill to launch a circular economy project called "Hydra" where it will purchase buses **run on the excess hydrogen produced by the steel mill**.

¹¹ Excluding the public contribution.

¹² Specifically, the municipal authorities of Padua, Rovigo and Terni.







04

2020 SUSTAINABILITY REPORT
#RESTARTINGTOGETHER

BUILDING FUTURE'S SUSTAINABLE MOBILITY TOGETHER



BUILDING FUTURE'S SUSTAINABLE MOBILITY TOGETHER

This current period will likely be remembered as **one of the toughest in recent history**, with two financial crises and a global public health emergency that caused millions of deaths along with terrible consequences for the economy, employment and production of all countries, **upending every aspect of our lives and**, as described earlier, **disrupting the current and, above all, future mobility scenario**.

Reluctance to travel to work and greater scrutiny of health and safety among the population, de-urbanisation, less spending power and greater inequality, widespread digitalisation in all areas from daily life to smart cities, and greater awareness of creating inclusive and equal social value. These are just **some of the effects and new trends provoked by the pandemic**. As a result, the cornerstones of future recovery need to be upgraded and **the FS Italiane Group is steering its strategy towards a new model that will turn disruption into opportunity**.

Thanks to the Next Generation EU extraordinary fund¹³ approved by the European Council in July 2020, we now have tools to help tackle and overcome these difficulties. In the words of the President of the European Commission Ursula von der Leyen, the goal of the plan is to “not only repair and recover for the here and now, but **to shape a better way of living for the world of tomorrow**”.

The National Recovery and Resilience Plan (NRRP) set up to implement the Next Generation EU plan will **mobilise over €300 billion**. This will give Italy the opportunity to turn the page and overcome the economic and social impacts of the pandemic to build **a new fairer, greener, more inclusive country**.

¹³ Also known as the Recovery Fund.

NATIONAL RECOVERY AND RESILIENCE PLAN



THE 4 CHALLENGES OF THE PLAN

- 1 BOOST ITALY'S **RESILIENCE** AND **RECOVERY**
- 2 REDUCE THE **SOCIAL AND ECONOMIC IMPACT** OF THE PANDEMIC
- 3 SUPPORT **GREEN AND DIGITAL TRANSITION**
- 4 RAISE **ECONOMIC GROWTH** POTENTIAL AND CREATE EMPLOYMENT

THE 6 MISSIONS



DIGITALISATION, INNOVATION,
COMPETITIVENESS



GREEN REVOLUTION AND
ECOLOGICAL TRANSITION



HEALTH



INFRASTRUCTURE
FOR MOBILITY



EDUCATION, TRAINING,
RESEARCH AND CULTURE



SOCIAL, GENDER AND
REGIONAL EQUALITY

One of the NRRP's six missions is **sustainable mobility infrastructure**. Over 14% of the plan's total resources have been earmarked to this mission for a total of **€32 billion** (over €33 billion with the budget funds).

The first component of the mission referring to **high speed railways and road maintenance 4.0** has been allocated **€28.3 billion**. It focuses on the country's main connection routes. Firstly, railway lines will be upgraded by installing the European Rail Traffic Management System (ERTMS) on the entire national network. Secondly, investments will be made to monitor and bring road viaducts and bridges up to safety standards in the most critical areas. The second component of the mission refers to intermodal transport and integrated logistics. It provides for a national investment plan to create competitive and environmentally sustainable ports to develop traffic linking to Europe's main connection routes.

Always instrumental in transforming and developing Italian business system, the **FS Italiane Group will play a key role in the sustainable mobility infrastructure mission** through RFI and Anas. Indeed, a specific **task force coordinated by the CEO and general director of FS S.p.A.** was set up on 22 January 2021 to get the works swiftly off the ground and completed.

The works include strategic hubs for the country. In north east Italy, funds will be used for the Brenner tunnel and its south access sections along with the Scandinavian-Mediterranean corridor. The Genoa hub, Rhine-Alps corridor and the third Giovi railway crossing will be funded in the north west. The HS Genoa-Milan-Turin and HS Turin-Venice lines are also being funded.



In central Italy, works will be carried out on the Orte-Ancona-Falconara and Rome-Pescara lines and sections of the Adriatic motorway. In the south, upgrades will be made to the railway infrastructure between Basilicata and Calabria (upgrading train control technologies to allow tracks to be used for high speed trains).

The Salerno-Reggio Calabria line will also be upgraded for high speed/high capacity freight transport and it will be linked to the hub opened in 2009 on the Rome-Milan-Turin line.

In addition, works are planned for the Jonica state road, the Palermo-Messina-Catania railway section, with upgrades to safety technologies, and new investments are planned for the HS Naples-Bari section.



EUROPEAN YEAR OF RAIL 2021

2021 will also be the European Year of Rail as proposed by the European Commission and approved by the European Parliament on 15 December 2020 to **promote trains as a safe and sustainable means of transport** and also to galvanise the campaign for reaching climate neutrality by 2050 as set by the European Green Deal.

Transport is responsible for 25% of the EU's greenhouse gas emissions. However, **the railways only produce 0.4% of EU CO₂ emissions**. Railway networks are largely electrified and are the only means of transport to have significantly cut emissions compared to 1990 levels. **Trains can also play a prominent role in sustainable tourism.**







Thanks to the nominal number of train accidents, **rail travel is also the safest land transport**. Railway transport connects isolated areas far from the main towns and cities, ensuring a bond between European regions, both domestically and abroad. However, only 7% of passengers and 11% of freight travel by train.

Road transport still counts for 75% of domestic freight transit. **A significant portion of this percentage should be switched to railway transport or internal waterway navigation to cut the sector's emissions** as they are the most sustainable means of transport. Furthermore, the Trans-European Transport Network (TEN-T) needs major investment to achieve this goal.

The important results reached to date lay a **solid base upon which to pivot the Group's development path and build the foundations for the future**, facing change resiliently and contributing to safer and more sustainable collective transport and creating economic value (transport and infrastructure service quality and efficiency), social value (promoting a

fair and participatory society) and environmental value (regenerating natural assets) for the new generations.

The Recovery Plan will be a key tool in this effort to increase the transport capacity of the national railway infrastructure and give trains a more competitive edge, for a more competitive country, partly thanks to a widespread accessibility system and more sustainable mobility.

Innovation, digitalisation and sustainability will be three factors driving the way forward which will strengthen the FS Italiane Group's standing as a mobility service provider on a multi-modal platform integrated into the passenger and freight transport eco-system.

Mobility will be different in 2030 (+green, +tech-driven, +personalised). The Group plans to maintain its key role for the country by **expanding its portfolio of services offered to the Italian population and upholding the national transport networks** (both passenger and freight).



THE MOBILITY OF THE FUTURE

1

- › Urbanisation
- › Connected cities
- › Smart safety

2

Self-driving taxis

3

Logistics of the future

- › UCC centres in cities and the outskirts
- › Riders and drones for last-mile deliveries
- › Ecological vehicles for logistics

4

› Micromobility

- › Shared mobility (cars, bicycles, mopeds, scooters)

5

Sustainable **multimodal** services at regional level

6

Hydrogen and hybrid trains to replace diesel trains

7

MaaS applications for controlling integrated mobility

8

Resilient infrastructure

- › **Self-diagnostics** and real time communication of railway signalling
- › **Automation** (robots, sensors, computerised central units/ERTMS) and greater efficiency
- › **Preventive maintenance**
- › **Digital twins** for resilient infrastructure
- › **Wearables**

9

- › **High Speed trains** with new operators in Europe
- › **Self-driving trains**

10

Smart roads

- › Smart tolls
- › IoT sensors for monitoring
- › Assisted driving services
- › Road safety
- › Information on mobility
- › Smart grids

11

Local public transport with flexible timetable that can be booked using the app

12

Renewable energy sources

- › Electric buses
- › Hydrogen buses

13

Stations at the centre of mobility, integrated with

- › Malls
- › Co-working offices
- › Smart car parks

14

Assisted access to stations

15

Electric car charging stations







So we are facing a new era for the mobility sector. To communicate and boost our sense of responsibility due to the FS Italiane Group's crucial role in this challenge, **we have defined a new 2030 vision to carry us towards the sustainable mobility of the future.**

THE FS GROUP'S VISION TO 2030

THE FS ITALIANE GROUP IS DETERMINED TO DRIVE THE COUNTRY'S RECOVERY BY CREATING VALUE AND CONTRIBUTING TO A **MULTI-MODAL TRANSPORT OF PEOPLE AND GOODS,**



WHILE PLACING **PEOPLE'S NEEDS TO THE FORE.**



WHICH IS INCREASINGLY MORE **SUSTAINABLE,**



SAFE,



AND, AT THE SAME TIME, FOCUSED ON **OPERATIONAL EXCELLENCE,**



MAINTAINING A LEADERSHIP ROLE AT THE CUTTING EDGE OF **TECHNOLOGY** AND **RESILIENT DIGITAL TRANSPORT INFRASTRUCTURE,**



NOT JUST IN ITALY BUT WITH A STRONG PRESENCE **ALL OVER THE WORLD**



- › Play a **key role for the country**, upholding the national strategic transport network
- › Play a central role in the **passenger and freight** mobility sector
- › Provide an **increasingly multi-modal** service

- › Guarantee the well-being of our people
- › Guarantee passenger satisfaction, focusing on both key drivers (e.g., punctuality, cleanliness) and personalised services
- › Expand **related services**, e.g., services for the elderly, tourists, etc.

- › Reduce **environmental impact via sustainable alternative sources of energy** (electric and hydrogen)
- › Ensure **sustainable design and construction of new infrastructures**

- › Ensure **passenger safety**, also via **self-driving trains and buses**
- › Ensure the **safety of the network** via full coverage using **IoT sensors**

- › Boost **productivity** while maintaining service levels in the post-Covid world
- › Accelerate the **roll-out of new investments** using innovative technologies

- › Round out **technical skills** in strategic technologies by setting up centres of excellence for all levels and all group companies, to steer the **transformation of the sector**
- › Digitalise internal processes (**digital inside**) and points of contact with customers (**digital outside**)
- › Ensure resilience against **climate change** by applying last-generation construction methods and using **digital twins of infrastructure**

- › Play a **key role abroad** in the **new European domestic market**, creating a single multi-modal (rail and road) mobility player recognised at European level









Group Strategies, Planning, Innovation and Sustainability Department
Mail: rapportostenibilita@fsitaliane.it

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