

FS ITALIANE RELEASED THE SECOND GREEN BOND REPORT

Rome, 3 December 2020

FS Italiane has made available on its website, for the benefit of institutional investors and the financial community, the second Green Bond Report one year after the second green bond issue. The Green Bond Report aims to inform on the proceeds allocation of the green bond issued in July 2019 and on the positive impacts that the financed investments generate in terms of environmental sustainability.

FS's second green bond funded new projects, both regional and high-speed passenger trains, and, for the first time, freight locomotives and wagons, broadening the scope of the Green Bond Framework. The results of the report highlight significant energy savings and a significant reduction in CO₂ emissions, thanks to the new electric rolling stock. The calculation of the environmental performance indicators provides for a comparison with comparable trains, according to the methodology adopted by FS.

For this second report, FS also wanted to further expand the performance indicators by providing analyses of the environmental benefits also with respect to other modes of transport (car and truck) for an estimate of the modal shift.

By way of example, compared to the private car, the use in a sample Italian region of 60 new Pop e Rock trains is estimated to produce approximately 270,000 tons of CO₂ less by 2032. In relation to freight transport, a reduction of CO₂ emissions of around 50% is estimated by transporting goods with new locomotives instead of trucks, on a sample route of about 300km.

In addition, useful details have been reported for comparing the financed assets with the European Taxonomy regulation, such as recyclability and noise pollution. The report obtained the third party opinion from KPMG, the independent auditing firm and auditor of the financial statements of the FS Italiane Group. The evaluation positively highlights FS's compliance with the methodology for calculating and allocating the proceeds of the bond to sustainable investments, as well as with the guidelines - both international and internal - as defined in 2019 within the Green Bond Framework. Besides, the Climate Bonds Initiative confirmed the certification on the green bond released at the issue time, following the positive annual verification carried out by Sustainalytics on compliance with CBI standards.