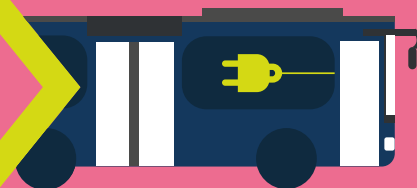


SUSTAINABILITY REPORT 2021



SUSTAIN



MOVEMENT



SUSTAIN MOVEMENT

SUSTAINABILITY
REPORT
2021

FERROVIE DELLO STATO ITALIANE SpA COMPANY OFFICERS

Board of directors	Appointed on 30 July 2018	Appointed on 26 May 2021 ¹
Chairperson	Gianluigi Vittorio Castelli	Nicoletta Giadrossi
CEO	Gianfranco Battisti	Luigi Ferraris ²
Directors	Andrea Mentasti	Pietro Bracco
	Francesca Moraci	Stefano Cuzzilla
	Flavio Nogara	Alessandra Bucci
	Cristina Pronello	Riccardo Barbieri Hermitte
	Vanda Ternau	Paola Gina Maria Schwizer ³
Board of statutory auditors	Appointed on 03 July 2019 ⁴	
Chairperson	Alessandra dal Verme	
Standing statutory auditors	Susanna Masi	
	Gianpaolo Davide Rossetti	
Alternate statutory auditors	Letteria Dinaro	
	Salvatore Lentini	

COURT OF AUDITORS' MAGISTRATE APPOINTED TO AUDIT FERROVIE DELLO STATO ITALIANE SPA⁵

Giovanni Coppola

MANAGER IN CHARGE OF FINANCIAL REPORTING

Roberto Mannozi

INDEPENDENT AUDITORS

KPMG S.p.A. (2014-2022)

1) Following the shareholder's resolution on the same date.
2) Appointed CEO on 3 June 2021.
3) Appointed by the shareholder on 6 August 2021.
4) Following the shareholder's resolution on the same date.
5) During the meeting of 17-18 December 2019, the Court of Auditors appointed Section President Giovanni Coppola to oversee the financial management of the parent as from 1 January 2020 pursuant to article 12 of Law no. 259/1958.

FS ITALIANE GROUP STRATEGY AND GOVERNANCE

Letter to the stakeholders	8
Introduction	12
2021 highlights	20

The Group's profile and business model	24
Operating segments and geographical segments	27
Group activities through the lens of European Taxonomy	32
The Group's role in the mobility of the future	40
The 2022-2031 strategic and business plan	42
The NRRP and developing transport for Italy	44
Investments to develop transport for Italy	50
Innovation and sustainable finance as accelerators of change	54
Transparency and business responsibility	62
Corporate Governance	65
Sustainability governance	76
Business integrity	78
<i>Internal control system</i>	78
<i>ABC system</i>	94
<i>Protection of human rights</i>	102
ESG rating and other awards	104
Integrated management of risks and opportunities	111
Stakeholder engagement	124

FS ITALIANE GROUP FOR THE PEOPLE

Putting the needs of people and customers first	140
Travel	141
Focus on people	147
Integrated logistic	168
Promoting safety	172
Security, information security and privacy	186

FS ITALIANE GROUP FOR THE PLANET

Our people and their value	190
Recruitment and HR management	193
Encouraging, training and upgrading skills	201
Health and safety	206
Welfare and diversity and inclusion	210
Relationships with trade unions	214
Relationships with communities	216
Promoting social cohesion	216
Promoting culture and other social initiatives	222
Fondazione FS Italiane	224
Energy and emissions	234
Strategies for decarbonising the transport sector	234
Sources of energy	237
Emissions	240
Energy and operating segments	245
Responsible purchases	248
Our suppliers	248
Sustainable procurement	250
Sustainable infrastructure	254
Work site management and oversight	263
Noise management	268
Other impacts	270
Waste cycle management	270
Management of water resources	273
Independent auditors' report	274

(102-14⁶)

LETTER TO THE STAKEHOLDERS

2021 was the European Year of Rail, as designated by the European Commission to promote sustainable mobility. A special Connecting Europe Express train crossed 26 European countries, including Italy, travelling 20,000 km and stopping in over 100 cities, to raise awareness about rail transport's key role in reaching decarbonisation targets and underlining its contribution to bringing people and regions together and building relations to boost social and economic prosperity.

2021 also saw the UIC (International Union of Railways) represent the railway sector at the 26th Climate Change Conference of the Parties (COP26) in Glasgow, confirming the sector's commitment to decarbonising the transport system.

In conjunction with the event and organised by Avanti West Coast (a Trenitalia and FirstGroup joint venture), Eurostar, NS and Prorail and Youth for Sustainable Travel, the

Climate Train made its symbolic journey to Glasgow, bringing European and UK delegates to COP26 while providing a platform for seminars, meetings and debates on mobility and sustainability.

These concerns are also the essence of the FS Italiane group's idea of sustainability: offering an integrated, sustainable mobility ecosystem that guarantees prosperity, quality of life in harmony with nature, building transport works and services that create long-lasting, widespread value. The idea is to promote taking the train, more effectively integrating trains with other sustainable modes of transport, to make all areas of the country accessible and using roads for the last mile or where there is no railway.

This is the natural evolution of the Group's journey which continues to prioritise sustainability, boosted by its historical heritage and ex-

pertise. Demonstrating this commitment, the FS Italiane Group follows the directions of the European Green Deal, helps reach the 17 Sustainable Development Goals (SDGs) set out in the United Nations 2030 Agenda, and is actively involved in creating an inclusive and sustainable global economy by integrating and supporting its strategy and day-to-day operations with the ten principles of the UN Global Compact.

Only time will tell the full extent and long-term effects of this current period. However, as well as the economic repercussions and adjustments to daily habits, individual and social perceptions will undoubtedly be altered. 2021 was certainly a historic juncture, with many adversities faced but also results achieved and strong foundations laid to strength the Group's broad range of operations.

Roughly two years on from the outbreak of the pandemic, FS Italiane

has begun to detect strong signs of a gradual return to pre-pandemic levels. However, the transformations - in people, markets, demand, the global scene - engendered by the emergency cannot be dismissed.

Reactions to the critical issues exposed by the pandemic widened their scope to new value systems, for instance the recovery plan for Europe, NextGenerationEU, which promotes ecological, digital and resilient recovery. Similarly, the FS Italiane group's forward-looking plan is determined to make FS a vehicle for building a system of resilient infrastructure, sustainable mobility and integrated logistics in Italy and other countries where it operates, creating value for its stakeholders.

Under the Group's ten-year business plan, the subsidiaries will undergo an operational reorganisation, to make them more effective in developing the mobility system, along with a change management process.

Transport is a key component of the recovery strategy. Italy's National Recovery and Resilience Plan (NRRP), formulated to implement the extensive investment plan launched by the EU, chose the FS Italiane Group among the leading players of national invest-

ments. The Group has a duty to develop the opportunities offered by the NRRP and proposes to make transport infrastructure more digitalised, resilient to climate change, integrated and interconnected, driving the country's ecological, fair and inclusive transition.

Spurred on by the NRRP, investments over the next ten years will cover both the fleet and infrastructure, upgrading the railway lines and building intermodal hubs and terminals to bring different modes of transport together, creating partnerships with Italian and foreign operators. The Group's freight and passenger transport services already cover large regions of Europe. In addition to its established presence in Germany, Greece, the Netherlands and the UK, FS inaugurated its high speed service in France in 2021, with 10 daily runs linking Paris-Milan and Lyon-Paris, and it will soon connect Spain's main cities, starting with Madrid-Barcelona, using the Frecciarossa 1000.

FS is working towards a future that fosters synergy between the various components of the Group, with a plan aimed at increasing integration between railways and roads regarding both infrastructure building and design and freight and passenger transport services. The plan targets improving ac-

cessibility, smoothing disparities in infrastructure built in the north and south of Italy, reinforcing and expanding the national high speed railway, boosting east-west connections and the regional railway network especially in the south, thus advancing the sustainability policy with rail travel playing a central role. One of the features of rail travel is its superior environmental performance to other motorised means of transport. To pursue decarbonisation, FS Italiane is determined to upgrade this performance, increasing the electrification of lines - more than 2,000 km over the coming years - and, where this is not possible, using hybrid trains fuelled by electricity, diesel and batteries.

In addition, the group is also studying hydrogen powered rail travel, a technology which is already being used in its road transport network with 20 hydrogen vehicles rolled out in 2021 by Qbuzz, Busitalia - Sita Nord's subsidiary operating in the Netherlands.

With regard to energy supply, the FS Italiane group's annual consumption amounts to roughly 2% of Italy's electricity demand. In the future, the Group aims to cover part of its demand by producing energy from renewable sources for its own consumption by exploiting or transforming rail and road areas and sites.

6) The numbers in brackets after the title of each section refer to the KPI codes set out in the reporting standards adopted (GRI - Global Reporting Initiative).

Technology, innovation and digitalisation are the backbone of long-term sustainability and the focal points for FS Italiane and Group companies in maintaining efficient services that can readily adapt to change and disruptions. Supported by the NRRP, RFI plans to expedite implementing the ERTMS (European Rail Transport Management System) throughout its entire network by 2036, gradually replacing existing signalling systems with fully digital and interoperable technology, guaranteeing top performance with regular, on-time trains.

There are also plans ongoing to upgrade road transport infrastructure. As part of the Cortina 2021 Plan, ANAS has designed Smart Road works, technological infrastructure that aims to make traffic run more smoothly and improve road safety and driving comfort by controlling the infrastructure using IoT (Internet of Things) technologies to interconnect roads and vehicles.

Once these works are completed, ANAS will provide an integrated mobility management platform that ensures top quality travel in Cortina valley, not just for sports events but also the daily lives of residents and tourists. Part of FS Italiane's future planning is creating an innovative network. To this end, FS inaugurated three Innovation

Hubs in Rome, Naples and Catania in late 2020. These provide spaces for sharing and fusing ideas, with constant exchanges between companies and start-ups with the aim of integrating new technologies within their industrial processes. This project together with the Innostation virtual platform was awarded at the SMAU technology trade fair.

The FS Italiane Group has also taken action to raise the sustainability profile of its supply chain. In 2021, it issued guidelines to bolster environmental and social considerations in the procurement process and, simultaneously, promoted the Supply Chain Sustainable Management project which is building a system of tools and methods for monitoring and improving the sustainability performance of its suppliers, leading players together with the Group itself in the drive towards sustainability.

The Group's commitment to enhancing its sustainability performance was attested by the awards it received in 2021. FS achieved an "advanced" Moody's ESG solutions rating, improving on its previous "robust" rating, and placed among the top European Transports and Logistics players. Trenitalia came first in the 2021 ranking of Green Star - The most sustainable companies within the Mobility and Trans-

port category, a survey conducted by the German Institute for Quality and Finance (ITQF) in collaboration with the Institute for Management and Economic Research (IMWF) in Hamburg, taking into account almost one million pieces of online content regarding the green impact of companies in Italy. The Group's appealing work environment and capacity to attract talent was recognised by the Potentialpark study, which confirmed FS Italiane's first place among the 60 companies examined in the general ranking for best online job search experience. Universum Business Students also voted the FS Italiane Group the most attractive employer in Italy within the Passengers & Transportation segment.

Furthermore, FS Italiane was listed among the top 20 most inclusive brands in Italy according to the Diversity Brand Index. Curated by Diversity and the strategic consulting firm Focus MGMT, the study measures the ability of companies to effectively develop a culture oriented towards diversity and inclusion.

This recognition validates the Group's approach to diversity as a value to be recognised, understood and enhanced. Indeed, it has written up specific guidelines to improve inclusion and accessibility within the Group, complete with a

dashboard for monitoring D&I policies.

The issue was also broached in the signing of a sustainability-linked credit facility, one of the Group's sustainable finance tools, which revises the interest rate and commitment fee if ESG targets are reached, including one specific to increasing the number of women in managerial positions in line with the goals set out in the plan. The railway sector is striving to attain higher numbers of female employees and improve working conditions. The Community of European Railway and Infrastructure Companies (CER) and the European Transport Workers' Federation (ETF) have been holding negotiations between the various parties involved to promote gender equality and diversity.

In November 2021, they signed an agreement under the Women in Rail project, with FS also contributing. The agreement aims to attract more women, especially in areas where they are under-represented, increase gender diversity in the sector, abolish stereotypes and male-dominated culture, eliminate gender-based discrimination and achieve gender equality.

With roughly 1,200 participants in 22 initiatives, 2021 saw the roll-out of a special online space for em-

ployees called Wecare, created to inform personnel of the Group's welfare actions and provide support on handling the psychological impacts of the pandemic, creating real, inclusive relationships and raising awareness about disability.

The Group's 2021 Sustainability Report comprehensively maps the strategies, results and prospects of the production, social and environmental performance briefly mentioned above.

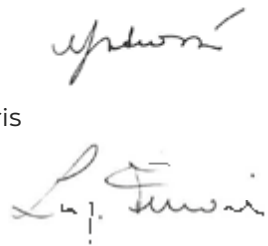
A snapshot of a long path of ongoing improvement, driven by the professionalism and dedication of all FS Italiane people, to instil virtue into the Group's journey, creating value for customers, suppliers, communities and all stakeholders.

The chairperson

Nicoletta Giadrossi

CEO

Luigi Ferraris



(102-1, 102-12, 102-45, 102-46, 102-47, 102-48, 102-49, 102-51, 102-54, 102-56; 103-1)

INTRODUCTION



The information in the 2021 Sustainability Report is compared with the previous two years⁷. Any differences in the reporting methodology with respect to the information published in previous Sustainability Reports are due to the refinement of the reporting methods.

Sustainability reporting holds an increasingly central role in conveying a company's medium/long-term performance and ability to create value, especially in this current climate of social and environmental upheaval, where stakeholders are increasingly more focused on understanding how a company reacts to and manages such changes.

This push for transparent reporting of a company's sustainability performance is also driven by recent amendments to the EU and non-EU regulatory framework, e.g., Directive 2014/95/EU on disclosure

of non-financial information and Regulation (EU) 2020/852 on European taxonomy.

To guarantee accurate, complete, consistent and timely sustainability information for stakeholders, the Group has defined an internal control model involving the actors and companies participating in the reporting process.

This report has been prepared in accordance with the "GRI Sustainability Reporting Standards" guidelines issued by the Global Reporting Initiative (GRI) in 2016, as subsequently amended, using the comprehensive reporting option. The data and information published in this report were provided directly by the department heads using a dedicated IT platform or were taken from other official source⁸.

The Group reports its sustainability performance in three main documents:

- * the Consolidated Non-financial Statement (NFS), included in the directors' report prepared annually pursuant to Legislative decree no. 254/16, which implemented Directive 2014/95/EU. Included in the annual report, the NFS discloses the information required by the Directive in accordance with GRI standards using the core reporting option. The NFS also includes the information as per Regulation (EU) 2020/852 (European Taxonomy) which requires entities falling under the scope of application of Directive 2014/95/EU to report consolidated turnover, OpEx and CapEx that are eligible pursuant to the criteria set out in the regulation and the relevant delegated acts.
- * the Sustainability Report which, as described above, reports the sustainability performance, inte-

grating and elaborating on the information provided in the NFS. The report also includes a summary of the information required by the above-mentioned Regulation (EU) 2020/852 (see the "Group activities through the lens of European Taxonomy" section);

- * the GHG report⁹, which analyses how the Group manages energy issues and greenhouse gas emissions, setting out the approach, strategies, actions and performance of the Group's operations.

The 2021 Sustainability Report was approved along with the Annual Report and the NFS by the board of directors of Ferrovie dello Stato Italiane S.p.A. on 30 March 2022.

KPMG S.p.A. carried out a limited assurance engagement in accord-

ance with the criteria indicated by ISAE 3000 (revised) on the Sustainability Report.

This report covers the economic, social and environmental activities deemed to be the most significant for the Group and its stakeholders, as described in the following section. Further details are provided in the annexes:

- * "Performance indicators", detailing the Group's main sustainability indicators;
- * GRI content index, a bridging table between the Sustainability Report content and the GRI Standards which also reports links to the Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation reporting standard defined by the 2020 World Economic Fo-

rum and the Rail Transportation Sustainability Accounting Standard defined by the Sustainability Accounting Standards Board in 2018;

- * "Company highlights - the environment", providing key environmental information for each company included in the reporting scope.

All of the annexes are also available online in the "Sustainability" section of the website [fsitaliane.it](https://www.fsitaliane.it).

7) The Sustainability Report is published annually. The previous edition of this report, which referred to 2020, was published in April 2021.
8) For additional details, in certain cases, reference should be made to the group's 2021 Annual Report.

9) This report will be published in July 2022.

MATERIALITY ANALYSIS

Each year, the Group updates the analysis to identify social, environmental, governance and economic topics that are material (the materiality analysis) for all of the Group’s significant internal and external stakeholders in order to recognise long-term value creation challenges and opportunities.

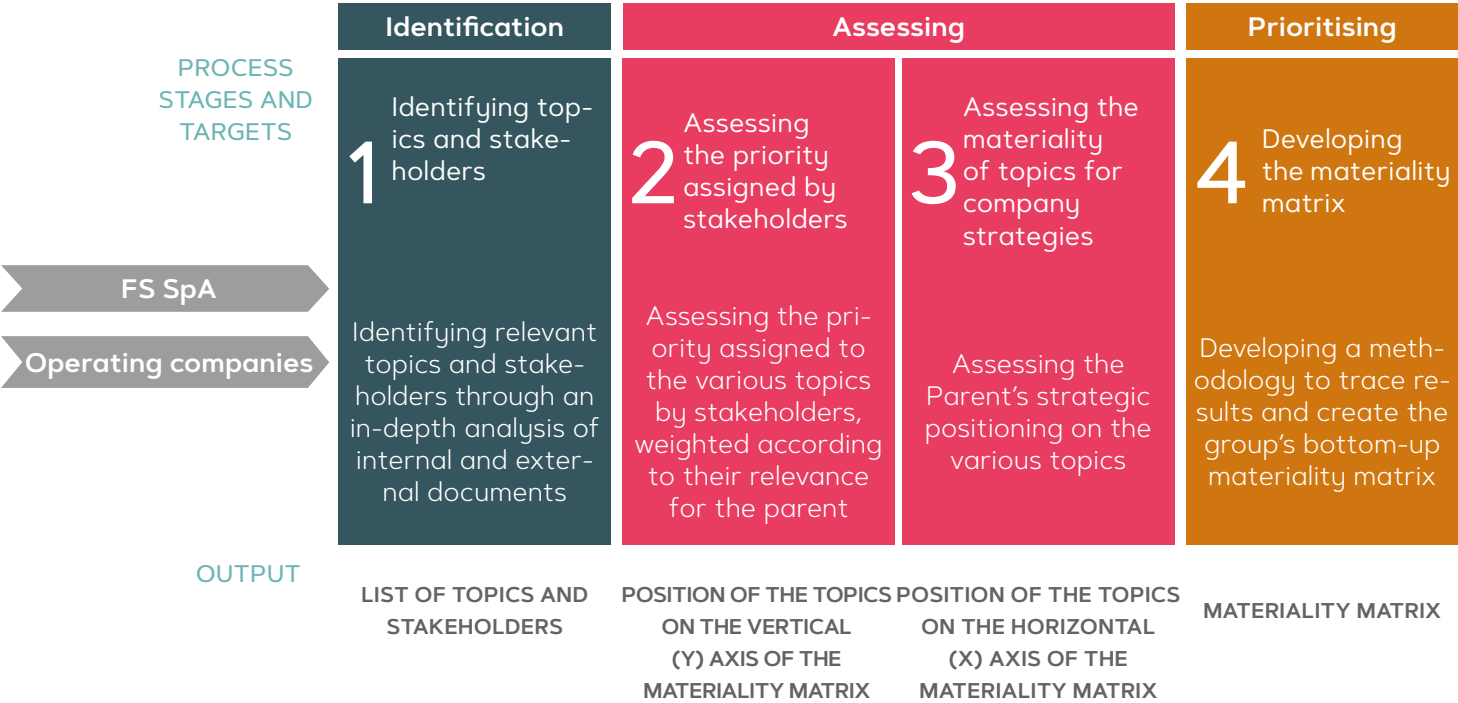
Material topics are those that affect the Group’s financial performance and have an actual and/or potential impact on people, the environment and governance, a starting point for reporting sus-

tainability and strategic planning.

The 2021 analysis began by revising the 2020 materiality matrix, taking into consideration the Group’s strategic goals and external trends aimed at pre-empting emerging topics that will need to be handled in order to remain competitive. The analysis was built using information gathered by listening to the Group’s main internal and external stakeholders, also via the Datamaran platform which studies the main laws and directives in all of the countries where FS operates

and compares the Group’s financial statements with those published by European and global peers and comparable entities.

The materiality matrix was updated using a bottom-up approach (and therefore starting with an analysis of the information gathered by subsidiaries¹⁰) in the following steps:



The methodology used to group the data gathered by the companies considered: the company’s materiality and size, the number of external stakeholders involved and the organisational weight of consulted management.

The materiality matrix set out below shows the top right section of the overall matrix depicting the perceived relevance for stakeholders (vertical axis) compared with the relevance for the Group (horizontal axis), considering the impacts incurred and generated externally.



The topic “People’s safety: values, technology and culture” was material for all companies that contributed to the matrix. However, it was not included in the combined matrix

because, as reiterated many times by the CEO, “**there are no limits to maintenance and safety, nor should there be any**”. Accordingly, the topic was not included in the

materiality matrix as it applies to all companies and has absolute priority over all other topics in management’s view.

10) Trenitalia SpA, RFI SpA, Anas SpA, Polo Mercitalia, Busitalia - Sita Nord SpA, Sistemi Urbani Srl, Italferr SpA, Ferrovie del Sud Est e Servizi Automobilistici Srl, Ferservizi SpA and FS SpA contributed to the matrix.



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MATERIAL TOPICS FOR THE FS ITALIANE GROUP

INCLUSION, ENHANCEMENT AND DEVELOPMENT OF PEOPLE



Spread and foster a **culture of inclusion, non-discrimination and respect, promoting diversity** (age, gender, skills and experience, religion, political views, ethnicity, nationality, sexual orientation, physical ability, geographical origin, etc.) and **equal opportunities** in the workplace where everyone can feel at ease and are motivated to build positive relationships. Undertake to enhance workers' professional skills and experience and advance their **professional development and career**, via **merit-based policies and transparent and fair processes** that allow all employees reach their full potential; foster the **well-being of employees** and their **life/work balance** through welfare policies, modern and flexible work tools and models and responsible management of organisational changes.

MITIGATION OF CLIMATE CHANGE



Tackle the challenge of mitigating climate change, committing, in line with European and Italian targets, to **reducing energy consumption** and **greenhouse gas emissions** (CO₂, ozone, natural gas, etc.) also by **implementing energy efficient technologies** (e.g., smart grid, cogeneration, LED lighting, etc.) and **promoting renewable sources** (e.g., alternative fuels, biofuels, "green" hydrogen energy, hybrid engines, solar power, wind power, etc.)

VALUE FOR CUSTOMERS



Customer proximity, develop their trust, **understand their current and future needs** and offer multi-modal passenger and freight transport services, of ever increasing quality; promote **collective and shared means of transport**; improve **integration** between all public and soft mobility systems (e.g., trains, urban and suburban transport and bicycles), to meet the challenges and opportunities of the market, and **guarantee accessibility so that everyone can fully use the services offered**, by providing unobstructed paths and assistance services for people with disabilities and reduced mobility (e.g., Sale Blue, tactile walkways, visual and sound alerts, etc.).

MATERIAL TOPICS FOR THE FS ITALIANE GROUP

ETHICAL AND RESPONSIBLE BUSINESS



Adopt the **highest ethical standards**, in line with the company vision and values; base business practice on the fundamental principles of **transparency and loyalty**; foster a **culture of compliance and lawfulness**; recognise the importance of **environmental, social and governance issues** and include them in company strategies, also by **promoting financial tools** that support sustainable development and a low-carbon future.

CIRCULAR ECONOMY AND RESPONSIBLE PURCHASES



Implement **circular business models, from the purchasing stage** - by integrating criteria that prioritise environmental and social issues into purchase procedures (goods, services and contracts) and into supplier selection and vetting processes (e.g., ISO 14001 and EMAS environmental management systems, etc.) - **to the stage** of efficiently and exhaustively **using** materials such to prevent, reuse and recycle waste from Group operations.

INNOVATION, DIGITALISATION AND CYBERSECURITY



Promote innovation, intercepting ideas, solutions, tools and technological skills within and outside the Group that **advance social and economic change and progress** to offer more evolved services and infrastructure; **make the most of digitalisation** to make processes, operations and services more efficient in order to save time, money and energy. Ensure **reliable** infrastructure and services, creating and maintaining an **environment where the integrity and privacy of the data and information** of the Group and all its stakeholders are protected against potential cyberattacks.

RESILIENT INFRASTRUCTURE AND MOBILITY SYSTEMS



Reinforce the **ability** of infrastructure, railways and roads, along with current and future mobility systems, to **withstand and adapt to** the **growing effects of climate change and the fragility of the land** (e.g., hydro-geological events, earthquakes, floods, etc.), also using a risk-based prevention and protection system.

The Group’s material topics, resulting from the materiality analysis carried out as described above, were compared with the Sustainable Development Goals (SDGs) of the UN’s 2030 Agenda, highlighting the Group’s contribution towards reaching such goals¹¹:



MEETING SUSTAINABLE DEVELOPMENT GOALS

GROUP'S CONTRIBUTION

	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
ETHICAL AND RESPONSIBLE BUSINESS						✓				✓		✓
INCLUSION, ENHANCEMENT AND DEVELOPMENT OF PEOPLE		✓	✓		✓		✓		✓			✓
INNOVATION, DIGITALISATION AND CYBER SECURITY					✓	✓						✓
CIRCULAR ECONOMY AND RESPONSIBLE PURCHASES	✓							✓	✓		✓	
MITIGATION OF CLIMATE CHANGE	✓			✓					✓	✓		
RESILIENT INFRASTRUCTURE AND MOBILITY SYSTEMS						✓				✓		
VALUE FOR CUSTOMERS		✓			✓	✓	✓	✓	✓	✓		

For the reasons described earlier, regarding the materiality of the topic “People’s safety: values, technology and culture”, all Group companies foster occupational health and safety, by preventing accidents and injuries to people, and ensure the highest standards of safety to their customers, by carrying out maintenance, providing protection at sta-

tions and on-board transport and ensuring safe circulation, helping to reach the following SDGs:



The reporting scope was defined based on the economic/financial materiality of each topic to the Group¹², and considering the scale of the companies and how they are controlled (e.g., direct subsidiaries are included in the Level 1 scope).

Furthermore, qualitative aspects envisaged by non-financial reporting were also considered (in accordance with the reporting standards applied), which entailed the inclusion of other consolidated companies in the Level 1 scope on a line-by-line basis (reference should be made to the attached “GRI content index” for details).



11) Furthermore, in its daily operations, the Group also contributes to the achievement of other SDGs not associated with its material topics.

12) In this report, the terms parent, FS SpA or FS Italiana SpA. are used to identify the company Ferrovie dello Stato Italiane SpA, while the terms group and FS Italiana Group refer to all companies included in the reporting scope.

(102-7)

2021 HIGHLIGHTS



RESULTS OF OPERATIONS

FINANCIAL

Profit for the year	€ million	193
Directly generated economic value	€ million	12,328
Economic value distributed	€ million	10,444
Investments	€ million	12,537

PASSENGER AND FREIGHT TRAFFIC

Rail traffic - passengers		
passenger-km	billion	21.5
train-km	million	270
Rail traffic - freight		
tonne-km	billion	21.9
train-km	million	43
Road traffic - passengers		
passengers-km	billion	1.7
bus-km	million	178



FS ITALIANE GROUP FOR THE PLANET

ENERGY AND EMISSIONS

Energy - total Group energy consumption	GJ million	26.4
Emissions - Total greenhouse gas emissions	tCO2 million	2

RESPONSIBLE PURCHASES

Tenders awarded	€ billion	22.2
in which sustainability criteria were included	%	90



FS ITALIANE GROUP FOR THE PEOPLE

SERVICE QUALITY - PUNCTUALITY

Railway passenger transport		
Market services (Freccie)	0-10 minutes	82.5%
Universal services (Intercity day and night)	0-15 minutes	88.5%
Regional services	0-5 minutes	93.0%
Road passenger transport		
Urban transport	0-5 minutes	95.0%
Suburban transport	0-15 minutes	95.3%

CUSTOMER SATISFACTION (ITALY)

Railway passenger transport (overall journey)		
Medium and long haul transport	Satisfaction %	97.1%
Regional transport	Satisfaction %	90.4%
Infrastructure		
Overall quality of the station	Satisfaction %	98.2%

PROMOTING SAFETY

Investments in safety		
Infrastructure	€ million	3,715.0
Transport	€ million	439.5

OUR PEOPLE AND THEIR VALUE

Total personnel	no.	81,906
women	%	19.1
men	%	80.9
Training	man-days (thousands)	659

RELATIONSHIPS WITH THE COMMUNITY

Re-use of assets		
Total surface area under free loan for use	square metres	172,497
for social activities (help centres and shelters)	square metres	15,793
other real estate	square metres	156,704
Fondazione FS Italiane		
Value of assets	€ million	10.6
Value for local communities (2014-2021)	€ million	44.5

1

The purpose of our business model is to make the most of the different types of capital (financial, physical, human and relational, intellectual and organisational, natural)¹³ by organising activities and processes to create value in the medium and long-term for all stakeholders.

THE FS ITALIANE GROUP: STRATEGY AND GOVERNANCE

As in other public utilities sectors, the Group's activities are subject to specific regulation by independent national and international authorities, in order to safeguard the correct working of the market and the customers' rights.

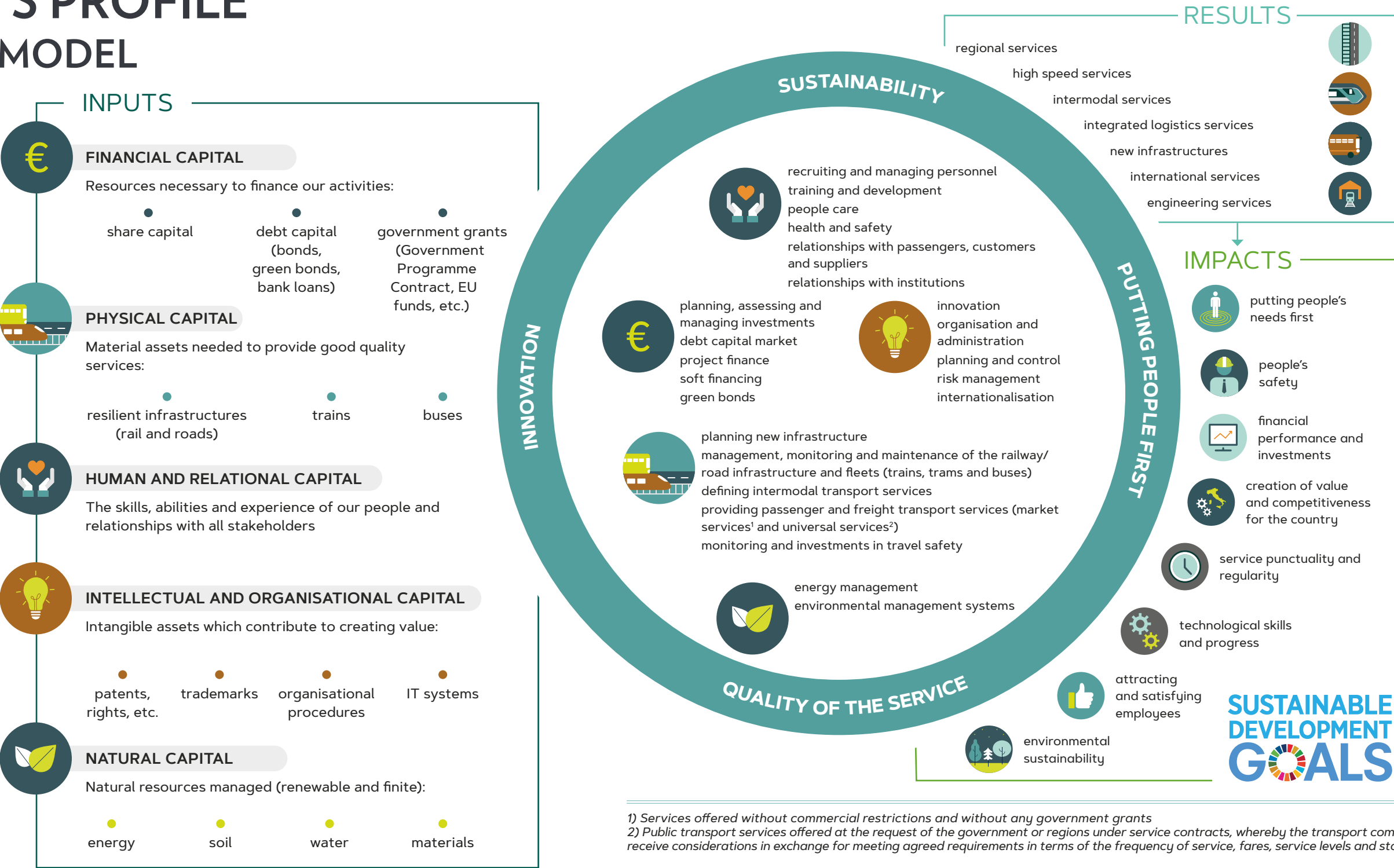
¹³ According to the IIRC (International Integrated Reporting Council) framework.

THE GROUP'S PROFILE AND BUSINESS MODEL

OUR VISION

BECOME A VEHICLE FOR BUILDING A SYSTEM OF RESILIENT INFRASTRUCTURE, SUSTAINABLE MOBILITY AND INTEGRATED LOGISTICS

HOW WE OPERATE



1) Services offered without commercial restrictions and without any government grants
2) Public transport services offered at the request of the government or regions under service contracts, whereby the transport companies receive considerations in exchange for meeting agreed requirements in terms of the frequency of service, fares, service levels and stops

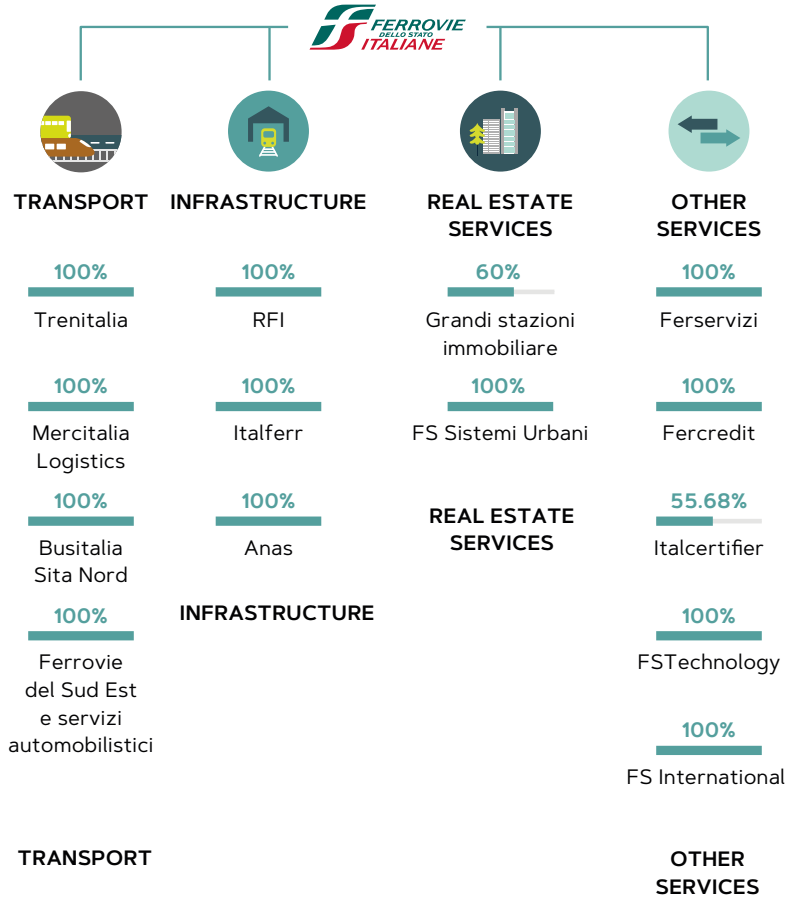


(102-2, 102-4, 102-5, 102-6, 102-7, 102-10)

OPERATING SEGMENTS AND GEOGRAPHICAL SEGMENTS

The Ferrovie dello Stato Italiane Group, active in Italy and abroad, **creates and operates passenger and freight railway, road and motorway transport works and services**. As required by the organisational model, which reflects the by-laws, activities are mainly carried out through investees¹⁴.

The Ferrovie dello Stato Italiane Group is organised into four operating **segments**: Transport, Infrastructure, Real Estate Services and Other Services. The Parent heads the operating companies in the various operating segments along the chain and other companies that provide services and support for the Group’s operations. The companies have their own corporate identity and independently manage operations to achieve their respective business targets. **The Group continuously operates on foreign markets** through its subsidiaries.



14) The map of Ferrovie dello Stato Italiane’s operating segments and equity investments was updated in February 2022. The chart shows the Parent’s direct subsidiaries consolidated on a line-by-line basis and FS SpA. itself.



TRANSPORT

The Group companies active in **passenger and/or freight transport by rail, road or water** operate in the Transport segment.

The leading operator in the **railway segment** is Trenitalia SpA, which provides passenger mobility services in Italy and abroad, managing both regional services and medium and long haul transport, above all high speed Freccia trains.

The segment results also include the Netinera group, which operates in rail and road transport on the German local public service space and metropolitan market with roughly 40 investees; TrainOSE, which operates in passenger and freight rail transport in Greece between Athens and Thessaloniki; Trenitalia UK, which provides passenger transport in the UK through its subsidiary Trenitalia c2c; Trenitalia France, which provides long-distance passenger rail services between France and Italy; the ILSA joint venture between Trenitalia and Air Nostrum, one of the first private players to access the Spanish market (services are



scheduled to be rolled out in 2022) and Ferrovie del Sud-Est e Servizi Automobilistici (FSE), the concession holder for rail and road services in Puglia.

The companies which mainly provide **freight transport** are those from the Mercitalia group, which was set up in 2017 and currently consists of seven companies operating nationally and internationally: Mercitalia Logistics, the subholding of the Mercitalia group, specialised in developing real estate assets for logistics and integrated logistics activities; Mercitalia Rail, which is Italy's largest rail freight company and one of Europe's largest; TX Logistik group, which is Germany's third-largest railway freight carrier, operating in

many other European countries as well; Mercitalia Intermodal, Italy's largest combined road/rail transport operator, and the third largest in Europe; Mercitalia Shunting & Terminal, an Italian leader in first and last mile railway services and one of the largest inland terminal operators in Italy; Mercitalia Maintenance, which specialises in maintaining railway cars; TERALP (Terminal AlpTransit), specialised in the construction of cutting-edge terminal infrastructures.

The Transport segment also includes the urban and suburban **road mobility transport services** provided by Busitalia - Sita Nord and its investees¹⁵, in addition to the aforementioned FSE.

¹⁵) Busitalia - Sita Nord is also active in the Utrecht and Groningen - Drenthe area through QBuzz, the Netherlands' third largest local public transport operator.



INFRASTRUCTURE

The Group's Infrastructure segment boasts **Europe's leading integrated railway and roadway infrastructure hub**, serving the largest number of residents with the most investments. The hub is operated by Rete Ferroviaria Italiana (RFI), the main national railway infrastructure operator, and by Anas, the national operator of the Italian roadway and motorway network.

Italferr contributes to this segment through its **engineering activities**, which it has consolidated in over 30 years of experience in infrastructural projects for traditional and high-speed railways, metropolitan and road transport and the design of ports and stations in Italy and abroad.

In addition, FSE also contributes to the results of this segment, by managing Italy's second largest railway network after RFI, as does Grandi Stazioni Rail, a company controlled by RFI, by **managing the key station businesses** for passengers and everyone working there (safety, cleaning and maintenance, ticketing, parking, office lease and engineering).

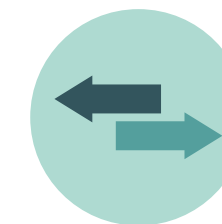


REAL ESTATE SERVICES

The Real Estate Services segment includes FS Sistemi Urbani, which deals with asset management services, markets and develops the Group's real estate assets not used in operations.

In addition, the Parent's real estate management activities contribute to the results of this segment, in that the Parent provides strategic guidelines with respect to real estate and asset allocation (e.g., mergers, demergers, contributions to vehicles, etc.) to the Group companies and it trades in owned land and properties.

FOR ADDITIONAL
INFORMATION ON THE
GROUP COMPANIES'
BUSINESSES AND
ACTIVITIES, VISIT THE
WEBSITE FSITALIANE.IT
("GROUP COMPANIES"
SECTION)



OTHER SERVICES

Ferrovie dello Stato Italiane operates in the Other Services segment as the Group's holding company, and **establishes and coordinates the operating companies' policies and business strategies** that are not part of the above-mentioned real estate management. The other companies that operate in the segment are: Ferservizi, which manages outsourcing for the main Group companies and activities not directly related to railway operations; Fercredit, which mainly aims to develop credit factoring and leasing on the captive market, in addition to expanding consumer credit transactions for Group employees; Italcertifier, which certifies, evaluates and tests transport and infrastructure systems; FS Technology, specialised in technology and innovation, and FS International, set up to spread the Group's extensive know-how throughout the world, offering a one-stop-shop for integrated solutions on a vast range of mobility segments, such as high-speed and traditional railways, freight transport and logistics services, mass transit systems, rail and road infrastructure, asset management, digital technology as well as safety and security services.

FS ITALIANE IS COMMITTED TO
CONSOLIDATING ITS LEADERSHIP IN
EUROPEAN RAILWAY TRANSPORT AND
IN THE INTERNATIONAL MARKET

The FS Italiane Group is an **international** benchmark in the transport sector, known for its excellence in railway expertise and the innovative technologies it uses.

The Group operates in various European countries through its subsidiaries: Netinera and TX Logistik, respectively providing passenger and freight transport in Germany, Trenitalia France (formerly Thello) in France, Trenitalia UK through its subsidiary Trenitalia c2c in the UK, TrainOSE in Greece, Qbuzz, a road and rail LPT company in the Netherlands, ILSA in Spain and Rom-Rail, a freight rail delivery company in Romania.

Starting December 2021, Trenitalia and Trenitalia France provide two daily two-way connections between Paris and Milan, via Lyon, Chambéry, Modane and Turin, with its high speed Frecciarossa trains.

The ILSA joint venture between Trenitalia and Air Nostrum is **one of the first private players to access the Spanish market**. ILSA expects to begin operating the service in 2022 and for ten years. It has chosen to use the Frecciarossa 1000 train.



GROUP ACTIVITIES THROUGH THE LENS OF EUROPEAN TAXONOMY

This section illustrates Group activities through the lens of European Taxonomy. Specifically, the FS Italiane Group's activities are set out and analysed in relation to the classification of economic activities introduced by Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

EU Taxonomy is part of the wider Action Plan for Financing Sustainable Growth¹⁶ rolled out by the European Commission in March 2018 which drew up an ambitious global sustainable finance strategy aimed at channelling capital flows to boost sustainable and inclusive growth. With its approval of the Green Deal¹⁷ in 2019, the European Union basically set the course for more sustainable investments. The goal is to reach a climate neutral economy in the EU by 2050, cutting emissions by 55% by 2030.

Regulation (EU) 2020/852, together with Regulation (EU) 2019/2088 (SFDR - Sustainable Finance Dis-

closure Regulation), aims to ensure fair competition and the rights of all companies operating in the EU, with the following key objectives: reorienting capital flows towards sustainable investments, mainstreaming sustainability into risk management, promoting/encouraging long-term investments and economic activities, such to foster transparency and coherence in classifying activities and mitigate the risks of greenwashing and fragmentation of the relevant markets.

Specifically, Regulation (EU) 2020/852 defines an environmentally sustainable economic activity as one that substantially contributes to at least one of these six environmental objectives:



ADOPTING EU TAXONOMY

The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. Under the regulation, undertakings which are subject to the obligation to publish a consolidated non-financial statement (NFS) shall include therein information on how and to what extent its activities are associated with environmentally sustainable economic activities. Specifically, they shall disclose the proportion of their turnover derived from products or services associated with environmentally sustainable economic activities (turnover KPI), the proportion of their operating expenditure (OpEx KPI) and the proportion of their capital expenditure (CapEx KPI) related to assets or processes associated with environmentally sustainable economic activities.

Under the regulation, an economic activity qualifies as environmentally sustainable if it:

- * contributes substantially to one or more of the six environmental objectives defined by the taxonomy (climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems);
- * does no significant harm to any of the environmental objectives (DNSH);
- * is carried out in compliance with the minimum safeguards.

In 2021, the European Commission published a specific delegated act (Delegated Regulation (EU) 2021/2139, the European Climate Law) establishing the activities and relevant technical screening criteria regarding the **climate change mitigation** and **climate change adaptation** objectives.

Therefore, the analysis performed by the FS Group focused on these two objectives. The European Commission had planned to issue the respective delegated acts for the other four environmental objectives by the end of 2021, but they are still pending to date.

Regulation (EU) 2020/852 also gave the Commission the power to adopt one or more delegated acts to indicate how undertakings which are subject to the obligation to publish a non-financial statement can reclassify their activities according to the delegated acts. Specifically, as per the delegated act related to article 8 adopted on 6 July 2021 (Delegated Regulation (EU) 2021/2178), the FS Group companies have prepared the qualitative and quantitative disclosure set out in the following sections.

Under such delegated act, for 2021, companies only have to report the

16) "Action Plan: Financing Sustainable Growth", Communication from the Commission of 8 March 2018.
17) "The European Green Deal", Communication from the Commission of 11 December 2019.



© Trenitalia archive

in EU countries to standardise the definition of economic activities, as well as the description of the various activities set out in the two delegated acts. The FS Italiane Group companies identified, where possible, their eligible activities “by NACE code” and by the description of each activity, aware of the fact that the delegated acts state that the NACE code is to be used solely as a guide and is secondary to the specific definition of the activity.

Accordingly, in identifying the eligibility of an activity for either of the two objectives, the companies assessed the economic activity by its actual characteristics and using the core business criterion. In fact, the economic activities described in the technical screening criteria do not always match a specific NACE code, or can be associated with more than one code.

As mentioned above, the European Commission subsequently added another delegated act (Delegated Act on Taxonomy Article 8) to the European Climate Law to complete the regulatory framework regarding the disclosure obligations un-

der Regulation (EU) 2020/852. Under such delegated act, companies are required to disclose three KPIs, as follows:

- the proportion of **turnover** derived from products or services associated with environmentally sustainable economic activities (**turnover KPI**);
- the proportion of **operating expenditure** related to assets or processes associated with environmentally sustainable economic activities (**OpEx KPI**);

proportion of turnover, OpEx and CapEx associated with activities defined eligible by the Regulation (eligible activities), without analysing the actual alignment of the technical screening criteria defined in the delegated acts related to the two above-mentioned environmental objectives.

Based on the regulatory framework, the Group companies first analysed their activities to map those that fall under the scope of the Regulation. In line with the Regulation, the companies will perform the actual alignment of the technical screening criteria to check which activities meet the sustainability requirements (aligned activities) starting from 2022 (though the process has already begun). However, the final assessment of the Group’s sustainable activities could be even substantially modified once the criteria have been properly checked and in light of the European Commission finalising such criteria.

The Group’s economic activities in 2021 have thus been divided into the following categories for the **two climate change mitigation and climate change adaptation** objectives:

- **eligible:** activities explicitly included in the Taxonomy Regulation which, in light of checking the technical screening criteria, could contribute substantially to climate change mitigation or adaptation;
- **non-eligible:** activities not included in the Regulation.

As regards the individual objectives, the European Climate Law sets out the technical screening criteria for the **mitigation** and **adaptation** objectives in Annex 1 and 2, respectively. The climate change mitigation objective aims to reduce the quantity of greenhouse gas in the atmosphere. A company pursuing this objective should ensure that its economic activity contributes substantially to the stabilisation of greenhouse gas emissions. The climate change adaptation objective aims to reduce the adverse impact of the current or expected future climate, or the risks of such adverse impact, whether on that activity itself or on people, nature or assets.

The eligible activities for the two objectives were classified, where possible, in line with NACE, the general classification system used

- the proportion of their **capital expenditure** related to assets or processes associated with environmentally sustainable economic activities (**CapEx KPI**).

The Group’s turnover KPI was calculated as the ratio between the proportion of turnover derived from products or services associated with taxonomy-aligned economic activities to total consolidated revenue (“Revenue and income”).

The OpEx KPI was calculated as the ratio between operating expenditure related to eligible activities, with the exception of indirect costs, to total consolidated operating costs (“Operating costs”). Indirect costs broadly refer to general costs, central services and costs related to staff and personnel not directly involved on the activities.

The CapEx KPI was calculated as the ratio between capital expenditure capitalised during the year related to eligible activities to the total capital expenditure (calculated using the criteria set out in point 1.1.2.1 of the delegated act).

Specifically, the denominator covers “additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations.” The Group also decided to provide separate disclosure of investments made via special purpose entities.



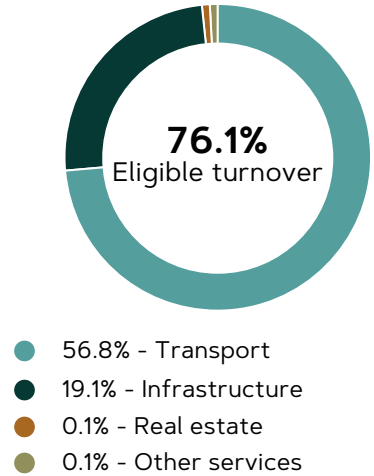
© FS Italiane archive



The graphs below summarise the KPIs of the Group and its four operating segments (Transport, Infrastructure, Real Estate Services and Other Services) regarding turnover, OpEx and CapEx related to eligible activities for the mitigation and adaptation objectives and related to non-eligible activities, as per Regulation (EU) 2020/852.

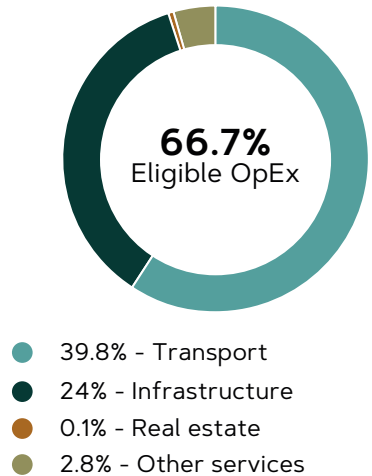
FS ITALIANE GROUP – TURNOVER, OPEX AND CAPEX FROM ELIGIBLE ACTIVITIES AND BY SECTOR

TURNOVER FROM ELIGIBLE ACTIVITIES



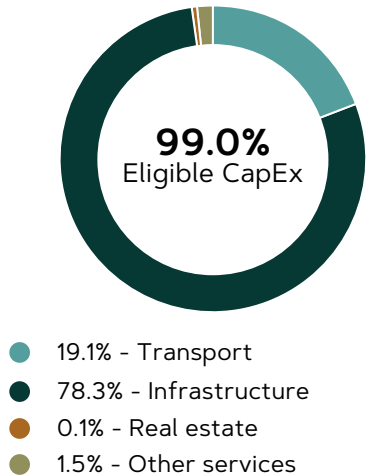
23.9% Non-eligible turnover

OPEX FROM ELIGIBLE ACTIVITIES



33.3% Non-eligible OpEx

CAPEX FROM ELIGIBLE ACTIVITIES



1.0% Non-eligible CapEx



As per the “Platform considerations on voluntary information as part of Taxonomy-eligibility reporting” published by the Platform on Sustainable Finance, details on turnover, OpEx and CapEx related to eligible activities are provided in the tables below.

The Group’s activities are eligible for the following Taxonomy sectors:

- * transport;
- * construction and real estate;
- * information and communication.

The Group also made fully eligible investments via the Special Purpose Entities (SPEs) TELT and BBT.

ELIGIBLE TURNOVER

TAXONOMY ACTIVITY	%
6.1 Passenger interurban rail transport	58.6%
6.2 Freight rail transport	9.9%
6.3 Urban and suburban transport, road passenger transport	7.3%
6.6 Freight transport services by road	0.0%
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	0.3%
6.11. Sea and coastal passenger water transport	0.0%
6.14 Infrastructure for rail transport	21.6%
6.15 Infrastructure enabling road transport and public transport	2.1%
7.2 Renovation of existing buildings	0.0%
7.7 Acquisition and ownership of buildings	0.2%
Total turnover from eligible activities	100.0%

ELIGIBLE OPEX

TAXONOMY ACTIVITY	%
6.1 Passenger interurban rail transport	41.7%
6.2 Freight rail transport	10.8%
6.3 Urban and suburban transport, road passenger transport	8.0%
6.6 Freight transport services by road	0.4%
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	0.3%
6.11. Sea and coastal passenger water transport	0.2%
6.14 Infrastructure for rail transport	35.0%
6.15 Infrastructure enabling road transport and public transport	2.5%
7.2 Renovation of existing buildings	0.1%
7.7 Acquisition and ownership of buildings	1.1%
8.1 Data processing, hosting and related activities	0.0%
9.3 Professional services related to energy performance of buildings	0.0%
Total Opex from eligible activities	100.0%

ELIGIBLE CAPEX

TAXONOMY ACTIVITY	%
6.1 Passenger interurban rail transport	17.3%
6.2 Freight rail transport	1.3%
6.3 Urban and suburban transport, road passenger transport	0.6%
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	0.1%
6.11. Sea and coastal passenger water transport	0.0%
6.14 Infrastructure for rail transport	80.4%
7.2 Renovation of existing buildings	0.2%
7.3 Installation, maintenance and repair of energy efficiency equipment	0.0%
7.7 Acquisition and ownership of buildings	0.0%
8.1 Data processing, hosting and related activities	0.1%
Total Capex from eligible activities	100.0%



(103-2, 103-3)

THE GROUP'S ROLE IN THE MOBILITY OF THE FUTURE

The Covid-19 crisis has **inevitably left a mark on passenger and freight transport and modal distribution** in contrast to trends in recent years which, according to Audimob Report¹⁸ estimates, had seen an upswing in demand for mobility in the 2017-2019 three-year period (+8% journeys, +14% passenger-km), after almost a decade of contraction born from the 2008 financial crisis. In general, it is safe to say that **people's travel habits underwent a dramatic upheaval** during the pandemic, on the one hand due to restrictions and, on the other, evolving along new paths of **demand for mobility** which was **still sluggish in 2021** despite the spread of the virus potentially abating.

An analysis of data during the pandemic shows a huge **downswing in the volume** of demand for mobility,

especially due to the lower impact of travel for work and study, spatial clustering and shifting focus to staying local, and the **crisis of collective transport**, partially due to social distancing rules and fear of infection, contrasting with the **huge upswing in active mobility**.

In 2021, especially from the second half of April, there was a **considerable rise in road travel**, thanks to the effects of the vaccination campaign, with traffic on the Anas network in September just 2% lower than the same period of 2019. Though gradually recovering, **public transport** continued to trail private mobility (cars and motorbikes) by some distance. It was mostly medium and long haul transport in the railway segment that continued to lag significantly behind pre-Covid figures, falling behind with regard to modal distribution as car

travel increased its share. **The offshoots of the pandemic**, such as huge numbers working from home and reduced business travel and commuting, **are some of the main drivers for change in the future demand for mobility**, highlighting the frailty of the old transport systems which need to be **completely overhauled**, driving us to develop new models focused on building a more equitable and sustainable society.

The strong impetus in fighting climate change, confirmed by the European Green Deal and the Fit for 55 package (the EU's climate and energy plan), stepped up by the NRRP funds, give us **the opportunity to reshape the mobility of the future, a sustainable, innovative, resilient, inclusive mobility**, to create long-term value for all stakeholders.

¹⁸ Report on mobility in Italy by ISFORT (Higher Institute of Transport Training and Research) in partnership with CNEL (National Council for Economics and Labour) and the scientific contribution of AGENS (Confederal Transport and Services Agency) and ASSTRA (Transport Association).



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(102-14, 102-15)

THE 2022-2031 STRATEGIC AND BUSINESS PLAN

THE PANDEMIC HAS CAUSED A **DRAMATIC OPERATIONAL AND STRATEGIC DISRUPTION** WHILE ALSO CREATING THE **OPPORTUNITY TO BEGIN A RESILIENCE PROCESS** FROM WHICH WE WILL EMERGE STRONGER THAN BEFORE, HAVING OVERCOME THE UNCERTAINTY AND HARNESSSED THE EXPERIENCE GAINED, OUTLINING THE ROLE THAT THE FS ITALIANE GROUP CAN PLAY WITHIN THE COUNTRY.

The pandemic has caused a **dramatic operational and strategic disruption** while also creating the **opportunity to begin a resilience process** from which we will emerge stronger than before, having overcome the uncertainty and harnessed the experience gained, outlining the role that the FS Italiane Group can play within the country.

With its **2022-2031 business plan**, the Group aims to implement a **system of resilient infrastructure, sustainable mobility and integrated logistics**, leveraging various factors:

- * making **national rail and road infrastructure investments**;
- * recovering and subsequently developing pre-Covid (passenger and freight) traffic volumes, also via suitable **repositioning and stimulation actions**;
- * placing renewed focus on the core business, **meticulously overseeing service quality**;
- * promoting **increasingly more sustainable mobility and logistics services**;
- * **developing systems aimed at large-scale self-production of energy from renewable sources**;
- * creating **synergies between the various transport systems** to foster **intermodal transport**



Switching from the historical logic of cost cutting and operating efficiency to a **logic of creating value for all stakeholders** will need a shift in mindset, facilitated by a **change management process** which will guide the Group's organisational transformation by **defining the following business hubs**:



Infrastructure: integrated, resilient physical infrastructure and engineering services to step up investments, also via suitable support provided along the chain, and creating rail-road synergies to foster the modal shift of passenger and freight transport;



Passengers: multimodal, customised (commuter, corporate and leisure) passenger services focused on creating value and top quality services;



Logistics: sustainable, integrated logistics, setting up a Europe-wide intermodal transport operator to boost the share of railways in modal distribution, also by coordinating with terminals and offering sustainable freight transport products;



Urban: urban regeneration and first/last mile intermodal and logistics solutions in urban areas.

The organisational restructuring will entail **new strategic actions** which will define unique, coordinated safeguards for **managing the Group's portfolio of international activities**, for **managing energy issues** - aiming to reduce the Group's CO₂ emissions and dependency on external energy sources (via energy efficiency, developing new plants for self-production of electricity, sourcing green energy from external sources for the remaining part, phasing out fossil fuels) - and, finally, for **managing and developing shared services** to support the core business.

Playing a key role in the collective sustainable mobility of the future also via **sustainable procurement management** and remodelling production cycles to boost the **circular economy**.

The **underlying factors** for such transformation are **digital infrastructure**, by building a centre of excellence to make sure that digital investments meet business needs and help develop platforms to connect people and freight, and our people, with ad hoc programmes created to enhance and develop their expertise.

(203-1, 203-2)

THE NRRP AND DEVELOPING TRANSPORT FOR ITALY

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 mobility system**.

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 NextGenerationEU¹⁹ extraordinary fund 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 “Italia Domani” National Recovery and Resilience Plan (NRRP) set up to implement the NextGenerationEU plan will **mobilise over €191.5 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**.



19) Also known as the Recovery Fund.

The FS Italiane Group has been called to play a **crucial role in defining and implementing the NRRP**. To date, €25.2 billion of the funds provided by the NRRP and the Complementary Fund **have been allocated to FS Group companies** in their role as implementers. Specifically, roughly €24.6 billion of funds earmarked for **Mission 3 Infrastructure for sustainable mobility** has been allocated to the Group, including €23.96 billion to RFI investments.

This is in line with the role allocated to railway transport regarding the Sustainable and Smart Mobility Strategy (SSMS) goals set by the European Community in 2020 to **help cut CO₂ emissions by 90% by 2050** and to complete the Single European Transport Area set out in the 2011 White Paper to **promote cohesion, reduce regional disparity, improve connectivity and access to the domestic market for all regions**.

Adding resources to existing projects and speeding them up, as well as introducing new projects linked to the strategy to build up the country's infrastructure (#Itali-aVeloce), the railway investments included in Mission 3 of the NRRP - integrated with those set out in the Complementary Fund as per article 4 of Decree law no. 59/2021 - aim to **build and complete works that are part of European infrastructure projects or that bridge gaps that are hindering Italy's econom-**

MISSION 3: INFRASTRUCTURE FOR SUSTAINABLE MOBILITY

Upgrade and expand the national high speed railway network and enhance the regional railway network, especially in the south. Upgrade freight transport services using an inter-modal approach regarding the airport network. Foster the optimisation and digitalisation of air traffic.



ic development, especially in the south and the islands.

Focused on developing the main railway lines, linking them up and integrating them into the HS/HC network, speeding up and updating the entire network including the regional lines, strengthening the railways for transporting freight over long distances and improving last mile connections, **the Mission 3 NRRP investments which RFI is responsible for are broken down into eight areas:**

1. **high speed railway connections towards the South** for passengers and goods;
2. **high speed lines** in the north connecting to Europe;

3. **east-west connections;**
4. **developing the European Rail Transport Management System (ERTMS);**
5. **upgrading metropolitan railway hubs** and key national connections;
6. **upgrading regional lines;**
7. **upgrading, electrifying and boosting the resilience** of southern railways;
8. **improving southern railway stations.**

The **expected benefits** include:

- * **greater integration** between the national railway infrastructure and regional railways;
- * expansion and integration of **rail/road services**;
- * uniform **safety standards**;
- * **new** passenger and freight connections to airports, ports and terminals;
- * **optimising services offered** by integrating High Speed services and local public transport.



CAPACITY



ACCESSIBILITY



PUNCTUALITY



NETWORK
INTEGRATION



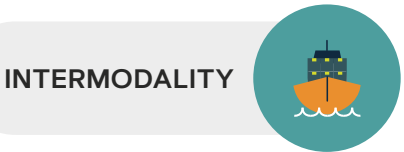
ROLLING STOCK
MANAGEMENT



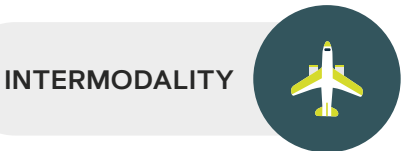
STATION AREA
MANAGEMENT



SPEED



INTERMODALITY



INTERMODALITY



PERFORMANCE



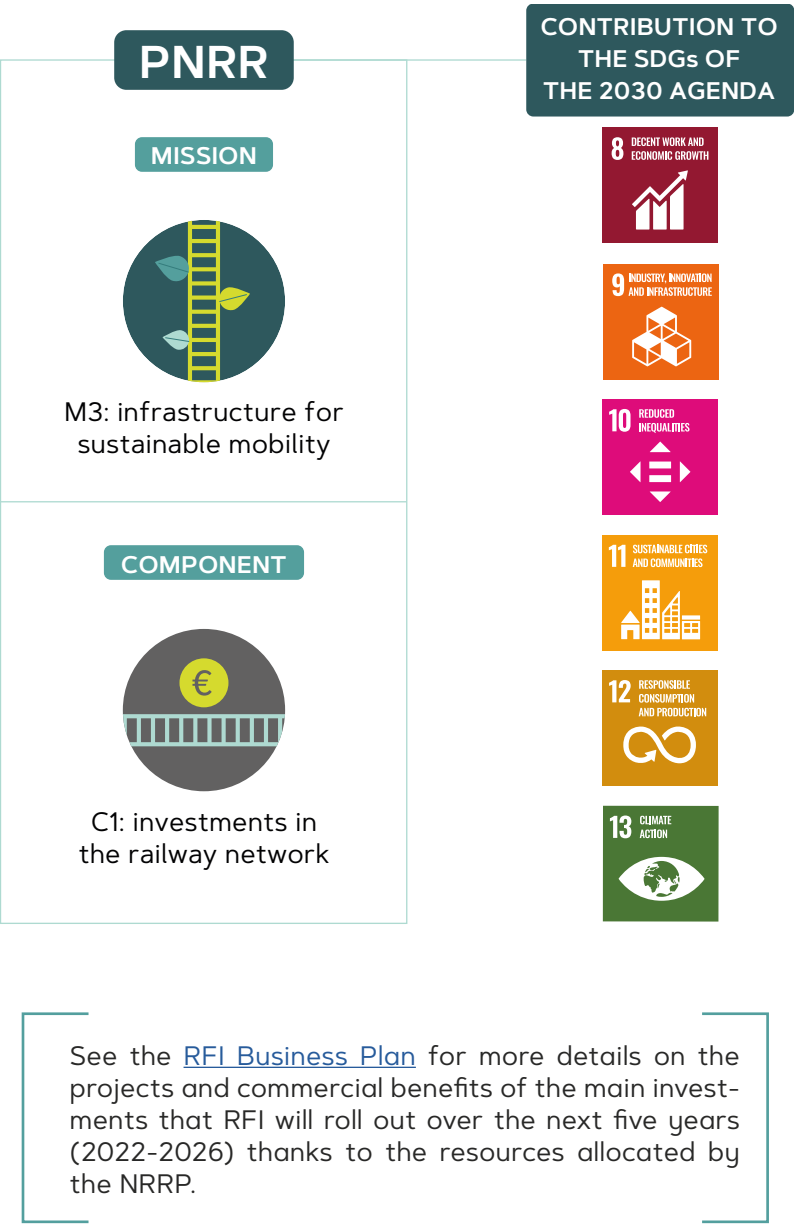
UPGRADING
AND SAFETY



SAVINGS

By 2026 the investments aim to have reached a significant milestone in the process to **build a modern, digitalised, sustainable infrastructure system** that can meet the **decarbonisation challenge** set by the European Union in the European Green Deal strategies and help **reach the SDGs** set out in the United Nations 2030 Agenda, especially some of them.

The sustainability factor of RFI's investments refers to both the purpose of the works once they are up and running and the planning and building choices and methods. As per the Recovery and Resilience Facility (RFF) for all measures included in NRRPs, for the first time, compliance was checked with the **"Do no significant harm"** principle set out in Regulation (EU) 2020/852 (the Taxonomy Regulation) which decrees that an economic activity is sustainable if it contributes to at least one of the six environmental objectives set out in the Regulation without causing any harm to the remaining environmental objectives.



THE PLANNING WAS COMPLETED FOR THE MAIN RAILWAY WORKS WITH FUNDS OF €4.3 BILLION

By sending the project for upgrading the Potenza-Metaponto section of the Battipaglia-Potenza-Metaponto-Taranto line to the Special Committee of the Superior Council of Public Works, RFI completed all the technical and financial feasibility projects funded by the NRRP on time and using the set methods. These projects are included in Annex IV to Law no. 108/2021, containing the ten strategic national works voted by parliament, for which there is a special assessment and approval procedure.

(203-1, 203-2)

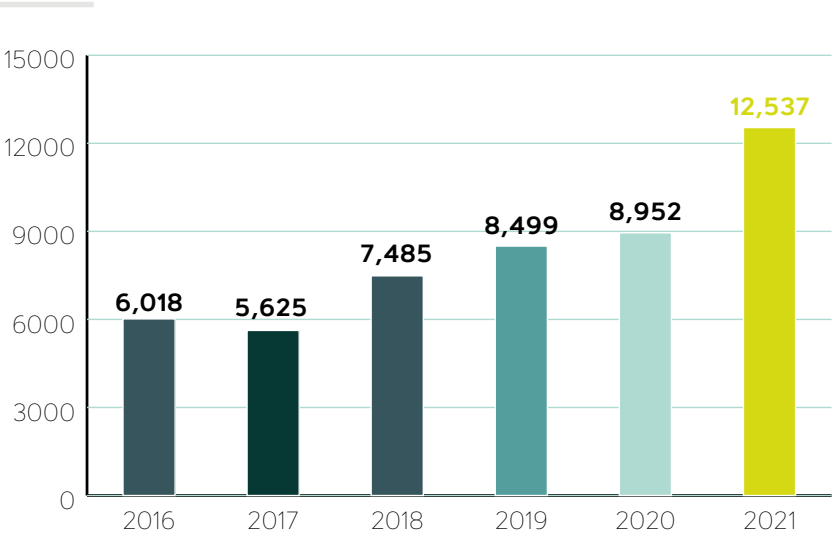
INVESTMENTS TO DEVELOP TRANSPORT FOR ITALY



DESPITE THE ECONOMIC SLUMP BROUGHT ABOUT BY THE PANDEMIC, THE FS ITALIANE GROUP HAS MANAGED TO CONTINUOUSLY INCREASE INVESTMENTS

Despite the economic slump brought about by the pandemic, the FS Italiane Group has managed to continuously increase investments, with an upwards trend in investment spending again in 2021, remaining one of the largest investors in Italy and supporting the development and renewal of the transport, infrastructure and logistics sector.

FS ITALIANE GROUP INVESTMENTS (€' MILLIONS)*



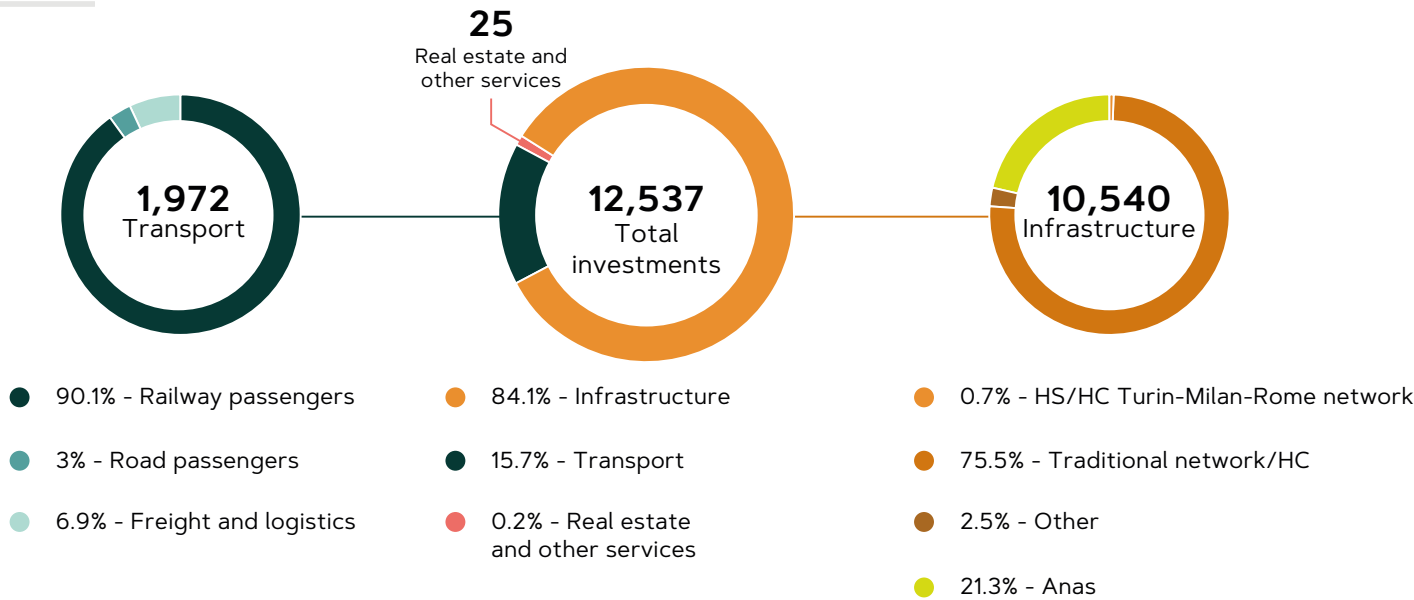
*Since 2019 they include the contractual advances paid to suppliers by RFI and Anas.

The FS Italiane Group's capital expenditure²⁰ totalled €12,537 million in 2021, up by more than 40% on the recognised investments in 2020, thanks to growth in infrastructure sector investments. Specifically, RFI invested €8,033 million (including €5,640 million for the traditional/HC network, €80 million for the HS/HC Turin-Milan-Naples network and €2,313 million for contractual advances to

suppliers), the Anas group €2,241 million (including €295 million for contractual advances to suppliers), Trenitalia €1,618 million, the Busitalia group companies €58 million, the Mercitalia group companies €136 million and, finally, the remaining companies operating abroad €134 million (Netinera, c2c, Trenitalia UK, Trenitalia France and TrainOSE).

The FS Italiane Group's investments prioritised Italy (98%), with only the residual 2% allocated to companies operating abroad. Investments are analysed below by segment.

INVESTMENTS MADE BY BUSINESS SEGMENT (€' M)



²⁰ These include investment programmes and projects (including those through leases or special purpose entities) managed by the Group to support business development, in property, plant and equipment, assets under concession or other intangible assets, excluding financial investments (in connection with equity transactions).

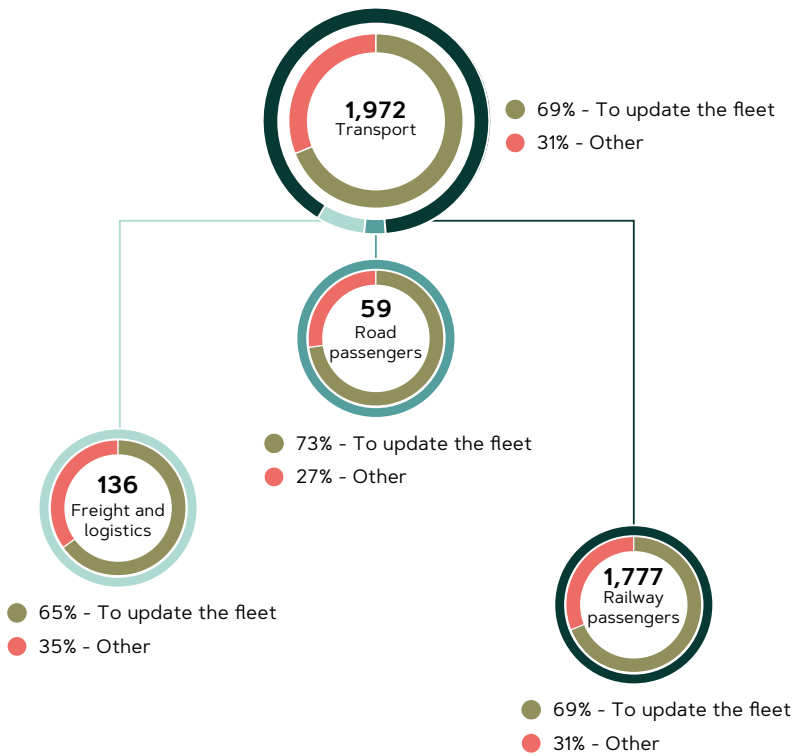


Approximately 35% of investments in the Infrastructure segment were earmarked for safety, technologies and maintaining efficiency (including €294 million to apply latest-generation technologies to the railway network), while the remaining approximately 65% went towards new works (roads and rails).

In the Transport segment, the updating of the railway passenger and freight fleet and the road transport fleet²¹, absorbed around 69% of investments (€1,354 million).

In 2021, the FS Italiane Group invested €14.5 million²² in development, approximately 64% of which in technologies for the safe circulation of trains, 33% to research and test new components and systems and the remaining 3% for environmental and land protection.

FOCUS ON UPGRADING THE FLEET IN THE TRANSPORT SEGMENT (€' M)



21) Updates for railway passenger and freight transport and logistics included the purchase and revamping of rolling stock.
22) These investments are classified with those for the Infrastructure segment.

INNOVATION AND SUSTAINABLE FINANCE AS ACCELERATORS OF CHANGE

INNOVATION

Continuous, systemic innovation is a strategic driver for the Group's strengthening of its leadership positions in the sectors in which it operates. Through innovation, the Group aims to offer increasingly higher quality services tailored to the specific needs of passengers, customers and other stakeholders. Innovation covers every link in the value chain, from design, to construction and maintenance and, finally, to the delivery of safe, integrated, made-to-measure transport services.

Faced with a highly uncertain scenario dominated by the pandemic, the FS Italiane Group is even more compelled to rethink and reorganise its services and how it uses the infrastructure, making innovation an accelerator of change.

The NRRP provided a huge stimulus by allocating considerable resources to the FS Italiane Group to build and design new railway infrastructure and upgrade existing infrastructure focused on sustainability, accessibility, digitalisation, resilience and interconnection.

Ferrovie dello Stato Italiane will play a crucial role in Italy's revival, not only in the amount of investments it will manage but also and above all in its ability to offer innovative solutions from a technical and sustainability point of view.

At the end of 2021, the Group began work on drafting its new 2022-2031 business plan. In addition to putting the resources allocated by the NRRP to use, it will also give great impetus to making FS' business more sustainable, digital and integrated.

The Group continues to be very active regarding research and innovation activities funded by the European Union through global consortia with over 100 partners including universities, research bodies, industry and sector operators. The portfolio of projects under way in 2021, chiefly focused on multimodal mobility, safety and aerospace technologies for monitoring infrastructure and signalling, received €72.8 million in EU funds over their lifespans, of which roughly €2.5 million allocated to the FS Italiane Group.

More specifically, the Group plays an active role in Horizon Europe, the EU's key funding programme for research and innovation which helps to achieve the UN's SDGs and boosts the EU's competitiveness and growth.

In addition to activities performed with sector associations and European institutions, the Group was very active in interacting with innovative start-ups and SMEs: over 1,240 from 2018 to 2021. Specifically, while the 2018-2020 three-year period was dedicated to boosting the deal flow of innovative solutions from a quantitative viewpoint, in 2021 scouting was structured in a manner to improve the quality of potentially interesting innovative solutions, in order to increase the success rate of co-innovation projects rolled out as Proof of Concept (PoC).

With regard to innovation and sustainability, the Group signed new partnerships with Snam, Eni, Enel and Sapio, focused on the transition to energy from alternative sources (hydrogen, biofuels, LNG, renewable sources), and with Acea

for widespread composting of organic waste in the Group's areas to boost the circular economy.

Furthermore, the Group kept its eye on the innovation ecosystem via various partnerships with leading players including start-up incubators and accelerators, advisers, observers and research centres.

As in the previous year, various open innovation solutions were rolled out in 2021: 3 Call4Ideas & Hackathons, 7 PoCs and various vertical scouting operations to meet the specific business needs of the operating companies.

Finally, the network of innovation hubs was expanded further to support FS' innovation processes. After Rome and Naples, Catania became home to a new hub.



INNOVATION HUB – CATANIA

FS Italiane inaugurated its third innovation hub in Sicily. Following in the footsteps of Rome and Naples, Isola Catania, a space dedicated to digital and energy, was opened in Palazzo Biscari. This is a place where FS Italiane Group - with the priceless contribution of Tree, a company specialised in open innovation and communication - can work on innovative projects and talented individuals, start-ups and companies can meet up and pool their know-how and experience.



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THE GROUP IS OPEN TO
THE OUTSIDE WORLD,
SEARCHING FOR STIMULI
AND PARTNERS FOR
INNOVATIVE SOLUTIONS,
BUT ALSO LOOKS
TO ITS OWN WORLD
THROUGH CORPORATE
ENTREPRENEURSHIP
PROGRAMMES

The second edition of "Innovate" focused on sustainability was held in 2021. Over 3,500 employees actively participated in the programme and five innovative projects run by intercompany teams were proposed via a flexible accelerator programme.

The winning project was SafeME: a badge holder for on-board train crew and drivers which enables workers in dangerous situations to make immediate contact with the control room (or emergency officer). The other finalists were:

- * SPGR - Security Power Augmented Railways: using augmented reality for maintenance, to give operators immediate, contextualised access to all technical information by looking at a device.

- * TaBii - Battery-powered trains on a hybrid infrastructure: allowing battery-powered trains to partially charge at each halt or stop via a line for electric traction near railway stations;

- * Smart Railway with IoT: a network of IoT (Internet of Things) devices to monitor the conditions of railway infrastructure (in particular, bridges, viaducts, tunnels, etc.) that detect instability and structural changes in the works in real time.

- * Virtual Warehouse: a virtual warehouse filled with 3D models of spare parts that produces spare parts in real time when they are effectively needed.

| SUSTAINABLE FINANCE

Sustainable finance tools are key for the Group in ensuring its sustainability and competitive edge over the medium to long term, with a direct impact on its reputation and its ability to collect funds on the capital market.

Recent legislative developments and the growing pressure of public opinion are encouraging collaboration between institutions, the financial sector and businesses to join forces in keeping global warming within the limits of the Paris Climate Agreement and to ensure future generations have the chance to live in a more sustainable world.

The recovery plan, the New Green Deal, EU taxonomy and sustainable finance drive the shift towards a greener continent, to improve personal well-being and achieve carbon neutrality by 2050.

Aware of its role in Europe, throughout the country and, especially, in the transport sector, the Group has decided to promote increasingly integrated, inclusive, collective and environmentally-friendly mobility (infrastructure and services).

In this context, it has chosen sustainable finance tools to fund all of its projects that help boost the Group's performance.

In addition to requiring the allocation of the proceeds to sustainable projects, sustainable finance in-

creases transparency with stakeholders through reporting on the ways in which the financing is used and its environmental and social impacts.

To finance projects with positive impacts in terms of environmental and social sustainability, Ferrovie dello Stato Italiane has developed a Green Bond Framework in line with the Green Bond Principles of the International Capital Market Association (ICMA).

The Green Bond Working Committee was set up on 27 March 2018 to implement and update the Green Bond Framework, with specific regard to the identification and assessment of eligible green projects, which includes holding discussions with the counterparties involved in the analysis of the projects' greenness and the implementation of reporting procedures and management of the proceeds from the bond placements.



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ETR 1000

Over the course of the past three years, four green bond²³ issues were placed for a total of €2.65 billion. With the first issue in 2017, the Group launched a programme aimed at integrating financing decisions with ESG criteria in line with its business model.

To date, the green bonds have financed the purchase of latest-generation rolling stock for public transport and freight transport, helping to cut emissions from the service.

In particular:

- * **the new regional Pop trains** (medium capacity) and **Rock** trains (high capacity) are equipped with high-energy efficiency technologies (e.g., natural ventilation engines, light alloys, LED lights, sensors for optimal air conditioning, smart parking mode, etc.), cutting CO₂ emissions by approximately 20% compared to the other trains in the same market segment. Furthermore, these trains are 92%-96% recyclable, offer more space and charging

stations for e-bikes and are eligible for white certificates (incentives for high-energy efficiency technologies);

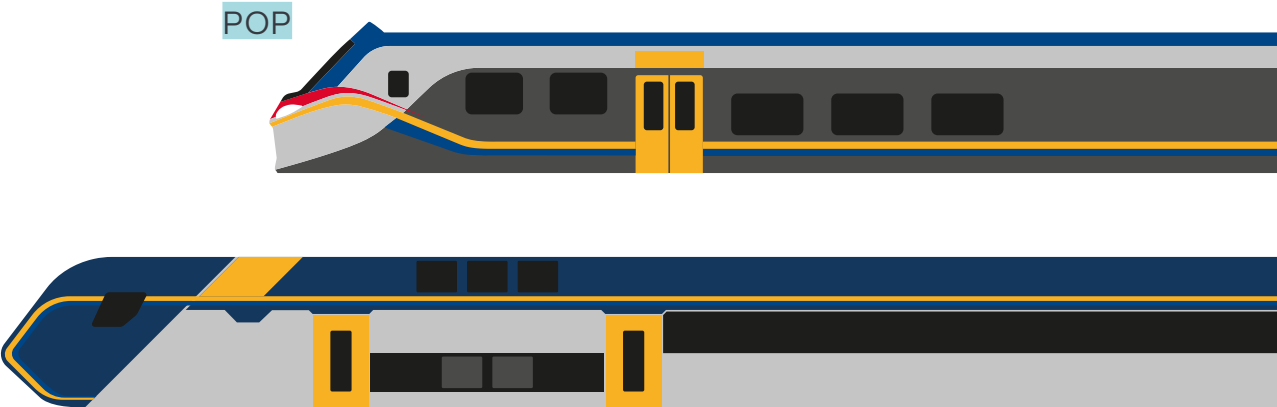
- * **the ETR 1000** trains (Frecciarossa 1000), the world's first high speed train with an Environmental Product Declaration (EPD) as it contains CO₂ emissions at just 28 grammes per passenger-km (approximately 20% less emissions than the previous generation ETR 500 train). To date, it is the most silent train with the least vibrations produced in Europe thanks to its reduced aerodynamic resistance. In addition, when its life cycle comes to an end, the materials used in some of its parts are 95% renewable and over 94% recyclable.

- * **the new engines** (E494, the most recent model in the TRAXX single-system locomotive family) were designed to reduce energy consumption, vibrations and noise pollution, using new technologies like parking mode and eco-mode (in which consumption

is reduced when, inter alia, loads are light), a dynamic braking system (that recovers the energy generated by braking) and a latest-generation air conditioning system. The **new wagons** also boast technological features that improve safety (electronic sensors to prevent accidents) and reduce energy consumption (they are approximately 1,400 kg lighter).

FS Italiane became the first company in Italy to be certified by the Climate Bonds Initiative - a non-profit organisation that promotes sustainable finance around the world as a way of combating climate change.

Demonstrating the Group's interest in using sustainable financial instruments to support investments that reduce the environmental impact of its sector, it has reached a green bond ratio²⁴ of 39% and a green debt ratio²⁵ of 23%. The Group placed two green bond issues in 2021:



POP

ROCK

- * the Group placed its third green bond issue in March for a nominal amount of €1 billion and seven year maturity. The total orders amounted to roughly €1.75 billion from approximately 90 investors, with huge demand in Italy and around 35% from abroad. Approximately 75% of the orders allocated came from ESG investors committed to sustainability issues. All of the projects funded by green bonds ensure improvements to energy efficiency, reduced CO₂ emissions and modal shift towards trains. The funds were used to purchase Pop and Rock regional trains (roughly 80% of the total) and high speed ETR 1000 trains, some of which were used in Spain for the first time;

- * the Group placed its fourth green bond issue in the second half of December for a nominal amount of €350 million subscribed as a private placement by the European Investment Bank (EIB), which funded Trenitalia's purchase of trains for the high speed lines in Italy and Spain. These were the first green bonds purchased by the EIB under its Green Bond Purchase Program. The project helps expand the high speed network and transport on the Trans-European Transport Network (TEN-T) in Italy and Spain, fostering a single railway market and shifting road and air traffic to the railways in line with the EU's 4th Railway Package.

In addition to the green bonds, the Group also used other sustainable finance tools in recent years; specifically:

- * a green loan from Unicredit to purchase new Frecciargento electric trains for passenger transport in line with the European Taxonomy criteria;
- * private bond placement to purchase new trains for public transport, in line with European Taxonomy criteria, funded via the Eurofima green bond programme;
- * a climate action loan from the European Investment Bank to purchase new hybrid trains for regional transport;
- * a sustainability-linked revolving credit facility (RCF).

23) The documentation is available at the following address: <https://www.fsitaliane.it/content/fsitaliane/it/investor-relations/debito-e-credit-rating/green-bond-framework.html>.

24) The total amount of outstanding green bonds (at year end) divided by the total amount of outstanding bonds (five-year moving average) as per the "Commission guidelines on non-financial reporting: guidelines on reporting climate-related information" issued by the European Commission on 20 June 2019).

25) The total amount of outstanding green debt instruments (at year end) divided by the total amount of outstanding debt (five-year moving average) as per the "Commission guidelines on non-financial reporting: guidelines on reporting climate-related information" issued by the European Commission on 20 June 2019.

FS Italiane agreed the new three-year RCF in June 2021 for an amount of **€2.5 billion** as the Group’s first sustainability-linked product.

Under the terms of the RCF, the margin and commitment fees are revised when the Group reaches targets related to the four key performance indicators that act as a snapshot of its commitment to various ESG (Environmental, Social & Governance) issues.

The targets are as follows:



ESG TARGETS

	GENDER GAP AMONG MANAGEMENT Closing the gender gap by increasing the number of women in managerial positions
	ESG RATING Improving the Group’s sustainability profile according to the ratings agency Moody’s ESG Solutions methodology
	EASY STATIONS Increasing the number of actions to eliminate architectural barriers at stations to give all passengers full autonomy while travelling (raising platforms, installing lifts and tactile walkways)
	INTEGRATED MOBILITY Increasing the number of spaces for bicycles available on the regional train fleet in Italy, to boost the modal shift towards collective and shared mobility

The table below provides an update on the ESG targets of the sustainability-linked RCF²⁶:

KPI	MEAS-UREMENT UNIT	BASELINE	2021 TAR-GET	2021 ACTUAL	STATUS
ESG rating – Moody’s ESG Solutions (formerly Vigeo Eiris)	score	52	54	64	●
Gender gap ²⁷	%	27.5	n.a.	29.7	●
Easy station					
Actions	no.	605	≥730	759	●
Tactile walkways	km	53	≥60	72	●
Integrated mobility					
Bicycle spaces	no.	5,050	≥ 5,500	5,711	●

As shown above, the initial results attained are in line with the commitments made (ensuring that FS will enjoy the financial benefits gained from more favourable financial conditions of the RCF) and demonstrate the key role that the Group intends to fill in developing safe, integrated and sustainable mobility. These priority objectives for FS and Italy will be monitored and measured annually for the next two years until the RCF expires in 2024.

● Target achieved;
● Target in the process of being achieved.

26) See the “ESG rating and other awards” section for more details on the target related to improving the Group’s sustainability profile according to the ratings agency Moody’s ESG Solutions methodology.
27) The target has been spread over the next two years, starting from 2022. The scope of the analysis includes the following companies: FS SpA., RFI, Trenitalia, Ferservizi, Italferr, FS Sistemi Urbani (net of personnel seconded to Metropark), Mercitalia Logistics, Mercitalia Rail, Mercitalia Intermodal, Busitalia Veneto, Busitalia Rail Service, Busitalia Campania, Grandi Stazioni Rail, Grandi Stazioni Immobiliare, Terminali Italia, Italcertifer, Nugo, FS Technology and Cremonesi Workshop.

(103-2, 103-3)

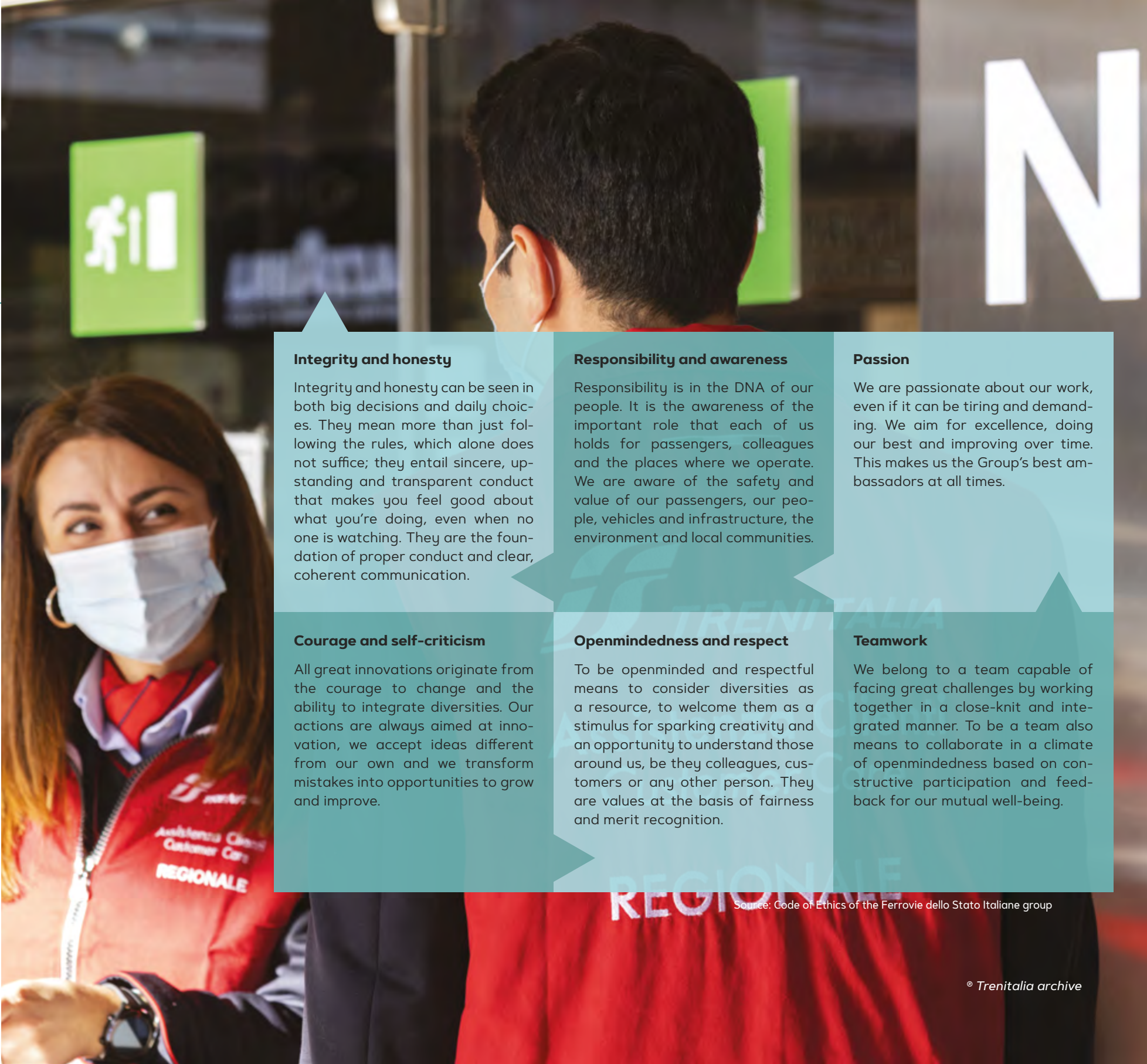
TRANSPARENCY AND BUSINESS RESPONSIBILITY

THE WORLD AROUND US IS CHANGING. IN ORDER TO CONTRIBUTE MORE AND MORE TO THE DEVELOPMENT AND WELL-BEING OF THE COUNTRIES WHERE WE OPERATE, WE MUST UNDERSTAND THE TRENDS AND FORCES THAT WILL SHAPE OUR GROUP IN THE FUTURE AND ACT QUICKLY TO GET READY FOR WHAT IS TO COME.

We must be ready for the future now.

On this journey towards the future, **sustainability, responsibility, transparency, ethics and integrity** are the principles that guide the Group in the creation of corporate governance processes.

The values and rules of conduct in the Code of Ethics reflect **our commitment to ensuring that all people in or outside the Group always act lawfully and ethically.**



Integrity and honesty

Integrity and honesty can be seen in both big decisions and daily choices. They mean more than just following the rules, which alone does not suffice; they entail sincere, up-standing and transparent conduct that makes you feel good about what you're doing, even when no one is watching. They are the foundation of proper conduct and clear, coherent communication.

Responsibility and awareness

Responsibility is in the DNA of our people. It is the awareness of the important role that each of us holds for passengers, colleagues and the places where we operate. We are aware of the safety and value of our passengers, our people, vehicles and infrastructure, the environment and local communities.

Passion

We are passionate about our work, even if it can be tiring and demanding. We aim for excellence, doing our best and improving over time. This makes us the Group's best ambassadors at all times.

Courage and self-criticism

All great innovations originate from the courage to change and the ability to integrate diversities. Our actions are always aimed at innovation, we accept ideas different from our own and we transform mistakes into opportunities to grow and improve.

Openmindedness and respect

To be openminded and respectful means to consider diversities as a resource, to welcome them as a stimulus for sparking creativity and an opportunity to understand those around us, be they colleagues, customers or any other person. They are values at the basis of fairness and merit recognition.

Teamwork

We belong to a team capable of facing great challenges by working together in a close-knit and integrated manner. To be a team also means to collaborate in a climate of openmindedness based on constructive participation and feedback for our mutual well-being.

Source: Code of Ethics of the Ferrovie dello Stato Italiane group



(102-5, 102-11, 102-12, 102-14, 102-15, 102-16, 120-18, 102-19, 120-22, 120-24, 102-25, 102-26, 102-27, 102-28, 120-29; 405-1)

CORPORATE GOVERNANCE

The corporate governance structure of FS Italiane SpA. and its main subsidiaries is organised according to the traditional system: the shareholder appoints a board of directors (the Parent's BoD is responsible for management and is currently comprised of seven directors) and a board of statutory auditors (the Parent's board of statutory auditors is responsible for controls and is currently comprised of three standing statutory auditors and two alternate statutory auditors). The shareholder also appoints the independent auditors²⁸, responsible for perform-

ing the statutory audit. Pursuant to article 12 of Law no. 259/1958, the Court of Auditors' Magistrate appointed to audit FS Italiane SpA. attends the meetings of the board of directors and the board of statutory auditors, integrating the corporate governance system.

In accordance with the by-laws, the board of directors: (I) appoints a CEO; (II) may assign proxies to the Chairperson, with the shareholder's approval, with respect to issues that may be delegated by law; (III) sets up committees, where necessary, to provide con-

sultation and make proposals (two committees were set up in FS SpA: the Governance, Appointment and Remuneration Committee and the Control, Risk and Sustainability Committee); and (IV) appoints the Manager in charge of financial reporting.

The following chart represents FS SpA's corporate governance structure.

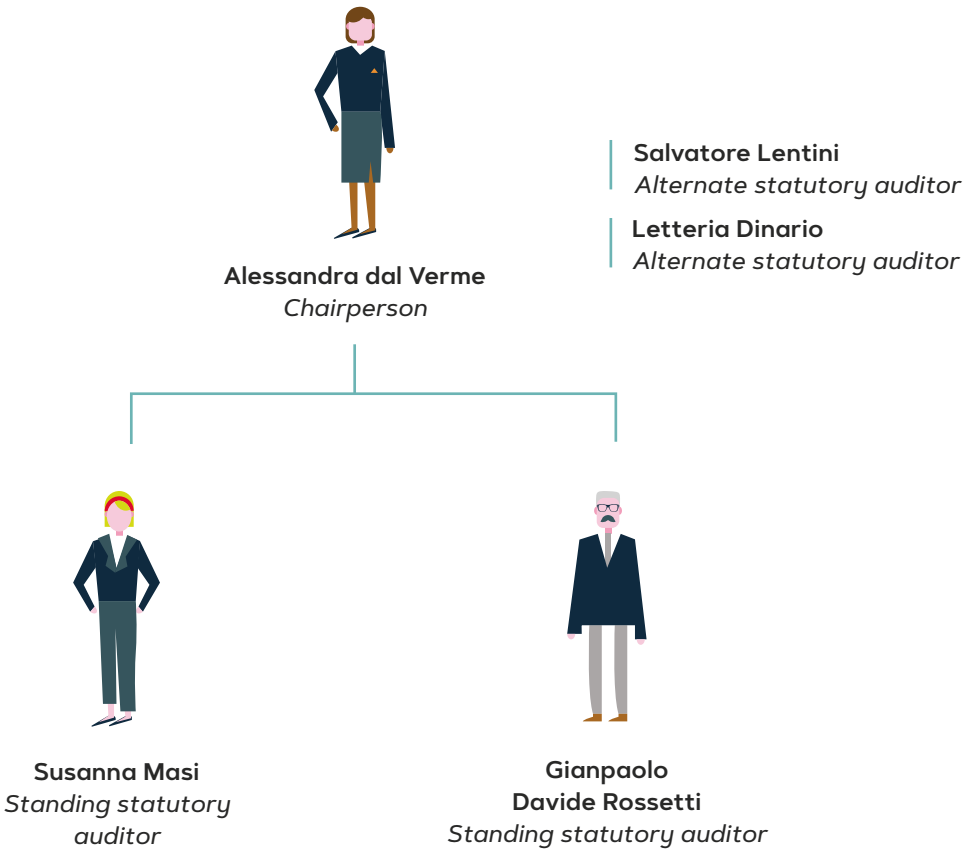
Additional information is given in the Group's 2021 Annual Report (Directors' report, Report on corporate governance and the ownership structure).

28) KPMG SpA was engaged to perform the statutory audit for both the parent and the subsidiaries beginning from 2014. Based on the applicable special provisions provided for by Legislative decree no. 39/10 (article 16 and subsequent articles), after FS SpA. became an "entity of public interest" by issuing the listed bonds in 2013, the engagement lasts for nine years (2014-2022).

BOARD OF STATUTORY AUDITORS

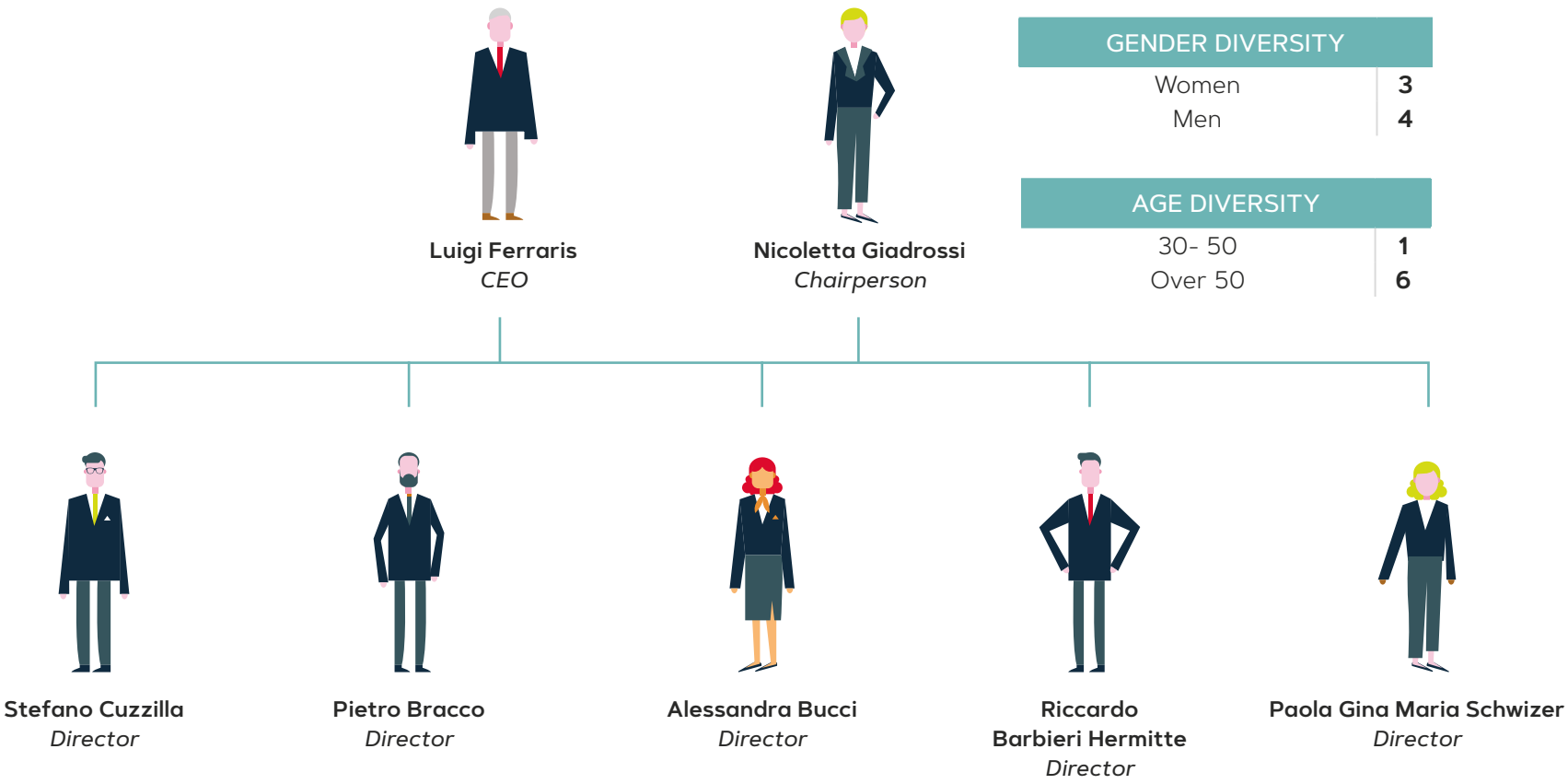
The board of statutory auditors monitors compliance with the law, the by-laws and the principles of correct administration, particularly with respect to the adequacy of the parent’s organisational, administrative and accounting system and that it functions properly.

When the parent became an entity of public interest, its board of statutory auditors also became the Internal Control and Audit Committee pursuant to article 19 of Legislative decree no. 39/2010, responsible for supervising financial reporting, the efficiency of internal control systems, internal audit and risk management, as well as the statutory audit and, finally, the independence of the independent auditors, especially with regard to the type of any non-audit services provided to the audited company.



BOARD OF DIRECTORS

It has exclusive powers for the Group’s financial and strategic aspects and the appointment of the strategic subsidiaries’ boards of directors and boards of statutory auditors.



SHAREHOLDERS’ MEETING

Attended by the sole shareholder, the MEF, which exercises the shareholder’s rights in agreement with the Italian Ministry of Infrastructure and Sustainable Mobility.



231 SUPERVISORY BODY*

Rocco Blaiotta
Chairperson
Maurizio Bortolotto
Umberto La Commara



COURT OF AUDITORS' MAGISTRATE

Giovanni Coppola



MANAGER IN CHARGE OF FINANCIAL REPORTING

Roberto Mannozi



INDEPENDENT AUDITORS

KPMG SpA.

MANAGEMENT



Audit



Technology, Innovation & Digital



Communication



Administration, Planning & Control



Finance & Investor Relations



Corporate Affairs



Legal Affairs



International



Strategy, Sustainability & Asset Management



Security & Risk



Group Transformation

COMMITTEES

GOVERNANCE, APPOINTMENT AND REMUNERATION COMMITTEE



Stefano Cuzzilla (Chairperson), Pietro Bracco and Alessandra Bucci are the members of this committee, which provides proposals and recommendations to the board of directors with respect to, inter alia, how key managers and members of the management and control bodies of Group companies are selected and chosen; remuneration and incentive system guidelines and criteria; and criteria for measuring and assessing performance targets.

CONTROL, RISK AND SUSTAINABILITY COMMITTEE



Pietro Bracco (Chairperson), Riccardo Barbieri Hermitte and Stefano Cuzzilla are the members of this committee, which is responsible for providing proposals and advice to the board of directors in the latter's assessments and decision on the internal control and risk management system, its approval of periodic financial and non-financial reports as well as the sustainability profile of FS' operations and its interaction with all stakeholders.

OTHER COMMITTEES

GREEN BONDS



The Green Bond Committee implements, maintains and updates, where necessary, the Green Bond Framework, with specific regard to the identification and assessment of eligible green projects, holding discussions with the counterparties involved in the analysis of the projects' greenness and the implementation of reporting procedures and management of the proceeds from the bond placements.

ETHICS COMMITTEE



This committee carries out advisory activities and sets guidelines within the framework of the principles and rules of the FS Italiane Group's Code of Ethics. Its main responsibility is to clarify the meaning and application of the Code of Ethics and propose any improvements, examine any reports received, promote the appropriate investigations and provide support in the definition of ethics communication/training initiatives.

*On 17 December 2020, FS SpA's board of directors amended the parent's 231 Model and by-laws in relation to the composition of the Supervisory Body. In its new form, the Supervisory Body consists of three members, of which: (i) at least two members from outside the Group, one of whom - with specific expertise in Legislative decree no. 231/2001 - is also appointed chairperson, and (ii) another member from outside the Group or, alternatively, the Internal audit manager in office. An external member other than the chairperson may be a member of the board of statutory auditors.

OTHER COMMITTEES



IT SYSTEMS AND INFORMATION SECURITY COMMITTEE

It steers the FS Italiane Group’s data security strategies, makes proposals to Group companies for critical business processes in relation to emerging risks with respect to the use and management of IT resources, monitors IT initiatives and evaluates and approves proposals for the regulation of evaluations and certifications with respect to the security of information and IT systems.



SOD (SEGREGATION OF DUTIES) COMMITTEE

It is an advisory and steering body with respect to the segregation of duties. This committee is also responsible for defining, validating and safeguarding the Group’s SoD risk matrix, analysing and monitoring the implementation of the appropriate remediation actions to manage/resolve SoD risks that are detected throughout many Group companies’ staff processes.



231 STEERING COMMITTEE

This committee steers the work of the 231 team and assesses its proposals. The 231 team was set up in 2017 to provide the parent with permanent, expert, technical support on the updating of FS SpA’s organisational, management and control model, defined pursuant to Legislative decree no. 231/2001, and to guarantee a periodic flow of information to the CEO, the Supervisory Body and other control bodies.



LEGAL PROTECTION

It provides legal assistance to employees who have decided to take legal action after having been, in the performance of their work duties and/or in any case in relation to their work duties, victims of acts of aggression by identified or unidentified third parties.



SPONSORSHIP AND PARTNERSHIP COMMITTEE

This committee assesses and approves communication and/or marketing sponsorships and partnerships proposed by company units or Group companies to make sure they are in line with Group strategies and communication goals and suitably improve the Group’s image and help promote the products/services of the Parent and/or relevant Group company.



FOREIGN CRISIS MANAGEMENT COMMITTEE

It is deployed by FS Italiane SpA’s operating Travel security team. It works in collaboration with a specialised provider and the competent institutions.



SUSTAINABILITY

The Sustainability Committee guarantees the integration of social and environmental aspects in the Group’s economic-financial strategies and promotes the values and principles of sustainable development, in line with stakeholders’ needs and expectations.



CREDIT COMMITTEE

The Credit Committee monitors the performance of Group loans and receivables, highlighting any critical areas and promoting the necessary corrective action, while also assessing consolidated exposure to each counterparty and any possibility of offsetting amounts.



EQUAL OPPORTUNITIES COMMITTEE

This committee promotes initiatives and pro-active measures to offer women workers more favourable working conditions and work distribution, to help them achieve a better work/family balance.

ITALY’S JOINT COMMITTEE ON TRAINING FOR THE FS ITALIANE GROUP/STEERING COMMITTEE



It is responsible for steering and supporting group-funded training activities and subsequently assessing them, in addition to linking them at the interconfederation and trade sector level. The Commission also serves as a “Steering committee” whose main responsibilities include: approving intercompany and/or individual company training plans to submit to Fondimpresa on behalf of the parties; monitoring their performance and checking the success of completed initiatives; drafting and signing memoranda of understanding to obtain loans and borrowings.

As the Parent and in full compliance with applicable regulations, **Ferrovie dello Stato Italiane SpA**. (the “Parent”), which is wholly owned by the state through the Ministry of the Economy and Finance (the “MEF”), mainly handles the strictly **corporate activities that are typical of a holding company** for a group of companies operating in Italy and abroad, while its investees retain their independent legal responsibilities. FS Italiane SpA is focused on generating value for stakeholders, pursuing environmentally, socially and economically sustainable development based on the principles of lawfulness, ethics, integrity and transparency²⁹.

Within the Group, **FS SpA establishes strategic guidelines for its subsidiaries**, while the operating companies are responsible for managing and developing their respective businesses in accordance with the guidelines established by the Parent and highly specialised technical companies and/or service companies provide services to the Group - in accordance with the principles of cost effectiveness, efficiency and quality - and, where applicable, to the market as well.

Over time, the development of the Group’s domestic and international businesses has led to the creation of sub-holding companies for groups of investees operating in the same business segments to ensure the integrated implementation of the Parent’s strategic guidelines and coordination of similar business areas.

As part of its steering activities, the Parent defines the Group’s corporate governance system and organisational model in line with the Group’s defined strategic goals, examines and checks the consist-

ency of the subsidiaries’ strategic business plans with the Group’s strategic plan, and manages institutional affairs with the government, considered in the broadest sense (central government, ministries, regions and public administrations in general).

The Parent’s steering activities are aided by a general performance monitoring system, which uses indicators and parameters of strategic results, in compliance with principles of sustainability, lawfulness and overall fairness of the management and application



FOCUSED ON GENERATING VALUE FOR STAKEHOLDERS,
PURSUING ENVIRONMENTALLY, SOCIALLY AND
ECONOMICALLY SUSTAINABLE DEVELOPMENT BASED ON
THE PRINCIPLES OF LAWFULNESS, ETHICS, INTEGRITY
AND TRANSPARENCY

of the guidelines and policies defined. They are also aided **by the promotion of strategic projects** for the Group such as those in the field of innovation, sustainability and tourism, aimed at creating added value for Group companies and for the development of the country, enhancing internal know-how and experience and attracting new know-how and experience from outside the Group, and **by the definition and development of change management initiatives** to support the Group’s strategic and technological growth.

The Parent also **steers and coordinates** cross-sectional (or staff) processes functionally by having **Group Process Owners** supervise processes and the specialised tasks of each professional family, with respect to the same functions carried out by the subsidiaries, in order to achieve synergies, capitalise on shared experience and maximise the integration of pro-

fessional expertise. The objective is, among other things, to optimise processes and make them more efficient. The **Group Process Owners** are the senior level unit managers³⁰, the CEO and Chairperson of Ferrovie dello Stato Italiane SpA.

With regard to the processes under their responsibility and with the specialised and methodological support of the competent unit of the Parent’s Corporate Affairs Department, the Group Process Owners: update Group policies, guidelines, procedures and methodologies; perform a preliminary analysis of the companies’ organisational documents to check their compliance with Group policies/guidelines and to provide methodological support, if necessary; monitor the implementation of such guidelines; identify and define professional standards for the relevant area/professional group and set parameters for updating the skills of the relevant profes-

sional group; ensure that company organisational models for general Group processes comply with the guidelines.

The governance regulations also include the possibility that the Parent’s organisational structures can oversee general Group processes centrally for Group companies, except in cases where company-level oversight is needed for sensitive staff processes that require segregation of duties and responsibilities between infrastructure and transport activities. The Parent provides centralised management of activities in the form of a service to subsidiaries regulated via specific intercompany service contracts. In compliance with relevant legislation, the activities that the Parent carries out regarding Group companies as part of its oversight role do not fall under intercompany service contracts.

29) Group measure no. 288/AD of 16 April 2020 FS Italiane Group compliance model.

30) Among the senior level unit managers only the Chief transformation officer is not considered a group process owner given the type of activities they oversee.



The FS Italiane Group ensures its stakeholders that the Group is managed in line with the strategic goals.

To this end, the Parent spurs Group companies to adopt suitable internal control and risk management models.

With regard to preventing risks as per Legislative decree no. 231/2001, FS Italiane Group companies adopt their own organisational, management and control models, make sure they are actually implemented and updated and set up supervisory bodies, with independent powers to act and control, responsible for monitoring that the models function and are complied with and for updating them.

The Parent dictates the requirements and criteria for the appointment of the supervisory body members.

FS Italiane SpA's organisational structure (in terms of organisational units/positions, missions and responsibilities, title and workplace location) and its variations are formalised and reported via organisational measures. In particular:

- ✱ the CEO of FS Italiane SpA signs and authorises the organisational measures regarding the units/positions that report directly to him;
- ✱ the Chairperson of FS Italiane SpA signs and authorises the organisational measures regarding the Audit Department;
- ✱ the department heads who directly report to the CEO and/or the chairperson together with the Corporate affairs manager sign and authorise the organisational measures regarding variations to their respective departments.

This process ensures that the CEO's ordinary and extraordinary management responsibilities, including economic, environmental and social responsibilities, are deployed along the hierarchical chain.

SUSTAINABILITY GOVERNANCE

We believe that economic development, social inclusion and environmental protection can be pursued only through good sustainability governance. This is why we have defined and adopted a sustainability governance model and made the highest internal governance body, FS Italiane SpA's board of directors, accountable for it.

BOARD OF DIRECTORS

The board examines and approves strategic, business and financial plans, including the business plan, which includes objectives and guidelines to promote a sustainable business model and create long-term value.

The board is responsible for approving the Sustainability Report and the consolidated non-financial statement pursuant to Legislative decree no. 254/16 (NFS), with the Control, Risk and Sustainability Committee's prior approval.

CEO

The chairperson of the Sustainability Committee assesses and approves the proposals of the board of directors regarding the integration of social and environmental aspects in the Group's strategies, including through dialogue with stakeholders and examines and validates the draft Sustainability Report.

CHIEF STRATEGY, SUSTAINABILITY & ASSET MANAGEMENT

It defines guidelines, methodologies and models for the proper implementation of sustainability policies and also acts as technical secretary for the Sustainability Committee.

In 2016, we established a Group Sustainability Committee to advise the Group's CEO (as chairperson of the Sustainability Committee), guaranteeing the integration of sustainability principles in business strategies.

CONTROL, RISK AND SUSTAINABILITY COMMITTEE

SUSTAINABILITY COMMITTEE*

RFI
Trenitalia
Mercitalia Logistics
Busitalia - Sita Nord
Anas
Italferr
Ferservizi
FS Chief Officer

*With Group organisational measure no. 76/AD of 15 December 2021, which fully replaced Group organisational measure no. 47/AD of 15 April 2020, the members of the Sustainability Committee were renewed.

IN ORDER TO OVERSEE SUSTAINABILITY ISSUES AT THE GROUP'S OPERATING COMPANIES, AIDED BY A SUITABLE ORGANISATIONAL STRUCTURE, FS UNDERWENT A CHANGE MANAGEMENT PROCESS IN 2021 BY REVISING THE SUSTAINABILITY AND ENVIRONMENT PROFESSIONAL GROUP.



To reinforce awareness and stimulate commitment regarding the underlying reasons behind the change needed to tackle recovery and the strategic value of sustainability issues for the FS Italiane Group, an induction programme is being designed for the boards of directors and managers of the Group companies.

The training content of the programme for the boards of directors, aimed at promoting a business model that ensures balance between ESG components, will be broken down into two sessions: entry-level session of the boards who did not attend the previous induction, and deep dive session for the boards who did attend the induction organised by the Parent in 2019-2020.

The training content for managers aims to disseminate current fundamental content and give a systematic view of the Group and the broader external context.

Both induction programmes will respectively include the participation of an expert - the leader will be a top Italian and/or global expert with proven seniority and expertise - and Group sector specialists.

(102-11, 102-12, 102-17, 102-30; 205-1, 205-2, 205-3, 207-1, 207-2, 207-3, 403-1)

BUSINESS INTEGRITY

WE PROMOTE A COMPANY CULTURE BASED ON INTEGRITY, ETHICS, LOYALTY, PROBITY, TRANSPARENCY AND RESPECT FOR THE LAW, WHICH ARE DETERMINANT PRINCIPLES IN GOVERNING COMPLEXITY, ENCOURAGING KNOWLEDGEABLE DECISIONS.

We prevent and abstain from any situation presenting a conflict of interest and repudiate and discourage any form of corruption at all levels in Italy or abroad. To ensure transparency with stakeholders in the management and control of the business, we have defined best practices through a solid system, consisting of rules, tools, activities, procedures and organisational structures, to protect the Group's reputation and integrity and the stakeholders.

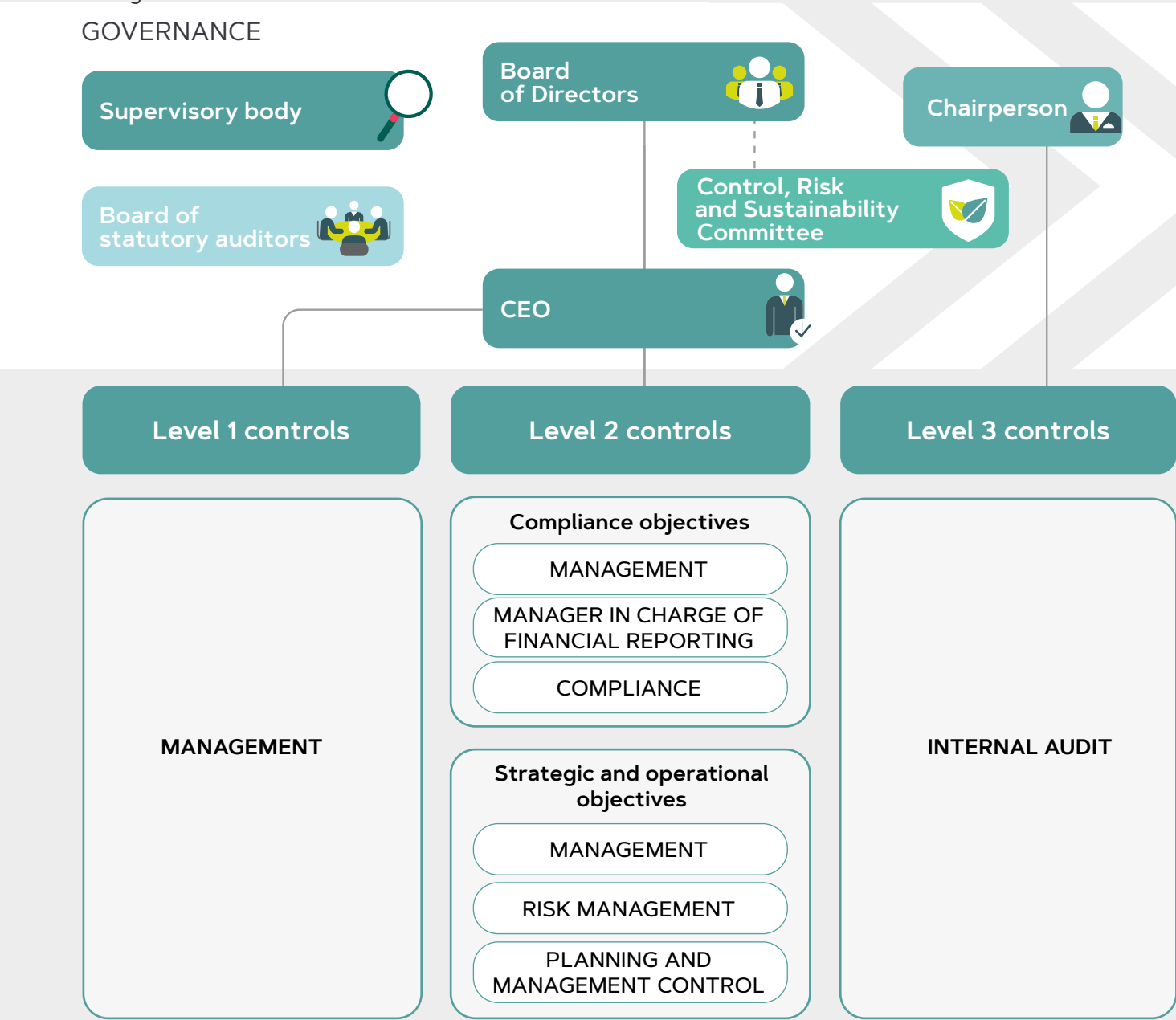
INTERNAL CONTROL SYSTEM

The internal control and risk management system (ICRMS) is a series of rules, procedures and organisational structures aimed at effectively and efficiently identifying, measuring, managing and monitoring main risks, to contribute to the company's sustainable success. FS Italiane SpA uses the internationally renowned Internal Control Integrated framework (the "CoSO Report³¹") as its reference framework for the implementation, analysis and measurement of the internal control and risk management system. The internal control and risk management system consists of the following three control levels:

- * **Level 1 controls:** to ensure the correct performance of operations and an adequate response to the related risks. These activities include periodically checking the effectiveness and efficiency of the design and functioning of controls to: i) ensure that they are tailored to their objectives, ii) check that they are updated to any changes in operations, iii) identify and promote any improvement actions. Management is responsible for defining and conducting these controls.
- * **Level 2 controls:** to monitor the main risks with the aim of ensuring the effectiveness and efficiency of the related risk management and to monitor the adequacy and functioning of controls (for main risks). Level 2 controls also support level 1 in the definition and implementation of adequate management systems for the main risks and related controls. Management and other specific functions, like Risk Management, Compliance and the Manager in charge of financial reporting conduct the level 2 controls.
- * **Level 3 controls:** to provide independent and objective assurance on the adequacy and effective functioning of the level 1 and 2 controls and, in general on the overall ICRMS. Independent, non-operating units, such as the Internal Audit Department, perform level 3 controls.

31) "Internal Control - Integrated Framework" published by the "Committee of Sponsoring Organizations of the Treadway Commission".

A brief description of the duties and responsibilities of the main parties involved in the internal control and risk management system is given below:



THE MANAGER IN CHARGE OF FS ITALIANE SPA'S FINANCIAL REPORTING

In 2007, upon the shareholder MEF's explicit request, FS Italiane SpA created the position of "Manager in charge of financial reporting" on a voluntary basis, and the position became legally mandatory in 2013 pursuant to article 154-bis of the Consolidated Finance Act when the Parent subsequently issued bonds listed on the Irish Stock Exchange (EMTN programme), resulting in FS Italiane SpA's status as a public interest entity pursuant to article 16 of Legislative decree no. 39/2010 as an "Issuer of listed financial instruments".

The Manager in charge of financial reporting is responsible for establishing adequate administrative and accounting procedures for the preparation of the separate and consolidated financial statements and issuing, jointly with the CEO, attestations on the adequacy and effective application of the control systems.

The Manager in charge of FS Italiane SpA's financial reporting defines and updates the Group's financial reporting control model ("262 Model") in accordance with aforementioned article 154-bis of the Consolidated Finance Act and

international standards (CoSO Report "Internal Control – Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission). The model requires that the parent and main subsidiaries have managers in charge of their financial reporting. The Manager in charge of FS Italiane SpA's financial reporting defines the Group's annual action plan and monitors its compliance with Law no. 262/2005. This manager also issues guidelines for the preparation of administrative/accounting procedures, audits on their adequacy and whether they are operational and the issue of attestations on the internal financial reporting control system. The managers in charge of the various companies' financial reporting

implement and maintain the internal financial reporting control systems, continuously exchanging information with the Parent's Manager in charge of financial reporting. The 262 process consists of the following annual stages: definition of in-scope companies and processes, process mapping, risk and control assessments, issue/review of procedures, self-assessment by Control Owner/Process Owner to check that the controls are designed adequately and that they are effectively operational, independent tests, assessment of weaknesses and definition of action plans and attestations.



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COMPLIANCE

The Compliance Unit ensures that the compliance model framework is defined and updated, identifying the methodological standards for carrying out activities at Group level, as well as defining the compliance model control systems at Group level and performing periodical assessments on the professional group and/or the compliance departments of the subsidiaries to check that policies, procedures, criteria and methodological standards have been correctly implemented. The Compliance Unit monitors the national and international legislation and best practices which the Company and Group rules must reflect, ensuring and providing the necessary support for the definition of actions to take to ensure compliance with new laws and regulations, as well as the resulting organisational, strategic and business implications; it checks that the Company and Group guidelines, requirements and procedures are in line with legislation, proposing areas of improvement for the purpose of correct legal orientation. It also provides specialised support, coordinating with other relevant company units, for the implementation and management of internal control models and compliance programmes relating to the anti-bribery & corruption management system ("ABC system"), the data protection framework and the

antitrust compliance programme, under which the Compliance unit manager and the Antitrust unit manager (corporate affairs - regulatory and antitrust affairs) act as the "body in charge of implementing the programme" and, under the coordination of the 231 Team, updates FS' 231 Model with respect to developments in the application regulations and changes in the organisation and processes and acts as single technical secretary of the 231 Guidance Committee which coordinates the 231 Team. It also supports decision-making processes by analysing business and trade compliance profiles with respect to trade development initiatives abroad (Sales Promoters, Sales Consultants and Business Partners), M&As, sponsorships and other strategic initiatives.

The Compliance Unit also takes part in various work groups, teams and committees, including the "Work group for implementing the framework for data classification and protection" and the Programme Team for adaptation actions to tackle climate change risks.

GROUP COMPLIANCE MODEL

This model **protects against the risk of violating** national or international regulations or internal rules which could harm the companies' and Group's reputation and lead the national, foreign or supranational legal or administrative authorities to impose sanctions, including restrictive measures and bans, **driving the implementation of specific organisational controls** to identify, assess, mitigate and moni-

tor compliance risks and prevent behaviour that could be in violation of internal and external rules and regulations and ensure strict compliance with them to **promote a company culture based on integrity, ethics, loyalty, probity and substantial compliance**.

In line with the organisational solutions adopted by the other second and third level control departments comprising the general ICRMS, the Group has a decentralised compliance model. The Parent's compliance unit acts as the chief group structure with separate compliance units/departments also set up at the subsidiaries. This enables suita-

ble specialisation by type of business, gaining advantages from proximity to the business units and enhancing the specific organisational and operating characteristics of the individual companies, while also ensuring that the same compliance governance model is adopted throughout the Group.

To this end, the Compliance Unit guarantees specialist and methodological support to the subsidiaries' compliance units/departments on issues related to implementing the Group compliance model.

ANTITRUST COMPLIANCE PROGRAMME

The FS Italiane Group revised its internal antitrust compliance tools in order to further implement antitrust prevention tools and spread the culture of fair competition within Group companies and among all personnel. This process led to the adoption of an **FS Italiane Group Antitrust Compliance Programme** which was fully implemented with the issue of the **FS Italiane Group Antitrust Policy**, as per Group measure no. 274/AD of 3 October 2019. The document set up, inter alia, the **body in charge of implementing the programme**, comprised of the Compliance unit manager (legal affairs) and the Antitrust and mergers & ac-

quisitions manager (corporate affairs - regulatory and antitrust affairs), which updates the programme and monitors its implementation in agreement with the Antitrust managers of the individual Group companies.

Such body is also obliged to **send an annual report to senior management** on antitrust compliance activities carried out - in accordance with principles of decision-making autonomy, segregation and transparency with which the Group complies, especially as regards the Italian railway infrastructure operator. This report contains comments on:

- any reports received and measures taken as a result;
- awareness and training activities carried out, via online training or classroom courses, and the results obtained from tests on online training;

- any assessments and checks carried out, the results thereof and measures adopted to fix any critical issues detected;

- activities planned for the subsequent year for the correct and efficient implementation of the programme.

To integrate the Group antitrust compliance tools and in line with the programme's general framework, the main Group companies are equipping themselves with specific compliance tools as further protection in preventing antitrust risks linked to the specific characteristics of their business. These compliance tools identify the areas that require most attention for each company, setting out rules of conduct to ensure compliance with and to safeguard fair competition in their specific areas of business.

RISK MANAGEMENT

With regard to Group security and risks, the Risk Management Unit coordinates the overall management of the Group's risk governance process by designing, implementing and governing the framework for managing and measuring all Group risks and the integrated risk monitoring process, coordinating strategies, policies, processes and operating mechanisms for the identification, assumption, management, mitigation, monitoring and reporting of the Group's main risks, and methodologically coordinating the Group's various risk management safeguards.

The FS Italiane Group's **risk management framework** establishes the existing and potential areas,

responsibilities, methodologies and tools for the effective management of the process to identify, assess, measure, manage and monitor the Group risks which supports the risk-based decision-making process. Adopting a single group-wide framework has enabled the Group to, inter alia:

- * establish the scope of application of the risk management process, identifying the areas for action and the decision-making processes embodying such process;
- * identify tools and group-wide consistent and coherent risk assessment and management models, establishing responsibilities and their application in the Parent and the Group companies, based on the type of activities and the area in which these activities are carried out;
- * establish methods to interpret, analyse and present the findings of the shared risk management activities;
- * promote a more risk management-oriented corporate culture.

The Group's Risk Management & Climate Resilience Unit ensures that the Group's framework for managing and measuring all risks is implemented, oversees its methods and monitors it using an en-

terprise risk management model. It coordinates the Group's risk management process, ensuring, for FS SpA, that the risk profile is defined and the risks are identified, analysed, measured, assessed and constantly monitored and ensuring methodological support for the subsidiaries. It ensures that the risk management framework is integrated with the Group's strategic and operating planning processes. It also safeguards the project framework and risk management portfolio to support the assessment, in terms of time and costs, of risks related to national infrastructure investments and interna-

tional projects undertaken by the Group, also in relation to projects under the NRRP. Also, in collaboration with the relevant Company and Group units, the unit governs and implements the Group climate resilience framework in support of the climate change transition and adaptation plans by defining strategies, guidelines, methods and risk scenarios and by developing strategic partnerships in order to implement suitable synergies and promote and participate in national and international projects/networks.

As part of the broader risk management framework and under the methodology defined by the Parent and in line with leading international standards and market best practices (e.g., CoSO Report Integrated Framework, ISO 31000), the risk assessment process aims to identify and assess the main risks that the risk owners deem significant in achieving the Group's goals using an ESG (Environmental, Social and Corporate Governance) model.

The Group has adopted the Risk & Control Self Assessment (RCSA) method for risk assessment, which is characterised by the active participation of the respective process owners in identifying and assessing the risks related to their activities, putting controls in place to oversee the internal control system and identifying possible improvement actions to contain risks.





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PLANNING AND MANAGEMENT CONTROL SYSTEM

In line with the strategic guidelines and objectives that the board of directors has defined:

- * **Strategy, Sustainability & Asset Management**, which, to generate economic, environmental and social value for all stakeholders, defines the Group's strategies, strategic positioning and the development of the Group's business both in Italy and abroad;
- * **Administration, Planning & Control**, which oversees the planning process in line with the strategic guidelines and objectives defined by Strategy, Sustainability & Asset Management and, in relation to budget and control activities, ensures governance on the Parent's and Group's budget process and financial/operating monitoring of the Parent and Group, specifically with regard to material initiatives and investments for the Group both in Italy and abroad.

INTERNAL AUDIT

The Internal Audit Department is independent and objective for assurance and advisory purposes in order to improve the organisation's efficiency and effectiveness. It is responsible for: i) checking that the internal control and risk management system is operating and adequate, both on an ongoing basis and in relation to specific needs and to provide assessments and recommendations to promote efficiency and effectiveness; ii) providing specialist support concerning the internal control and risk management system to management, in order to improve the effectiveness, efficiency and integration of the controls in the business processes and to promote the constant improvement of governance and risk management. The organisational and operational structure of the Group's Internal Audit Department provides for:

- * an Internal Audit Department at the Parent and at its main fully-consolidated subsidiaries. Considering their characteristics and respective risk profiles and the guidelines established by the Parent's Internal Audit Department, these subsidiaries assess their internal audit structure -

with respect to the efficiency criteria and the effective oversight of their Internal Control and Risk Management System;

- * the Parent's Internal Audit Department's coordination of the subsidiaries' Internal Audit Departments by: i) defining and updating audit guidelines and methodologies; ii) managing the professional internal audit family, as Group Process Owner, also approving candidates to head the subsidiaries' Internal Audit Departments.

The Internal Audit Departments³² report to the board of directors, with the Chairperson of the board acting as go-between. The Control, Risk and Sustainability Committee (where present), in coordination with the Chairperson of the board of directors, monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit Departments.

The Internal Audit Departments provide operational support to the supervisory bodies of their respective companies in the performance of supervisory activities.

Internal audits are conducted on all functions, units, processes and/or sub-processes and IT systems with respect to the following risks and consequent objectives:

- * effectiveness and efficiency of business processes;
- * reliability of financial reporting;
- * compliance with laws, regulations, by-laws and applicable standards;
- * protection of company assets.

With resolutions of their respective boards of directors, the subsidiaries' Internal Audit Departments adopted an Audit Charter defining internal auditing guidelines, identifying roles and responsibilities and clearly establishing the areas, scope, the macro modus operandi and information flows (specifically with senior management and the supervisory/control bodies).

³²) In addition to Ferrovie dello Stato Italiane SpA, the main consolidated companies with Internal Audit Departments are: Trenitalia, RFI, Ferservizi, Italferr, Busitalia - Sita Nord, Fercredit, FS Sistemi Urbani, Grandi Stazioni Immobiliare, Italcertifer, Ferrovie del Sud Est, Mercitalia Logistics, FS Technology, Anas and FS International.

EXTERNAL CONTROLS

- * Independent auditors: since 2014, KPMG SpA has performed the statutory audit of the Parent and its subsidiaries;
- * Court of Auditors' control: the Court of Auditors verifies FS Italiane SpA's financial management, using a Magistrate present at the meetings of the board of directors and board of statutory auditors.



ORGANISATIONAL, MANAGEMENT AND CONTROL MODELS PURSUANT TO LEGISLATIVE DECREE NO. 231/2001 AND SUPERVISORY BODIES

Group measure no. 209/P of 9 June 2016, which replaced the previous measures issued since 2002, requires that FS Italiane Group companies adopt organisational, management and control models that adequately prevent the illegal conduct covered by Legislative decree no. 231/2001 and set up supervisory bodies responsible for monitoring that the models function and are complied with and for proposing updates to the models.

According to the aforementioned Group measure, as a rule, the supervisory bodies are set up as boards³³ with a chairperson from outside the company with significant, specific expertise in this respect, an Internal audit³⁴ manager and a legal expert from outside the Group or, alternatively, a member of the board of statutory auditors³⁵. In order to guarantee these bodies' independence, their members cannot hold similar positions

with subsidiaries or parents or, in any case, have economic relationships with the company³⁶, over the three years prior to being appointed, or with subsidiaries or parents.

Since 2003, FS Italiane SpA. has had its own Organisational, Management and Control Model as per Legislative decree no. 231/2001 (the "231 Model") which it regularly updates to ensure ongoing improvement. It was last updated on 17 December 2020.

The 231 Model is available on the company intranet and the general part of the model is published on the Parent's website, on the "Ethics, Compliance and Integrity" page designed as a single home for the Code of Ethics, the 231 Model, the ABC system, the Antitrust Compliance Model and whistleblowing management. Regular training is provided on the model.



UPDATING THE 231 MODEL

Following organisational and regulatory changes affecting the group, the 231 Model underwent further updates in 2021. The 231 Team updates the model following 231 Guidance Committee guidelines, also to reinforce the structure of the **internal control systems and compliance programmes**.

The updating entails:

1. an initial risk mapping stage to identify in detail the conduct and activities at risk which could lead to administrative liability pursuant to Legislative decree no. 231/2001 in the event of illegal acts committed in the interest or to the benefit of the company;
2. a gap analysis stage to identify, for each sensitive company process analysed, the applicable preventative control actions and their compliance with best practices, in line with internal regulatory tools.

All of the analyses and assessments are formalised in risk assessment & gap analysis documents with safeguards defined for each Group process owner.

33) Group measure no. 209/P of 9 June 2016 provides that "small" Group companies whose organisations are less complex and/or smaller may set up a body with only one member from outside the Group with extensive and specific expertise in this respect.
34) If there is no Internal Audit Department, a manager from the parent's Internal Audit Department.
35) On 17 December 2020, with the approval of the board of statutory auditors, FS Italiane SpA's board of directors changed the composition of the Supervisory Body (in the by-laws of the Supervisory Body and the General Part of the 231 Model). In its new form, the Supervisory Body consists of: (i) at least two members from outside the Group, one of whom - with specific expertise in Legislative decree no. 231/2001 - is also appointed chairperson, and (ii) another member from outside the Group or, alternatively, the Internal audit manager in office. An external member other than the chairperson may be a member of the board of statutory auditors. If the Supervisory Body consists solely of external members, in order to encourage the integration and synergy of everyone involved in the internal control system, the same Supervisory Body, by resolution, decides whether (i) the Internal audit manager permanently sits in on the body's meetings, offering advice and support, or if (ii) the Internal audit manager is called by the Supervisory Body to sit in on individual meetings or to discuss specific matters, offering advice and support.
The supervisory body current consists of three external members, one of which as chairperson.
36) Except in fulfilling their duties as part of the Internal Audit Department and/or the board of statutory auditors.



TAX TRANSPARENCY

Tax transparency and managing the main related risks are a priority for the Group.

The Parent's board of directors is directly involved in tax governance. At its meeting held on 16 April 2019, the board issued the Ferrovie dello Stato Italiane Tax Strategy as the cornerstone of the broader Tax Control Framework (TCF). This strategy sets out the Parent and Group objectives in managing tax changes, defines the risk management criteria and also outlines the rules of conduct to be adhered to.

Specifically, the board plays a guiding role over tax risk management and performs this role by managing the TCF which assigns roles and responsibilities at all company levels. The TCF identifies the key figures in the tax risk management and control process as the Group Tax director, based in the Administration, Planning & Control Department, the Tax manager of the FS Italiane Group companies equipped with a tax risk control

system, the Parent's Tax compliance manager and the Group companies' Tax compliance managers.

Within the broader Tax Control Framework, the FS Italiane Group internal control model on the recognition, measurement, management and control of tax risk³⁷ (the "Tax risk control model"), which was designed to fully and efficiently integrate with the Group's financial reporting model ("262 Model"), identifies the controls to be adopted to detect, measure, manage and control the tax risks inherent to company processes, thus defining how to manage the control process:

- 1. mapping and measuring tax risks linked to company processes;
- 2. identifying procedures related to company processes with tax effects;

- 3. describing controls protecting against tax risks and assigning relevant roles and responsibilities;
- 4. establishing effective monitoring procedures to detect any weaknesses or errors in its functioning and activate any corrective actions necessary;
- 5. establishing effective procedures to update the model following any changes in the company or the relevant legislative framework;
- 6. reporting annually to management bodies.

The model procedures and controls pertain to all company processes presenting a tax risk and assign responsibilities for complying with tax regulations to all employees involved in the process activities.

In order for the tax control framework to function effectively, an awareness of tax risk must be spread and promoted at all company levels, along with adequate

knowledge of the rules and principles of the tax risk control system. To this end, a specific section has been created on the company intranet dedicated to cooperative compliance which provides descriptions of the relevant regime, legislation and practice, essential TCF documents, training courses on tax issues and the relevant support material.

Through the above controls applied at all company levels, the tax control framework helps reduce the loss of economic value which would arise from incorrect application of tax regulations in the form of higher taxes, penalties and interest - expenses which would cause economic damage as well as harming its reputation.

Aware of the need to promote a corporate culture based on the principles of honesty, integrity and compliance with tax regulations and the importance of adequately managing the tax risk intrinsic to company processes, and to safeguard its position and rep-



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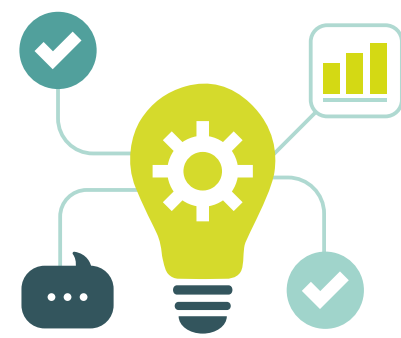
utation, FS Italiane SpA together with the subsidiaries Trenitalia SpA and Rete Ferroviaria Italiana SpA signed up to the tax cooperative compliance programme as per Legislative decree no. 128/2015. The purpose of the programme is to foster a new form of communication and stronger cooperation, focused on guaranteeing rights and facilitating relations, between the tax authorities and taxpayers equipped with an effective system for detecting, measuring, managing and controlling tax risk, intended as the "risk of operating in violation of tax regulations or against principles or rules".





































Via the tax cooperative compliance programme, FS has set up constant communication with the tax authorities in order to assess together the elements susceptible to generating risk, before filing tax returns or complying with other tax obligations, thus pre-empting potential tax disputes.

37) The Tax risk control model is adopted and implemented, with the necessary customisations, by Rete Ferroviaria Italiana SpA and Trenitalia SpA which have joined the tax cooperative compliance programme together with FS Italiane SpA. The parent is considering applying the model as the preferred tax risk control and management tool for other Group companies regardless of whether they participate in the tax cooperative compliance programme.

MANAGEMENT SYSTEMS

Ferrovie dello Stato Italiane SpA and the main Group companies remain committed to implementing, certifying and maintaining their management systems for the ongoing improvement of the Group's performance³⁸, using these tools to strengthen the environmental and occupational health and safety components of the internal control and risk management system.



	 Quality	 Environment	 Occupational health and safety
			
			
			
			
			
			
			
			
			
			

CONTROL AND PREVENTION OF INFECTION ON BOARD TRAINS

Trenitalia's Biosafety Trust Certification was renewed. It is the world's first railway company to receive this certification that awards the best practices adopted in preventing and controlling infections on board to ensure the highest levels of safety for passengers and employees



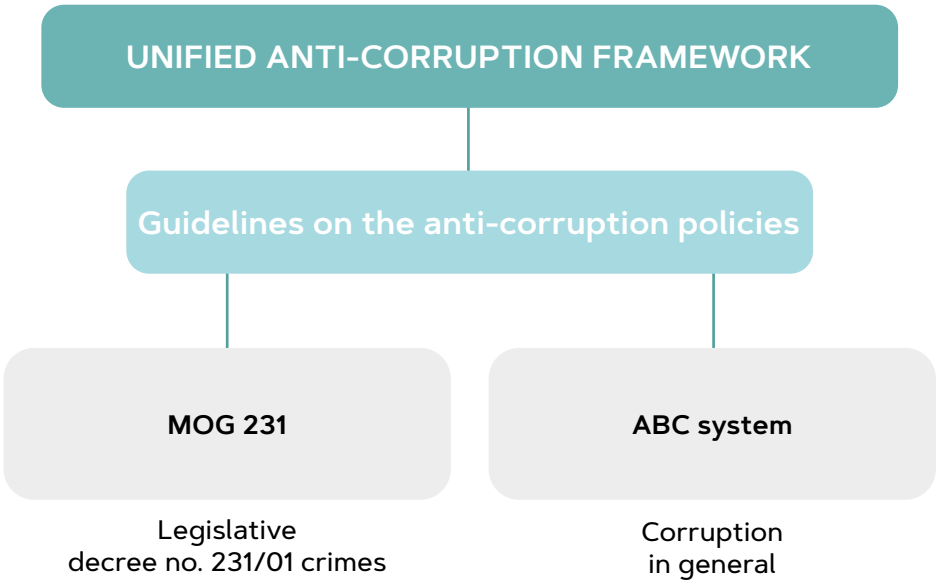
38) For more information about the certification scope of the Group's operating companies' management systems, see the final table in the "Company highlights: the environment" annex attached to this Report.



ABC SYSTEM

The FS Italiane Group conducts its business in compliance with the principles of integrity, ethics and zero tolerance for corruption. The Group has adopted a Code of Ethics and 231 Model, issued specific guidelines for the prevention of corruption between private parties within the FS Italiane Group and joined the United Nations’ Global Compact, the tenth principle of which is to “work against corruption in all its forms”, demonstrating its commitment to operating in accordance with these principles.

To further support this commitment, since 2017, the Parent has voluntarily used a self-regulatory tool to prevent corruption. Called the unified anti-corruption framework, this tool is based on two management and control models:



* the 231 Model, for suspected corruption within the scope of Legislative decree no. 231/2001 (including between private parties, undue soliciting to give or promise benefits and misconduct, embezzlement, abuse of office, influence peddling);

* the anti-bribery & corruption management system (“ABC system”), set up to implement the Anti-corruption policy guidelines which also form an integral part of the framework and contain directions for the creation of an effective anti-corruption system at FS Italiane SpA.

The ABC system covers corruption in a broad sense, which includes direct and indirect active and passive corruption in relationships with the public administration and with individuals, as well as acts and conduct that may not constitute a specific crime but that could result in “abuse” to gain an undue advantage (for oneself or a third party) and/or maladministration and thereby act in contrast with the principles of probity, lawfulness and integrity.

The ABC system centres around an analysis of at-risk events in the processes identified in the anti-corruption policy guidelines, in accordance with the relevant legislation and best practices, as being the most exposed to the risk of corruption: procurement and contracting, advisory engagements, international business development, membership fees, sponsorships, co-marketing, gifts and donations and human resources.

The ABC system establishes of a set of risk prevention tools consisting of general control principles and specific prevention tools (standards of conduct³⁹ and indicators of possible irregularities) for each risk process considered.

Specific training and communication are provided on the content of the prevention tools to ensure addressees fully understand them and to foster a culture of integrity.

In general, training and communication on the issues of prevention and legality and the content of the ABC system are one of the main actions to ensure complete knowledge and the consequent accountability of all parties in risk management and the prevention tools.

In terms of governance, the ABC system identifies the actors, roles and responsibilities for its own implementation, development, updating, monitoring and control. It also defines the information and coordination flows. Management plays a central role given its knowledge of the processes and procedures, its direct relationship with the resources that these processes

implement, regular monitoring and other prerogatives consistent with its responsibilities.

The main actors include the anti-corruption unit (at FS SpA, Anti-Corruption part of the Security & Risk area), which, among other things, monitors the ABC system to promote continuous improvement, supports process owners in the identification of risks and the definition of the corruption risk prevention tools and monitors the implementation and enforcement of the measures envisaged by the ABC system, including through specific flows of information.

The ABC system ends with a schedule that identifies the activities for the implementation of the measures it describes and who will carry them out, as well as the deadlines. An integral part of the ABC system and approved by the board of directors each year, the schedule reflects the Parent’s commitment to pursuing an anti-corruption policy that is truly effective and goes beyond mere compliance.

39) The standards of conduct are the formalisation of a series of steps to standardise the performance of certain sensitive activities and promote the spread of conduct based on the principles of integrity, fairness and transparency.



FS Italiane SpA's direct and indirect subsidiaries have adopted their own respective frameworks, which they adjust to their specific organisation and business, while remaining in compliance with the applicable legislative obligations.

FS continued to implement the safeguarding controls as per the ABS system into its internal regulatory framework in 2021 and inserted an integrity clause to its standard contract models aimed, inter alia, at ensuring counterparties comply with all applicable anti-corruption legislation and regulations.

Furthermore, Anas obtained **UNI ISO 37001:2016** (Anti-bribery management system) certification in December 2021. This process will also be rolled out for the Parent and other Group companies in 2022.

In order to identify room for enhancement in the ABC system (e.g., further risk areas suitable for specific prevention tools), FS Italiane SpA completed its first **ABC Risk Assessment** campaign in 2021.

The ABC Risk Assessment was carried out using the **Control Risk Self-Assessment** methodology, involving the managers of all units that report directly to the CEO/Chairperson in analysing the processes under their responsibility in terms of inherent risk and assessing controls in place in order to estimate the level of residual risk. This methodology is based on relevant ISO standards (31001) and was developed with the support of the parent's Risk Management Unit.

The ABC Risk Assessment:

- detected 288 risk events on "core" processes of units that report directly to the parent's CEO/Chairperson and "across the board" processes;
- involved roughly 80 people.

The results were analysed together with the additional inputs available in order to formulate an **ABC action plan** aimed at identifying and prioritising room for enhancement in the ABC system. The organisational and governance changes that FS underwent starting from mid-2021 means that the ABC Risk Assessment and relevant action plan will require updating in 2022 before being finalised.

FS ITALIANE SPA ALSO
REINFORCED PROTECTION
AGAINST CORRUPTION IN
2021 BY ISSUING SPECIFIC
RULES AND POLICIES.



OTHER RULES AND POLICIES TO SAFEGUARD
PROCESSES AT RISK OF CORRUPTION

- Governance model of the FS Italiane Group's **insurance process**
- Guidelines for **sustainable procurement management**
- Guidelines for the **secondment of personnel** to FS Italiane Group companies
- **Clean desk** policy
- Process for the **purchase** of FS Italiane SpA goods and services by Ferservizi
- **Guarantees** issued on behalf of Group companies
- **Internal Audit** Charter
- Guidelines and procedures for **remuneration policies**
- Guidelines for **handling disputes** regarding joint obligation and sham contracting
- Procedure for developing and assigning **management positions**
- Guidelines on the **administrative and accounting process** for the Group's purchases
- **Whistleblowing management** procedure
- **Refreshing the parent's Ethics Committee**

● Issue

● Revision

WHISTLEBLOWING AND WHISTLEBLOWER REPORT MANAGEMENT PROCEDURE

On 6 October 2021, FS Italiane SpA's board of directors updated the Parent's procedure for handling whistleblower reports⁴⁰, implementing Law no. 179/2017 (i.e., the whistleblowing law).

The procedure governs the receipt, analysis and handling of reports sent (also anonymously) by people from inside or outside the Group on events that could involve illegal or irregular conduct or, in any case, conduct in violation of: i) the 231 Model and the procedures that implement the model and/or the ABC system; ii) the Code of Ethics; iii) the laws or regulations or internal regulations or measures issued by the authorities and/or, in any case,

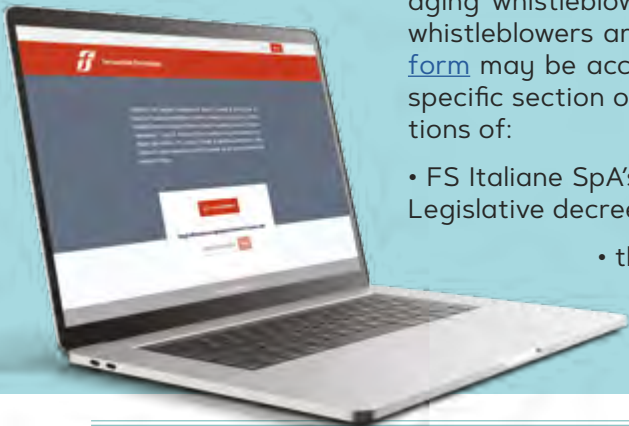
that could cause damage or jeopardise the FS Italiane Group, even just to its image or reputation.

The confidentiality and integrity of the whistleblower and the reported parties are guaranteed. FS forbids any type of direct or indirect disciplinary measures, retaliation or discrimination against whistleblowers following the report.

The Group's Code of Ethics, which was updated in February 2018 and is available on the company intranet and website, **states that anyone may refer to their company's Ethics Committee should they have questions or doubts or need clarifications** about the

meaning and application of the Code of Ethics. They may contact the committee by e-mail, post or using the other communication tools that the company provides. The committee treats the requests **seriously, fairly and rapidly**.

In 2021, FS Italiane SpA's Ethics Committee received and processed 32 reports, seven of which were closed/archived, and **FS Italiane SpA's Supervisory Body received and processed 14 reports**, 12 of which were closed/archived.



FS Italiane SpA set up a **computing platform** as a preferential channel for managing whistleblowing reports as it immediately ensures the confidentiality of whistleblowers and adequate security measures for the information. The [platform](#) may be accessed either via the [internet](#) or the company intranet (in the specific section on the "Ethics, Compliance and Integrity" page) to report violations of:

- FS Italiane SpA's Organisational, management and control model pursuant to Legislative decree no. 231/2001 and implementing procedures
- the ABC system
- the FS Italiane Group's Code of Ethics

40) Issued with Group organisational notice no. 73/AD of 17 November 2021.

ANTI-CORRUPTION POLICY AWARENESS, COMMUNICATIONS AND TRAINING

By implementing the directive criteria of the anti-corruption policy guidelines, the ABC system requires management accountability, a culture of risk prevention and ongoing training and communication, among other important elements.

The guidelines recognise the importance of spreading awareness about anti-corruption to FS Italiane SpA's management and personnel, which includes specific training and communications projects, with the conviction that knowledge of the rules governing business conduct and a culture of integrity constitute an essential condition for the knowledgeable application of reg-

ulations as a means of preventing corruption.

In 2021, the Parent published **three capsule training sessions** on the following topics which were chosen following an internal survey: conflict of interests, contract manager and collaborative oversight agreements with ANAC. These "vertical" sessions follow the e-learning course (rolled out by the Parent between late 2019 and early 2020) which continues to be provided to new hires. In collaboration with the Internal Audit Department, **two workshops** were held on the ABC safeguards of subsidiaries in relation to ABC Risk Assessment and ABC Internal Quality Review⁴¹ to

align the methodology of all Group units in charge of managing ABC systems. Specific training was also held in collaboration with other FS Italiane SpA units on individual processes (e.g., "Recruitment process controls" training in the various editions of the recruitment academy for the Group).

OVER 400
MAN-DAYS OF ANTI-CORRUPTION TRAINING



41) The aim of the Internal Quality Review (IQR) is to check, via interviews and document analyses performed every three years, that the ABC system is compliant with its mission and the reference Group regulatory framework and that the ABC system is being effectively managed, implemented and upgraded.

With regard to communications, alongside the **“Ethics, compliance and integrity”** [page](#) on the FS Italiane SpA website, which summarises the objectives, tools and principles of FS Italiane SpA’s model, in order to share the Parent’s commitment to ethics, lawfulness and integrity with the public, there is another page on the **“ABC system”** which contains the models prepared by the Parent and other Group companies and other related content which are permanently available. A “searchable” section of Q&As on the ABS system was added to this page in 2021.

Ad-hoc initiatives were also planned for communicating, training and raising awareness about risks and sensitive activities for the company and the related prevention tools identified in the 231 Model. The training method was established by preparing a new e-learning module for new hires and a refresher course for the rest of the workforce. With regard to communication, the 231 Model and relevant attachments were published on the company intranet and the general part of the model was published on the dedi-

cated subsection of the “Ethics, compliance and integrity” page of the FS website to emphasise the binding nature of the contractual clauses regarding integrity that require compliance therewith.

In 2021, to mark the **UN International Anti-Corruption Day**, Group top management spoke about the Group’s commitment to adopt an unyielding strategy to prevent and fight corruption using zero tolerance approach and emphasising tone at the top.



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PROTECTION OF HUMAN RIGHTS

THE FS ITALIANE GROUP PROMOTES THE PROTECTION OF HUMAN RIGHTS FOR ITS EMPLOYEES, CUSTOMERS, CITIZENS, SUPPLIERS AND BUSINESS PARTNERS, HELPING CREATE A RESPONSIBLE VALUE CHAIN AND OPERATING IN ACCORDANCE WITH THE UNITED NATIONS' UNIVERSAL DECLARATION OF HUMAN RIGHTS AND THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION.

Among the fundamental principles of the Sustainability Policy (issued in 2019) on which the Group's actions are based, respect for human rights and the commitment to creating a responsible chain stand out. This commitment was confirmed in the Code of Ethics (which guides the Group in its relationships with stakeholders). To strengthen the commitments already taken at Group level, the operating companies are issuing their own sustainability policies, making respecting and promoting human rights in Italy and abroad a pillar of their business models. Furthermore, the Group promotes open and inclusive workplaces, it is against any discriminating or harmful behaviour, prevents any form of irregu-

lar work and encourages policies that are supportive of personnel well-being.

In 2017, the group joined the UN's Global Compact ("GC") network, undertaking to comply with the ten human rights, labour, environmental and anti-corruption principles and include them in its way of doing business. These principles integrate and reinforce those already established in the group's Sustainability Policy, Code of Ethics, 231 Model and the anti-corruption policy and ABC system guidelines. In particular, with respect to human rights, by signing the Global Compact, the group has formally undertaken to:

- * uphold and comply with international human rights provisions;
 - * ensure that it is not complicit in human rights abuses.
- The Group maintains its commitment to prevent any type of human rights violation through:
- * the use of specific, standard clauses⁴² about respect for human rights in contracts with suppliers, having suppliers sign the Group's Code of Ethics and introducing a sustainability criterion in the supplier qualification process⁴³;
 - * the pursuit of better methods for supply chain management thanks to the participation in the Railsponsible works, an initiative that brings together major railway companies and the Group's commitment in the preparation of the "Sustainable procurement management guidelines" to integrate the more recent national and international sustainability standards - including human rights - in the procurement of goods, service and labour;

- * rights protection for passengers with disabilities and reduced mobility. The Group offers an assistance service at 322 stations for passengers with physical, sensory or motor disabilities that temporarily or permanently affect their mobility, ensuring their right to move around easily. The service is organised by the Sale Blu centres at 14 of Italy's main stations and the new national Sala Blu created in response to the public health emergency. Training was provided to all Sala Blu staff in 2021 to upgrade their skills and launch a new operating dashboard to support the process of providing assistance to passengers with disabilities and reduced mobility;

- * protecting the rights of disadvantaged people who seek shelter at railway stations. For several years, the Group has conducted a solidarity project in collaboration with local bodies and third sector organisations by loaning spaces inside or near railway stations for free use to associations and bodies that relieve marginalisation and social distress⁴⁴.



42) With specific regard to the assignment of contracts and concessions for works and services entailing significant manual labour, the FS Italiane Group applies social clauses and requirements to comply with certain social and labour protection standards to promote the occupational stability of personnel.

43) In the second half of 2017, RFI introduced a new criterion for supplier qualification in tenders which considers human rights (the fight against child and forced labour, anti-discrimination and support for the fundamental human rights). Inspired by RFI's initiative, the Group began a sustainable supply chain management project to improve the sustainability of FS Italiane Group suppliers. Reference should be made to the "Sustainable procurement" section for details.

44) Reference should be made to the "Relationships with communities" section for details.






ESG RATING AND OTHER AWARDS

THE GROUP'S COMMITMENT TO BOOST ITS ESG PERFORMANCE IS REFLECTED IN ITS SUSTAINABILITY RATINGS.








By applying various methods, the analysts assess the Group's performance in environmental, social and governance terms, its ability to see ahead in the long term, ability to minimise risks and also reach the SDGs.






The important results achieved include:

ESG RATING	RANKING	DETAILS
	<p>The Group was rated "B" in the CDP Climate Change survey, ranking in line with European and sector companies and above the global average.</p> <p>In addition, with regard to FS' commitment to engaging its suppliers on the topic of climate change to encourage them to improve their environmental performance, the Group was rated "A-" in the Supplier Engagement Rating, ranking above the European, global and sector average.</p>	<p>Carbon Disclosure Project is a global not-for-profit organisation that supports organisations in reporting their energy consumption, emissions and actions taken to reduce their environmental impact.</p>
	<p>The Group's ESG profile was rated "Advanced" overall (total score: 64/100), ranking fourth among 44 companies at European level in the "Transports and Logistics" segment.</p>	<p>Moody's ESG Solutions is a business unit of Moody's Corporation that responds to the growing global demand for ESG analysis and climate insights.</p>
	<p>The Group received a risk rating of 15.3, falling under the low ESG risk bracket.</p>	<p>Sustainalytics is a leader in ESG research and ratings. It supports many of the world's leading investors that incorporate ESG insights into their investment processes.</p>
	<p>The Group was rated BBB, in the Average bracket.</p>	<p>MSCI ESG Research provides ESG ratings, on a scale of AAA to CCC, to global public companies and some private companies, based on their exposure to ESG risks specific to the sector and capacity to manage such risks.</p>
	<p>The Group reached prime level which comprises sector leaders in ESG (2020 rating).</p>	<p>ISS (Institutional Shareholder Services), leading global provider of corporate governance and responsible investment solutions.</p>

THE GROUP HAS ALSO RECEIVED MANY AWARDS AND ACCOLADES IN RECENT YEARS.

AWARDS AND ACCOLADES	
	The FS Italiane Group placed first in the category of most attractive employers in Italy by business students in the Passenger & Transportation category and was one of the top employers in Italy in the STEM (science, technology, engineering and mathematics) segment.
	In 2021, the FS Italiane Group was ranked first by Potential Park , a Swedish talent communication company, for the management of the online candidate experience and for the commitment to constant engagement with candidates.
	The FS Italiane Group was voted among the top ten best employers of choice among the more sought-after companies for recent university graduates in Italy.
	The FS Italiane Group classified once again among Italy's best employers in the Transport and Logistics category ⁴⁶ .
	Among the digital stars of Italy, Trenitalia and Ferrovie dello Stato Italiane ranked respectively first and second in the mobility and transport segment ⁴⁷ .

45) This survey of over 46,000 students investigates the most appealing characteristics for Italian students in potential employers.
46) The survey was carried out by Corriere della Sera in collaboration with Statista.
47) The study was carried out by German Institute for Quality and Finance (ITQF) and its media partner La Repubblica Affari&Finanza.
48) Innostation is a platform where people can propose ideas and projects, take part in challenges and calls for ideas and discover open innovation solutions that the group launches from time to time.

AWARDS AND ACCOLADES	
	The “People” and “Le Persone e il fare” campaigns came in amongst the top fifty inclusive schemes from the assessment board for the Diversity Brand Index 2021 which measures the level of inclusion at brands according to companies’ real commitment to Diversity&Inclusion.
	The physical Innovation Hub network of spaces for performing innovative activities and the virtual Innostation⁴⁸ network won the SMAU award for Innovation.
	Trenitalia came first in the 2021 ranking of Green Star - The most sustainable companies⁴⁹ within the Mobility and Transport category.
	Among the top 20 most sustainable companies on the web, FS Italiane SpA was included once again in the ESG Perception Index⁵⁰ which assesses the web presence and communications of 150 top Italian companies in defining their brand’s proximity to all key sustainability concepts ⁵¹ .
	Italferr ranked 142nd in the ratings compiled by Engineering News-Record ⁵² , attesting the excellence demonstrated in major transport infrastructure projects in Italy and around the world.

49) Conducted by the German Institute for Quality and Finance (ITQF) in collaboration with the Institute for Management and Economic Research (IMWF) in Hamburg, the survey uses social listening to take into account almost one million pieces of online content regarding the green impact of companies in Italy.
50) Carried out by Reputation Science, a reputation analysis and management company.
51) The index is based on qualitative (i.e., social network usage) and quantitative (i.e., degree of engagement via comments, shares, likes, etc.) criteria.
52) The top US magazine on engineering and construction, which classifies the top engineering companies based on their global turnover and international projects.

AWARDS AND ACCOLADES



RFI was among the winners of the **PIMBY (Please in my back yard) Green 2021 awards** for the HS/HC Naples-Bari line due to its role as a strategic transport infrastructure for southern Italy and its communities.



RFI received the **Logistics Company of the Year Award 2021** for the project Augmented reality for training maintenance personnel, i.e., digitalisation used to upgrade the maintenance supply chain. The project is based on a high level of engineering of supply chain processes, managed using a SAP system and aimed at uniting two emerging technologies: blockchain and virtual reality (AR/VR).



Among the 49 IRSs (International Railway Solutions) published by the UIC for 2019-2021, RFI was awarded in the **Proficiently developed** category of the **Excellence in Standardisation Awards**⁵³.



Industria Felix Magazine selected **FSE** for the **Industria Felix Award**⁵⁴ as one of the top under-40-run companies with a growing workforce and equity and with excellent management and financial solidity.

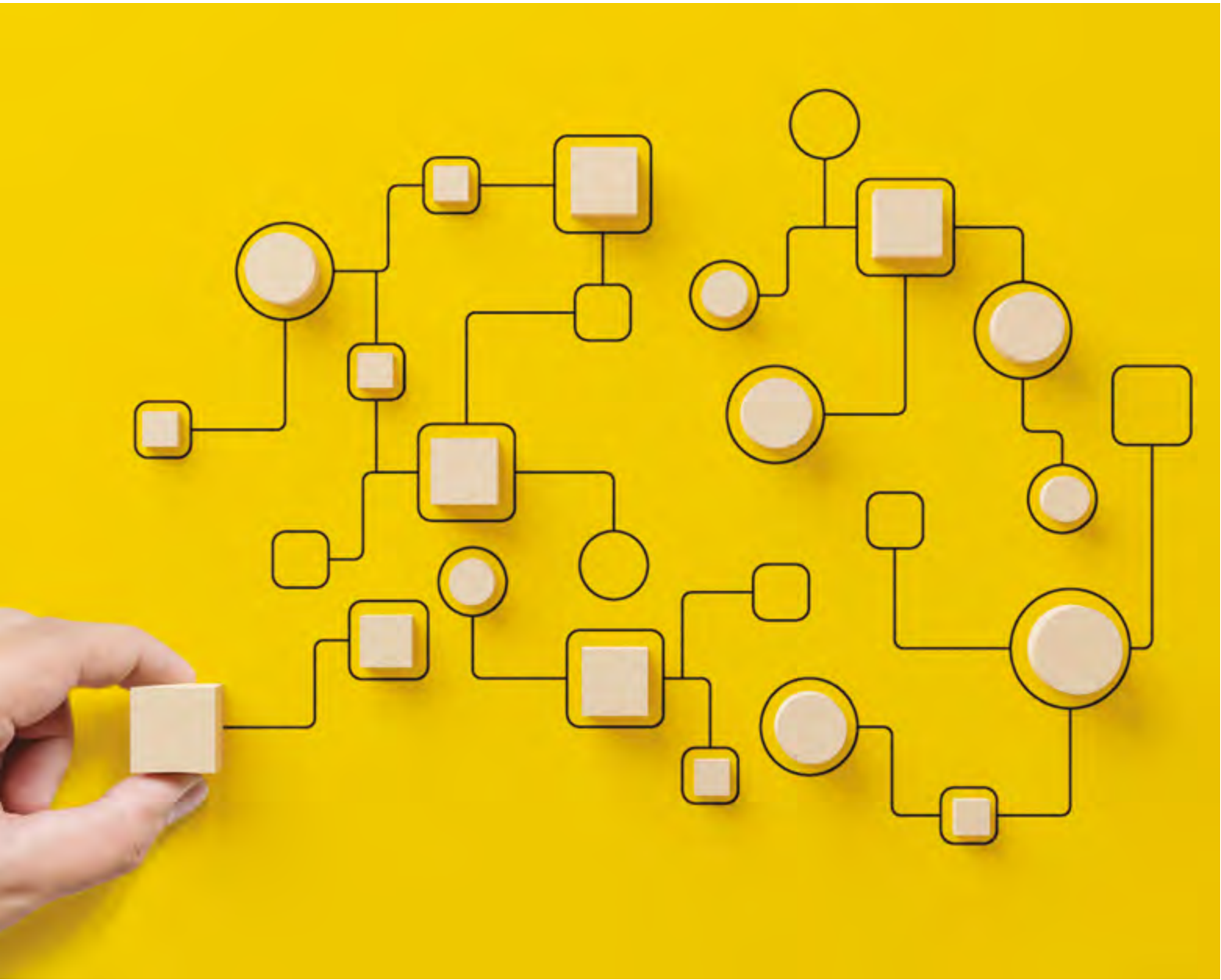


The FS project “My train journey through art, beauty and sustainability (Italy starts again)” received the **CULTURA+IMPRESA AWARD 2020-2021**⁵⁵ award in the “Corporate cultural productions” category.

53) The first edition of the Excellence in Standardisation Awards promotes excellence in user-friendly documents that support the efficiency of the international railway system and foster the standardisation of railway measures and works.
54) Industria Felix Magazine is the quarterly economy and finance supplement to the Il Sole 24 Ore.
55) In its ninth edition, the award organised by the non-profit committee CULTURA+IMPRESA - promoted by Federculture and The Round Table - recognises the best cultural sponsorship and partnership projects, that generate corporate culture and activate the Art Bonus tax credit, fostering cooperation between the worlds of culture and business.



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INTEGRATED MANAGEMENT OF RISKS AND OPPORTUNITIES

The FS Italiane Group operates in sectors with highly complex and varied activities (design, build and maintain infrastructure, operate railway and road networks, provide passenger and freight transport services and manage real estate assets), which may generate risks and uncertainties, some of which may be significant.

Controlling these risks is therefore vital to ensure the Group's continuity and sustainability in the medium to long-term. The Group has therefore defined a risk control model, as described in the Internal control system section.

The Parent's Risk Management Unit coordinates the overall management of the Group's risk governance process by designing, implementing and governing the

framework for managing and measuring all Group risks and the integrated risk monitoring process, coordinating strategies, policies, processes and operating mechanisms for the identification, assumption, management, mitigation, monitoring and reporting of the Group's main risks, and methodologically coordinating the Group's various risk management safeguards.

There are measures to prevent and mitigate risks related to safe train travel and railway operation, occupational health and safety and environmental protection directly merged into the integrated safety management systems of the individual operating companies.

For additional information, reference should be made to the 2021 Annual Report (Directors' report, Other information).

The Group constantly monitors current and expected risks and opportunities, including social and environmental aspects, particularly those relating to climate change.

The following is an extract from the Group's 2021 Annual Report that outlines the main strategic and operating risk areas along with the relevant opportunities:

BUSINESS AND STRATEGIC RISKS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Competition due to the opening of markets	» Assessment and ongoing monitoring of competitors' bids and market presence	» Possibility of expanding presence in Europe and continuous improvement of services offered
» Domestic consumption trends and main economic factors	» Improvement and maintenance of the service quality delivered and rapid adjustment to changes in demand	
» Financial management in connection with relationships with public entities, both in terms of credit collection and the funding of investments for short-term concessions	» Strengthening and updating the fleet, as a part of innovation and way to attract potential customers	» Offer of services that increasingly meet people's needs and growth of digital services
» Potential instability of relevant legislation	» Ongoing credit monitoring, with policies to fund invested capital at competitive rates	» Offer of integrated services to exploit synergies and the possibility of offering related services
» Change in travel habits	» Monitoring contracts and their financial balance, monitoring changes in regulations and promoting coordination and dialogue with government and regulatory authorities	
» Developments in the regulatory and legislative framework	» Ongoing monitoring of demand, adjusting the commercial offer accordingly, matching it to customer needs according to changes, monitoring costs in order to adjust them to the new volumes. Strengthening the fleet is an element of innovation and a way to attract potential customers, both domestically and in Europe; similarly, development of sales channels	
	» Ongoing monitoring of developments in the regulatory and legislative framework by specialist structures	

OPERATIONAL RISKS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Ability to retain certain suppliers operating in the maintenance and construction of rolling stock	» Structured supplier qualification procedures that include financial assessments as well as technical evaluations. Gradually insourcing critical processes regarding infrastructure maintenance and building, designing and operating technological systems and railway components production	» Increasingly closer partnerships with suppliers to contribute to the Group's growth
» Performance of complex projects that require substantial financial resources and a structured organisational and project management structure	» Management and control procedures to constantly monitor physical and financial performance of infrastructural projects	» Continuous improvement of processes and the construction of high-quality, efficient infrastructure
» Interruptions/issues due to system and technology faults, serious natural events and vandalism	» Avant-garde security, control and monitoring systems and the creation of specific network maintenance cycles, adopting procedures for the management of irregularities and emergencies with a constant focus on public information and the provision of accessory services to customers. In order to optimise and boost infrastructure resilience, a wide-reaching project is under way regarding climate change and revising the operating planning/programming/reprogramming process for infrastructure maintenance and diagnostics and IT support	» Improved safety, punctuality and quality of services
» Saturation of high commercial value routes	» Implementation of systems to optimise railway timetabling and traffic management	» Continuous improvement of the work environment and safety performance
» Managing licences, concessions, advertising, exceptional transport, royalties, trade receivables related to operating the road network	» Update of design criteria based on the route catalogue	
» Alleged potential violations of occupational safety regulations	» Projects to improve traffic flow and improve traffic capacity at large urban hubs and launch of investment programmes for technological upgrades	
	» Ongoing monitoring of contracts and relevant receivables	
	» Constant assessment and monitoring of occupational safety by senior management and the competent units	

COUNTRY RISK

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Dynamic international context and significant political and economic instability in certain geographical segments	» In-depth quarterly analyses of the countries identified by the Group as potential new markets and countries where it already performs marketing or negotiating activities » Update of the Group's framework for the classification of areas based on the country's attractiveness » Commercial offer definition process incorporating a risk-based approach	» Expansion of international presence

PROJECT RISKS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Potential impacts on project objectives in terms of timing, costs and quality with broad, direct and indirect consequences	» Developing and implementing project risk management systems in line with the most sophisticated international standards and certification requirements	» Improved project management and increased Group capacity and process efficiency driving the Group's investments

COMPLIANCE, LEGAL AND CONTRACTUAL RISKS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Non-compliance risks generally arising from potential non-compliance with the rules characterising the legislative and regulatory framework, with potential consequences consisting of legal or administrative sanctions, financial losses and reputational damage	» Definition of the compliance model, establishment of organisational units (internal audit, compliance and DPO) to verify that guidelines and Company and Group measures and procedures comply with relevant legislation and national and international best practices » Definition and adoption of an antitrust compliance programme to help prevent and manage risks related to violation of anti-trust legislation » Definition and implementation of the personal data protection framework	» Continuous improvement of processes and activities and alignment with best practices » More transparency and improved Group reputation

IT AND CYBER RISKS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Adoption of new technologies, like blockchain, AI and IoT could facilitate future cyber attacks designed to steal confidential information or block essential services, including as acts of terrorism	» Adopt an integrated security management system to steer and govern security that converges the management of physical and cyber security in one command and control centre and ensures the application of consistent general principles and operating intervention approach » Create and operate a specialised cyber security operation centre where the most expert human resources and advanced technologies converge to prevent, detect and fight cyber attacks » Set up a company specifically dedicated to overseeing ICT at Group level, defining strategies and achieving synergies and economies of scale » Management and control model to classify information in terms of privacy to protect such information from possible violations	» Improved ability to prevent cyber threats » The new digital dimension could drive more efficient and personalised services

ENVIRONMENTAL AND CLIMATE RISKS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Non-compliance with environmental laws and regulations » Risks related to climate change (see the table below for more details)	» Unit dedicated to safeguarding environmental issues and defining environmental management systems (ISO 14001 certified)	» Ability to compete through the development of new services and processes with reduced greenhouse gas emissions » Better reputation and positive perception of the Group by passengers and industrial customers

SOCIAL RISKS AND RISKS RELATED TO THE PROTECTION OF HUMAN RIGHTS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Failure to respect human rights by the Group, its people and industrial and commercial partners	<ul style="list-style-type: none"> » Definition of standard contractual clauses for compliance with the Group's Code of Ethics and worker health and safety standards » Signing a work quality protocol for railway service contracts » Joining the UN's Global Compact and the introduction, for tenders, of supplier assessment criteria, including the respect for human rights as a requirement 	» Improvement in the Group's reputation

HUMAN RESOURCES MANAGEMENT RISKS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
<ul style="list-style-type: none"> » Failure to monitor personnel management risk factors (presence of key resources, difficult-to-find specialist skills, motivation and professional development) could compromise the achievement of the objectives in the business plan » Employee health and safety » Emergency phase related to the spread of Covid-19 	<ul style="list-style-type: none"> » Relationships with trade unions based on transparency and collaboration » Personnel training and refresher courses, accompanied by specific recruitment campaigns for professionals on the market outside the Group as well » Incentive and corporate welfare plans » Digitalisation of recruitment processes » Strategic organisational approach for diversity and inclusion » Specific actions on setting up remote working and welfare 	» Improved work environment and personnel motivation, increased attractiveness and retention capacity

CORRUPTION RISKS

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» Crimes could be committed, bribery in particular	<ul style="list-style-type: none"> » Preventing corruption and illegality with FS Italiane SpA's adoption of the 231 Model and the issue of specific guidelines for the prevention of corruption between private parties in the FS Italiane Group » Definition of the Unified Anti-corruption Framework (including the ABC system) » Ongoing training and communications, including specific online courses on the ABC system » Updating of the whistleblowing management procedure » The ABC Risk Assessment at the Parent, carried out using the Control Risk Self-Assessment methodology, involving the managers of all company units 	» Promoting the Group's reputation, both within and outside of the organisation, through a commitment to compliance with ethics and organisational and procedural safeguards

RISKS OF FLUCTUATING COMMODITY PRICES

DESCRIPTION	SAFEGUARDS	OPPORTUNITIES
» The prices of services, raw materials, energy and transport can vary based on market trends and it may not be possible - or only possible to a limited extent - to translate the higher energy procurement costs into higher selling prices to customers with consequent effects on the Group's profit margins	<ul style="list-style-type: none"> » Creation of departments and units that monitor trends in the prices of materials and services that are fundamental for business operations and any applicable regulations. » A project began to redesign the procurement process based on an analytical model to determine optimal procurement prices, with the additional aim of speeding up and simplifying the process while making it traceable and paperless. 	» Continuous improvement of procurement processes

In the preparation of this section, in addition to that provided for by Legislative decree no. 254/2016, the Group analysed the “Commission guidelines on non-financial reporting: guidelines on reporting climate-related information” updated by the European Commission in June 2019, and the recommendations of the Task Force on Climate-related Financial Disclosures – TCFD, which describe the methods for managing and monitoring the risk and opportunities of climate change and the estimate of the related financial implications.

In order to oversee, assess and monitor such risks, in 2020, the Group set up the “Programme Team for adaptation actions to tackle climate change risks” involving the Parent and operating companies and supervised by the Sustainability Committee. A programme was rolled out to reach the climate resilience targets.

The programme is broken down into three investigative panels: “methodology and model”, in charge of designing methodologies and developing the quantitative assessment model; regulations, standards, investments and financing, in charge of investigating domestic and international regulations; information disclosure, in charge of overseeing and analysing the guidelines issued by the European Commission on non-financial reporting regarding environmental and climate change risks.

The programme takes a risk-based management and operating approach, also considering recent ISO standards on risk management applied to climate change.

The climate resilience programme is broken down, using an incremental approach, into various action areas based primarily on awareness of the relationship between climate change and transport infrastructure.

Indeed, the FS Italiane Group strives to ensure increasingly more climate-resilient infrastructure and mobility services by:

- * assessing exposure to risks deriving from climate change in the medium to long term;
- * preparing an accurate monitoring system for the effects of weather and climate change;
- * defining a coherent plan for climate change adaptation projects.

From an initial top-level analysis and in accordance with that defined by the European Commission in June 2019 and the TCFD, the risks and opportunities related to climate change are monitored and classified as:

RISK CATEGORY TRANSITION RISK				
RISK	DESCRIPTION	IMPACT ON THE BUSINESS	POTENTIAL FINANCIAL IMPACT	MITIGATION ACTION
Risk of regulatory change	Change in the greenhouse gas emission regulatory framework	Application of energy efficiency requirements, revision of emissions fees, introduction of a carbon tax	» Higher operating costs » Higher investment costs and asset impairment	» Constant tracking of regulations with monitoring of changes in the greenhouse gas emissions allowance system » Definition and monitoring of energy consumption and emissions targets
Legal risk	Exposure to legal disputes in the event of failure to adopt climate impact mitigation measures	Possible reputational and financial impacts in the event of failure to control this risk	» Higher operating costs	» Implementation of an environmental management system to control compliance with the applicable regulatory framework
Risk related to the relevant market	Change in the habits of passengers and customers interested in greener products and services and uncertainty on the procurement market	More competition and reduction in transport demand	» Lower operating revenue » Higher operating costs for the procurement of raw materials (e.g. energy)	» Monitoring the needs of passengers and customers and the development of new customised services » Promotion of a modal shift towards collective mobility and railway transport for passengers and freight, respectively
Risk related to technological evolution	Spread of new low-emission technologies	Failure to adopt cutting-edge (low carbon) technologies and non-development of the related management expertise	» Lower operating revenue » Higher operating costs (R&D)	» Continuous investments in new, low-environmental impact technologies, in employee training and in the recruitment of personnel highly specialised in the management of new technologies
Reputational risk	Loss of reputation connected to the increase in public concern about climate change	Possible stakeholder dissent with new works (e.g., new infrastructures) due to potential negative external factors, resulting in possible delays in construction	» Lower operating revenue » Higher operating costs	» Participation in national and international targeted initiatives to strengthen the commitment to reducing emissions » Stakeholder engagement initiatives to transparently report the possible positive or negative impacts of new works » Monitoring and reporting on long-term targets to combat climate change

The FS Italiane Group developed methodologies in order to draw up a uniform and coordinated approach to adapting to climate change for all Group businesses.

It monitors climate trends and expected transitions (also by taking part in sector work groups organised by the UIC and PIARC-World Road Association) via scenario analyses based on Representative Concentration Pathway (RCP) emission scenarios and Shared Socioeconomic Pathways (SSP) defined by the Intergovernmental Panel on Climate Change (IPCC).

In 2021, the Group developed a structure programme in response to the physical risk from climate change in order to improve service performance and reliability,

reduce emerging costs generated by climate change and boost train travel safety.

The objective of the climate adaptation and resilience programme is to manage the uncertainty of the relevant impacts in order to detect and plan the best physical interventions to be proactively carried out on the infrastructure network.

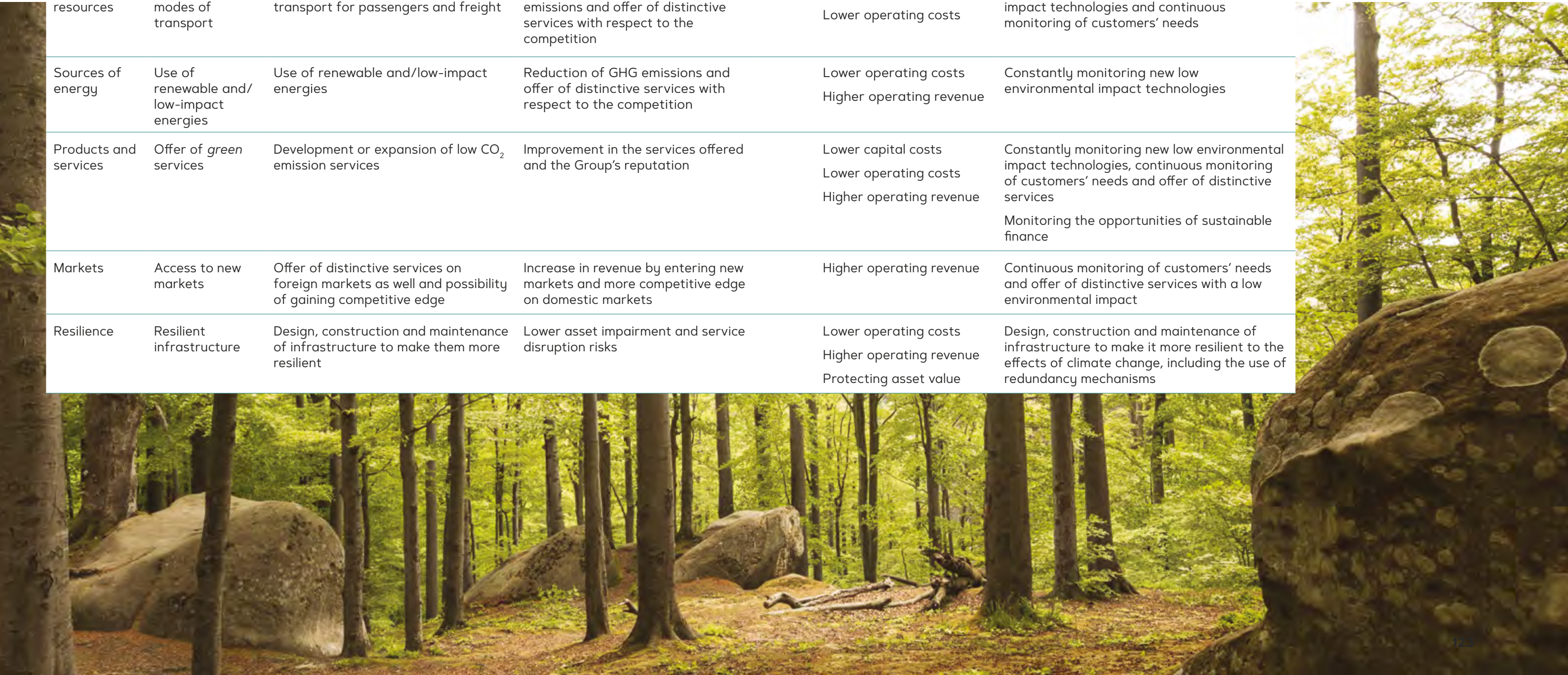
The approach of the infrastructure climate resilience programme is based on three factors: i) scientific awareness of future climate dangers, ii) the digitalisation of infrastructural assets and technology for monitoring current climate, and iii) structural adaptation works.



RISK CATEGORY PHYSICAL RISK				
RISK	DESCRIPTION	IMPACT ON THE BUSINESS	POTENTIAL FINANCIAL IMPACT	MITIGATION ACTION
Acute physical risk	Deriving from extreme weather events such as hurricanes, floods and drought, which are increasing in frequency and intensity because of global warming and will exacerbate hydrogeological instability	Disruptions of operations, failure to provide services and damage to infrastructure and assets, with possible repercussions on people's safety	<div>» Less operating revenue due to a smaller offer</div> <div>» Higher operating costs (e.g., costs for higher insurance premiums and to restore the normal functioning of assets)</div> <div>» Impairment of existing assets</div> <div>» Higher investments to increase the infrastructure's resilience capacity</div>	<div>» Developing risk scenarios, models of vulnerabilities and data collection to quantify the potential risk</div> <div>» High-tech and environmentally-sustainable tools to monitor and control the conditions of railway infrastructure and plants</div> <div>» Design, construction and maintenance of infrastructure to make it more resilient to the effects of climate change, including the use of redundancy mechanisms (life-cycle management)</div> <div>» Inclusion of climate change issues in strategic plans</div>
Chronic physical risk	Deriving from longer-term climate change (higher average temperatures, scarcity of water, rising sea levels, loss of land stability, etc.) which affect hydrogeological instability	Disruptions of operations, failure to provide services and damage to infrastructure and assets	<div>» Less operating revenue due to a smaller offer</div> <div>» Higher operating costs (e.g., costs for higher insurance premiums and to restore the normal functioning of assets)</div> <div>» Impairment of existing assets</div> <div>» Higher investments to increase the infrastructure's resilience capacity</div>	<div>» Developing risk scenarios, models of vulnerabilities and data collection to quantify the potential risk</div> <div>» High-tech and environmentally-sustainable tools to monitor and control the conditions of railway infrastructure and plants</div> <div>» Design, construction and maintenance of infrastructure to make it more resilient to the effects of climate change (life-cycle management)</div> <div>» Inclusion of climate change issues in strategic plans</div>

Climate change may also create opportunities for the Group:

SCOPE	TYPE OF OP-PORTUNITIES	DESCRIPTION	IMPACT ON THE BUSINESS	POTENTIAL FINANCIAL IMPACT	POSSIBLE ACTION
Efficiency of resources	More efficient modes of transport	Use of more energy efficient modes of transport for passengers and freight	Lower energy consumption and emissions and offer of distinctive services with respect to the competition	Higher operating revenue Lower operating costs	Constant tracking of new low environmental impact technologies and continuous monitoring of customers' needs
Sources of energy	Use of renewable and/ low-impact energies	Use of renewable and/low-impact energies	Reduction of GHG emissions and offer of distinctive services with respect to the competition	Lower operating costs Higher operating revenue	Constantly monitoring new low environmental impact technologies
Products and services	Offer of <i>green</i> services	Development or expansion of low CO ₂ emission services	Improvement in the services offered and the Group's reputation	Lower capital costs Lower operating costs Higher operating revenue	Constantly monitoring new low environmental impact technologies, continuous monitoring of customers' needs and offer of distinctive services Monitoring the opportunities of sustainable finance
Markets	Access to new markets	Offer of distinctive services on foreign markets as well and possibility of gaining competitive edge	Increase in revenue by entering new markets and more competitive edge on domestic markets	Higher operating revenue	Continuous monitoring of customers' needs and offer of distinctive services with a low environmental impact
Resilience	Resilient infrastructure	Design, construction and maintenance of infrastructure to make them more resilient	Lower asset impairment and service disruption risks	Lower operating costs Higher operating revenue Protecting asset value	Design, construction and maintenance of infrastructure to make it more resilient to the effects of climate change, including the use of redundancy mechanisms



(102-13, 102-21, 102-40, 102-42, 102-43, 102-44, 201-1)

STAKEHOLDER ENGAGEMENT

The FS Italiane Group strives to maintain a transparent and collaborative relationship with its stakeholders⁵⁶ via active involvement and ongoing dialogue, as it firmly believes that by understanding their expectations and reconciling interests, it guarantees the effective creation of value.

56) The criteria used to identify stakeholders are as follows: responsibility, dependence, materiality, influence, degree of interest/impact/knowledge.



MAIN CHANNELS OF COMMUNICATION WITH STAKEHOLDERS



Creating value for the Group and its stakeholders is a priority for the sustainability of the business in the medium to long-term.

Based on the reclassification of the consolidated income statement, the table below illustrates the impacts of the Group’s activities on its stakeholders. Specifically:

✱ economic value generated is an indicator of measurable wealth generated by the Group in the

year. The analysis of value added provides an objective evaluation of the Group’s economic/social impact by measuring the wealth it has created for stakeholders;

✱ economic value distributed is a qualitative/quantitative indicator of the Group’s social impact and the distribution of value to the various stakeholder categories.

The value not distributed by the Group (€1.8 billion) consisted substantially of self-financed investments and accruals to reserves, to be reinvested and thereby ensure the continuity of the business over the medium to long term and, therefore, indirectly benefit the FS Italiane Group’s stakeholders (such as employees and the community through, for example, improvements in service quality).

GENERATION AND DISTRIBUTION OF ECONOMIC VALUE	2021	2020	2019
Economic value generated directly	12,328	10,941	12,524
Revenue from sales and services	11,747	10,482	12,011
Other sundry income	581	459	513
Economic value distributed	10,444	9,621	10,190
Operating costs for materials and services	5,336	4,661	4,801
Personnel expense	4,764	4,432	4,945
Payments to financial backers	160	387	286
Payments to public bodies	184	141	158
Economic value withheld	1,884	1,320	2,334

In millions of Euros

THE STAKEHOLDER PANEL

The stakeholder panel is an important opportunity for direct exchange between the Group and its main stakeholders, including in the definition of long-term goals. Indeed, the fifth stakeholder panel helped understand the stakeholders’ expectations about three

key topics: energy and emissions, safety and sustainable mobility. In line with the Group’s priorities, this means of stakeholder engagement will continue with other relevant topics, in line with the business plan.

Moreover, the proposals gathered during the first four stakeholder panels are published on the Dialogue with stakeholders page of the company website, detailing the measures carried out and any reasons why the Group has decided not to implement them.



SUSTAINABILITY POLICY

To make sustainability a guiding principle in the definition of strategic and operating choices and to ensure sustainable growth in the medium and long term, the FS Italiane Group has identified the principles at the heart of its operations in the sustainability policy. This document, which was approved on 16 April 2019 by the board of directors and is inspired by the Sustainable Development Goals and the UN Global Compact principles, is based on seven principles.



SHARED VALUE CREATION

Balance economic targets with social and environmental goals, creating value for the business, stakeholders and all the areas in which the Group operates



COMMUNITY AND STAKEHOLDER ENGAGEMENT

Initiate systematic stakeholder engagement processes



PASSENGER AND EMPLOYEE SAFETY

Ensure an increasingly higher level of health and safety and consolidate a risk management and prevention culture



SERVICE QUALITY

Improve the customer experience, with a close focus on delivered and perceived quality



EMPLOYEE VALUE

Actively contribute to caring for and nurturing people, preventing any form of discrimination



EFFICIENT USE OF RESOURCES AND ENVIRONMENTAL PROTECTION

Promote the efficient use of energy resources and encourage an LCA approach in all processes



RESPECT FOR HUMAN RIGHTS

Protect human rights in its operations and with suppliers and business partners, helping to create a responsible value chain

OTHER FORMS OF DIALOGUE

The Group has many other forms of dialogue with its stakeholders, including institutionalised feedback collection (e.g., customer satisfaction surveys), relationships with the consumer and environmental associations and the trade unions. Each year, the Group promotes a number of initiatives to inform, advise, discuss and partner with the various stakeholders. The Ferrovie dello Stato Italiane Group also takes part in activities with the following associations: Confindustria and its local branches, Agens/Federtrasporto, Feder-turismo, Assonime and Accredia. At European level, it collaborates with CER⁵⁷ (Community of European Railway and Infrastructure Companies) which acts as the sector's voice with the main European institutions (Commission, Parliament, Council) and promotes dialogue between companies and decision-making bodies. The Group also participates in specific working groups at the UIC and the ERA (European Railway Agency).



Furthermore, the FS Italiane Group collaborates with the following organisations: Asvis, United Nation Global Compact, Global Reporting Initiative, the Foundation for Sustainable Development, Green Building Council Italy, Railsponsible, the Kyoto Club and the Italian Association for Sustainable Infrastructure.

There were no non-conformities in advertising in 2021. No form of financial assistance and no benefits are granted to the aforementioned associations other than the membership fees. The Group does not pay any direct or indirect contributions to political parties, movements, committees or organisations or trade unions.

57) The CEO of Ferrovie dello Stato Italiane SpA has been on the management committee of CER since 2019.

**MEDIA RELATIONS,
PUBLISHING AND MULTI-
MEDIA MATERIAL**

In 2021, the Group was active with the national, regional, local and international media (press agencies and national, local and international newspapers, the free press, general and trade magazines, radio, television and photographic, radio and television agencies) as well as online publications, websites and blogs. Its media work included external communications, such as:

- * the online newspaper fsnews.it;
- * the Group's website fsitaliane.it;
- * La Freccia magazines;
- * the radio station FSNews Radio;
- * social media;
- * the Telegram channel of FSNews.



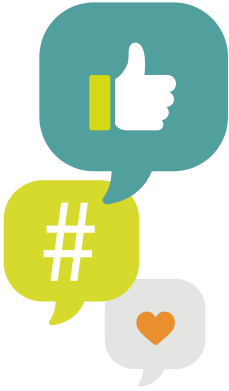
In 2021, FSNews.it published nearly 1,500 articles, along with multimedia content including over 116 podcasts and 109 videos presented on the Group's YouTube channel.

FSNEWS RADIO

The FSNews Radio editorial department produced 528 podcasts, 117 on-air events including live, streaming, photo, video and web events. It provided 3,021 updates on train circulation on the radio and app.

LA FRECCIA

40% less paper was used in 2021 than in 2020 to print the La Freccia magazine, the FS Italiane Group's general-interest monthly publication (12 issues). It is printed on Forest Stewardship Council® certified paper and using recycled materials.



WEB STRATEGY

In December 2021, FS Italiane's blog **#RailPost – un viaggio da raccontare**, which tells the direct stories of employees and passengers about issues ranging from innovation to sustainability, slow tourism and proximity, moved to a web content platform managed by FSTechnology for security reasons.

In 2021, FS Italiane changed the layout of the **Sustainability** section of its **website** (fsitaliane.it) according to three main areas: Environmental Commitment, People and Sustainability Governance. A new Welcome Page was then created for each area. Specifically, the **People** welcome page was revisited in order to present the Group's social activities, directing users towards activities related to external stakeholders (Social commitment section), internal stakeholders (Corporate welfare section) and topics related to Diversity&Inclusion.

Some of the most important initiatives of 2021 were the social awareness campaigns, such as: #ilmioviaggiosostenibile, #fsgreen, Fund raising campaign per Fondazione Bambino Gesù, the International Day for the Elimination of Violence against Women, the RAILWAY heART photography feature, Frecciarosa2021, 4W4Inclusion, promoting Giro d'Italia, presenting the ONDS report, and #facciamosquadra.



For its internal stakeholders, the Group:

- * launched the **"Restarting Italy together"** communication plan, to recount FS' central role in the process to restart the country, contributing to innovation and digitalisation, fostering international integration and people transformation, supporting the core business of subsidiaries, and corporate communication plans on sustainability, welfare, innovation, training and the digital workplace;
- * expanded the internal communication channels by designing **mywe**, the first app dedicated to all FS Group people, amplifying the videowall network and the Group's new system to receive

- push messages wespeak;
- * launched the new **#100AmbassadorxFS** project to create a network of internal "influencers" to promote messages and initiatives on internal and external communication channels;
- * continued to promote and spread **professional communities** throughout the Group with over 2,500 registrations and the internal **change management** plan: continuing on from the "we are digital" plan, training for Group employees to inform them about the new digital workspace tools and encourage them to access and use them.

THE GROUP CAN ALSO BE FOUND ON:





2

For more than a hundred years, the FS Group has been the means of connecting of our country, thanks to constant attention and protection of the people, companies and associations with which we work with, with the aim of generating shared value for the community.

FS ITALIANE GROUP FOR THE PEOPLE

We care for almost 82,000 people, committed every day to ensure that the offer provided to travellers and industrial customers, in terms of sustainable services, quality, safety and relationships, is the best in the transport sector. These professionals are crucial for the growth of our Group, and need protection, care and continuous training.

102-15

HIGHLIGHTS

PUTTING THE NEEDS OF PEOPLE AND CUSTOMERS FIRST

WHAT WE HAVE ACCOMPLISHED

SEM (Smart Equipment Management)

1 Completion of work at approximately 30 stations designed in 2020 and executive design process completed at 32 network stations to remotely control and manage civil station systems and lighting; conclusion of the final design of a central SEM command and control post for remotely managing civil station systems at the RFI headquarters

WHAT WE AIM TO DO

Easy and smart stations

Continue works to make sure the busiest stations of the network are accessible and can be used under the "Integrated stations plan" (including raising platforms to height of 55cm, installing new lifts, installing tactile walkways, reflooring platforms and halls and replacing lighting systems with LED lights)

PUTTING THE NEEDS OF PEOPLE AND CUSTOMERS FIRST

WHAT WE HAVE ACCOMPLISHED

ASSISTANCE FOR PASSENGERS WITH REDUCED MOBILITY (PRM)

2 Continued expansion of the PRM circuit (332 stations) against unchanged needs from previous years and provision of approximately 220,000 assistance services (+28% compared to 2020)

WHAT WE AIM TO DO

PRM SERVICE

Presentation of mobile kerb ramps as a new station asset for providing the PRM service





PUTTING THE NEEDS OF PEOPLE AND CUSTOMERS FIRST

WHAT WE HAVE ACCOMPLISHED

Upgrade of sections to southern Italy

Completing Frecciarossa to Frecciarosso upgrade on the Rome-Reggio Calabria line

3 Creating a couple of Frecciarossa Fast links between Milan and Reggio Calabria, cutting the journey time by over an hour, by smartly choosing the stops along the way

Creating a couple of Frecciarossa night links between Milan and Reggio Calabria to support summer traffic peaks

Extending Frecciarossa services to Puglia

Upgrade of the regional services fleet

4 Roll-out of over 100 new Pop and Rock trains to boost the plan to upgrade the fleet used for regional transport

WHAT WE AIM TO DO

Upgrade of sections to southern Italy

Further increases in the number of trains running on the Rome-Puglia line

Upgrade of the regional services fleet

Introduce new Blues trains with two possible formats: bimodal (Diesel-Electric) or hybrid (Diesel-Electric-Battery)



PUTTING THE NEEDS OF PEOPLE AND CUSTOMERS FIRST

WHAT WE HAVE ACCOMPLISHED

5 QuiBus Campania app

Roll-out of the new Busitalia Campania app which provides passenger with information on lines, timetables, routes and the new on-call service

6 Upgrade of the Padua and Rovigo fleet for urban and suburban transport

In 2021, 120 new buses joined the fleet, including 109 for the Padua suburban service and 11 for the Rovigo suburban service. They are all Euro 6 diesel vehicles with the exception of one electric bus

7 Remote working - cyber security

Design Virtual Desktop Infrastructure (VDI) to provide virtual desktops to all employees that can be safely accessed from any device

WHAT WE AIM TO DO

"EMW" project (Europay, Mastercard, Visa)

Continue on with the project that will allow passengers buy tickets by credit card

Upgrade of the bus fleet

Replace 11 buses for the Padua suburban service and 6 buses for the Rovigo suburban service

Cyber security

Increase security over access to digital workspace systems by introducing multi-factor authentication systems



OUR PEOPLE AND THEIR VALUE

WHAT WE HAVE ACCOMPLISHED

- 1 Continued strict implementation of measures to curb and fight the spread of Covid-19 in the workplace
- 2 Maintained Biosafety Trust Certification, a model of how to prevent and control the spread of viral infections on public transport
- 3 Begun large-scale recruitment of new graduates - holding recruiting days, with 26 special events by cluster/professional area
- 4 First place in the ranking of Most attractive employers Italy 2021 by young business students
- 5 First place in the Online Talent Communication ranking prepared by Potential Park to rate companies with the best experience in online recruitment

WHAT WE AIM TO DO

- Continue reducing injuries and the frequency rate
- Finalise the succession plans (for staff departments with managers and senior management) and issue guidelines for managing the process
- Certification by a third party of actions and programmes rolled out by the Group with regard to gender equality
- Analytical survey (of conditions and welfare) of employees to hear their expectations and structure improvement actions



OUR PEOPLE AND THEIR VALUE

WHAT WE HAVE ACCOMPLISHED

- 6 Wecare - a new online space for employees offering services and webinars on personal well-being, healthy relationships and inclusion: over 1,200 participations in webinars and 12 short video capsules made
- 7 Launch of the first edition of FS Learning Week: the first forum of training schools and academies with over 1,330 participants
- 8 Completed the Innovation Skill Hub programme aimed at creating an innovative mindset among Group employees

WHAT WE AIM TO DO

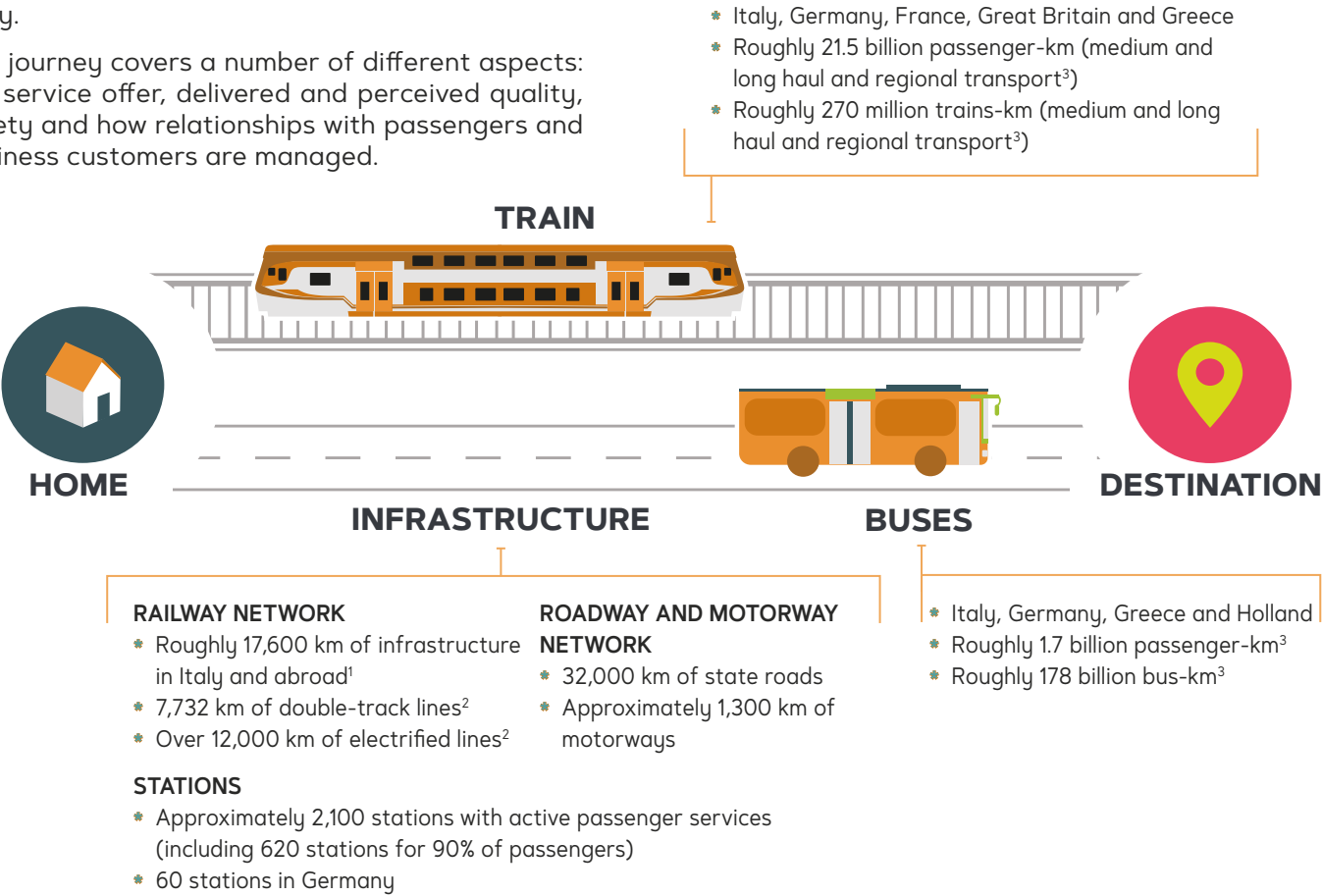
- Build and roll out a company mentor system
- Continue developing the end-to-end training process via digitalisation and creating an ecosystem
- Build, spread and refresh skills that will be required by the new business plan

(102-15; 103-2, 103-3)

PUTTING THE NEEDS OF PEOPLE AND CUSTOMERS FIRST

The Group’s strategy places the needs of passengers and business customers to the fore. It aims to offer quality, customised services to meet their needs safely, sustainably and with integrated mobility.

The journey covers a number of different aspects: the service offer, delivered and perceived quality, safety and how relationships with passengers and business customers are managed.



1) The infrastructure managed by FS Italiane Group companies in Italy and abroad covered roughly 17,600 km in 2021, with the national railway infrastructure managed by the subsidiary Rete Ferroviaria Italiana SpA accounting for 16,832 km. In addition to the network operated by RFI S.p.A., FS Italiane Group manages 474 km of Ferrovie del Sud Est e Servizi Automobilistici Srl (FSE S.r.l.) lines in Italy. The Group’s remaining infrastructure, consisting of the roughly 300 km operated by Netinera Group in Germany is also part of FS Italiane Group.

2) Infrastructure operated by RFI

3) It also includes traffic operated abroad by the Group’s subsidiaries.

INTEGRATED STATIONS PLAN

TRAVEL

(102-2, 102-4, 102-6, 102-7, 102-43, 102-44)

The purpose of offering integrated services is to guarantee a travel experience that meets everyone’s specific travel needs, focusing especially on those who use public transport every day.

The Group’s commitment to improving the travel experience is demonstrated by the roll-out of the new Rock and Pop trains for regional service in 2019, offering more comfort and better performance along with a greater level of intermodality and sustainability.

STATIONS

Stations are one of the main “intermodal hubs”, enabling people to travel with various modes of transport, often connecting the city centre with the rest of the urban areas.

The Group is deeply committed to using infrastructure and management strategies in its assets that facilitate the interchange between the modes of transport used by passengers to reach stations and trains, making stations the centre of a new sustainable mobility model and also inclusive, appealing

service hubs for the local area that help develop smart cities.

Accordingly, the projects to redevelop existing stations and to build new stations cover both the internal spaces and functions of the buildings and their relationship with their surroundings. These projects are implemented in close collaboration with national and local institutions, including via local planning tools such as the Sustainable Urban Mobility Plans (SUMP).

To make it easier to travel and use the services in the station, the

The new Integrated Stations Plan organises and develops the works to upgrade and redevelop stations already launched with the “Easy and smart stations” project, using an integrated logic also for newly-built stations and aimed at evolving the function of passenger terminals into sustainable intermodal and appealing hubs for the development of the local area.

In addition to the works to upgrade the internal spaces and services at stations, the Integrated Stations Plan also provides for parallel and integrated works on the external areas, defined in collaboration with local institutions and aimed at both redeveloping the urban environment and offering public and collective (bus, tax, etc.), shared (car sharing, etc.), soft and active (bicycles, walking, etc.) mobility, in any case with a low environmental impact (electric vehicle charging stations, etc.).

Group is progressively eliminating architectural barriers and offering assistance services for passengers with disabilities and reduced mobility.

In particular, it offers a special assistance service at 332 stations throughout Italy to help passengers with physical, sensory or motor disabilities to get around.



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RAILWAY NETWORK

To keep the infrastructure operating efficiently and ensure maximum traffic safety, RFI is continuously committed to protecting, maintaining and strengthening the infrastructure and its technological features, building new lines and systems and designing ever more efficient production and operating methods.

ROADWAY AND MOTORWAY NETWORK

Anas builds, manages and maintains the network of state roads connecting all locations throughout Italy.

It designs new, highly-engineered solutions to overcome connection limits on Italy's geologically complex land. It is committed to strengthening the existing road system, improving access to cities and expanding intermodal connections, without ever losing sight of network and infrastructure safety and efficiency.

RFI OPERATING RAILWAY LINES 16,832 KM* (AT 31 DECEMBER 2021)

CLASSIFICATION

Main lines	6,486 km
Complementary lines	9,396 km
Hub lines	950 km

TYPE

Double-track lines	7,732 km
Single-track lines	9,100 km

POWER

Electric lines	12,160 km
- double track	7,655 km
- single track	4,505 km
Diesel fuel lines	4,672 km

(*) including 70 km outside Italy

OPERATED ROAD NETWORK 31,976.48 KM

CLASSIFICATION

Directly operated motorways	940.00 km
Motorway connectors	355.10 km
State roads	25,280.82
Roads being classified or declassified (NSA)	396.77
Slip roads and connectors	5,003.79 km

TRAINS

Railway passenger transport can be split into two main segments, in Italy and abroad:

- * medium and long haul transport (high speed - HS services, Inter-city - IC services)
- * regional.

During 2021, the Frecciarossa, Frecciargento and Frecciabianca high speed services adapted to changes in the transport market as a result of shifting trends in the Covid-19 pandemic, with the service level rising from roughly 30% (compared to pre-Covid levels) in January 2021 to approximately 80% at the end of the year.

NATIONAL - ITALY



MEDIUM AND LONG HAUL TRANSPORT

HIGH SPEED SERVICES

trains that travel up to 300 km/hr mainly on the high speed network serving those areas of Italy with the densest traffic and populations



FRECCIAROSSA



FRECCIARGENTO



FRECCIABIANCA

trains with flexible structures, enabling them to travel at faster speeds than traditional rolling stock. Accordingly, they are used on both traditional and high speed lines

trains that travel on traditional network lines and mainly connect medium and large cities with the main stations on the high speed network, creating a widespread network



INTERCITY



INTERNATIONAL

INTERCITY SERVICES

these are public transport services offered at the request of the government under service contracts, whereby the transport companies receive consideration ("universal" services). Specifically, they refer to day and night Intercity services

Eurocity and Euronight international trains connect the main Italian cities with major cities in Austria, Germany and Switzerland

REGIONAL



WIDESPREAD NETWORK
metropolitan, regional and inter-regional network of trains all day long



SERVICES
frequent service in cities and fast connections between major regional hubs, ensuring that the two different service levels intersect at the "gateway stations"



FLEET
purchase of new, more modern and comfortable trains (Pop and Rock) for regional and local transport

INTERNATIONAL



FRANCE Day connections between France and Italy and night connections between Paris and Venice. Frecciarossa on the Paris-Lyon-Milan route.



UK Passenger transport from London (Fenchurch Street) to Basildon, Southend and Grays, passing through 26 stations in East London and South Essex. From London to Birmingham, Manchester, Liverpool, Preston, Chester, Edinburgh and Glasgow.



GERMANY Regional public transport in Bavaria, Saxony, Thuringia, the Czech Republic and Austria, south-west Germany, Lower Saxony and Mecklenburg-Western Pomerania. In the metropolitan areas of Berlin, Brandenburg, Bremen and Hamburg. Fleet of approximately 370 trains. Directly managed network of roughly 260 km mainly in the Lower Saxony area.



GREECE Passenger transport in three segments: Intercity (connections between main prefectures – from Patras to Alexandroupolis; Dikaia to Florina; Athens to Thessaloniki), suburban (regions of Athens, including the airport link, Thessaloniki and Patras) and international (Sofia, Belgrade, Bucharest and Skopje).



© Busitalia archive

BUSES AND TRAMS

Road passenger transport completes the Group's integrated offer, operating on a national and international level.

NATIONAL



LOCAL public transport (urban and suburban) in major Italian cities Florence*, Padua, Perugia and Salerno. In addition to other cities in Campania, Puglia, Tuscany*, Umbria and Veneto.
** service up to October 2021*



LONG HAUL Integrated service consisting of dedicated buses that connect medium-sized cities and tourist cities with the HS Freccie trains from Bologna, Bolzano, Florence, Lecce, Milan, Naples, Rome, Salerno, Turin, Venice and Verona.

INTERNATIONAL



GERMANY Public road transport in the North Rhine-Westphalia region, Frankfurt on Maine, Hamburg and Hanover with a fleet of approximately 650 buses and around 500 minibuses for the transport of students and people with reduced mobility.



THE NETHERLANDS Local public transport in the metropolitan area of Utrecht, in the province of Groningen-Drenthe and in the Drechtsteden, Molenlanden and Gorinchem (DMG) area.





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(102-43, 102-44; 419-1)

FOCUS ON PEOPLE



Delivered and perceived service quality is of strategic importance to the Group to improve the travel experience of each and every train or bus passenger and to satisfy the needs of the customers who trust the Group to transport their freight every day.

Some time ago, the Group implemented a process to monitor customer care on the basis of the parameters stated in the service charters⁵⁸ and to monitor customer satisfaction through interviews with a sample of passengers/customers, aimed at understanding their expectations and their respective level of satisfaction. Furthermore, in order to guarantee appropriate feedback, a complaints monitoring system⁵⁹ was implemented to help the Group actively listen to their needs while also improving the efficiency and effectiveness of services.

The following sections give a summary of the Group's performance indicators.



CUSTOMER
CARE

+



CUSTOMER
SATISFACTION

+



COMPLAINTS



SERVICE IMPROVEMENT

58) Trenitalia publishes the Service Charter to express its principles and commitments to improve the services it offers.
59) In this document, "complaints" means reports received, while "inefficiencies" means issues associated with "complaints". In particular, a complaint may refer to more than one inefficiency.

INFRASTRUCTURE RAILWAY NETWORK AND STATIONS

The quality targets established in the service charter (drawn up in compliance with the relevant legislation for public transport services - Directive of the Prime Minister of 27 January 1994 and the Prime Minister's decree of 30 December 1998) for the **railway network and stations** operated by RFI are constantly monitored and reported.

In 2021, all targets were achieved, including both the perceived quality targets measured on the basis of customer satisfaction surveys and delivered quality targets measured through internal monitoring and by third parties.

Target achieved

RAILWAY NETWORK / STATIONS		
INDICATOR	2021 TARGET	2021 ACTUAL
Electricity from renewable sources	Double the portion of electricity from renewable sources for internal use by RFI acquired under a specific supply contract (bids for tender)	
Security at the station	Number of thefts in stations below the 2016-2018 three-year average number ¹	
Accessibility of stations	Works carried out to improve accessibility (raising platforms to height of 55cm, lifts) – at least 125 operations	

1) Data is monitored by Polfer. There has been constant improvement since 2007 thanks to effective actions over time and long-term plans defined by the Group for the safety of its customers and assets carried out in collaboration with the railway police under agreements signed from 2007 onwards with the Ministry of the Interior. Accordingly, the target figure is compared to the average three-year figure from this year on 2016-2018.



The results of the customer satisfaction surveys for the perceived quality targets showed that the percentage of passengers satisfied (i.e., they rated their satisfaction as between 6 and 9) with the services offered at stations was slightly improved on 2020 for nearly all macro-factors.

Satisfaction levels were also high in 2021 with the quality of Sale Blu services⁶⁰.



60) The following charts and pages use "p.p." to indicate percentage point changes in the indicators.

ENVIRONMENT IN THE STATION

QUALITY	INFORMATION AT THE STATION	ASSISTANCE
Overall quality of the station	Perception of information under critical operating conditions	Satisfaction with the assistance service provided by the Sale Blu network
2021 actual: 98.2% 2020 actual: 96.8% +1.4 p.p.	2021 actual: 96.3% 2020 actual: 95.8% +0.5 p.p.	2021 actual: 99.6% 2020 actual: 99.0% +0.6 p.p.









Complaints totalled 4,984 in 2021, compared to 4,301 in 2020. This increase is a result of the emergency generated by the Covid-19 pandemic in the first half of 2020 which, especially during the long lockdown period, almost entirely eliminated the presence of passengers and station users. The number of people present was also subsequently limited by the provisions of the Prime Minister's decrees and the restrictions imposed by the regional authorities to prevent the spread of the virus. The number of

inefficiencies also increased proportionally (5,427, +16% on 2020). The main channel used to report inefficiencies is "RFI Risponde" which is available on the homepage of the company's website. The main complaints (approximately 70% of the reported inefficiencies) related to public information, comfort in the station, security at the station, and respect for the environment.

ROADWAY AND
MOTORWAY
NETWORK
INFRASTRUCTURE

The Group monitors the targets established in the service charter for the roadway and motorway network:

✔ Target achieved

ROADS AND MOTORWAYS		
INDICATOR ¹	2021 TARGET	2021 ACTUAL
<div>Service regularity</div> <div></div>	<div>Amount of time road closed for unexceptional snowfall and/or not due to scheduled closing on sample sections</div> <div>Standard time: ≤ 12 hours</div>	<div></div>
<div>Travel safety</div> <div></div>	<div>When an event affecting roads occurs, the time between the verification of the alert in the control room and its publication on user information systems (VAI, PMV, Anas website)</div> <div>Standard time: maximum 30 min</div>	<div></div>
<div>Customer support</div> <div></div>	<div>Definitive response to customers within 30 calendar days regarding requests for information, complaints and suggestions</div> <div>Target: 80%</div>	<div>Actual: 92%</div> <div></div>

1: main indicators in the Anas service charter

A customer satisfaction survey was also conducted during the year to gather feedback on the opinions and satisfaction of customers who had contacted the central and peripheral public relations offices. Survey respondents reported a satisfaction rate of 7.4 out of 10, in line with the previous year (for the first nine months of the year). 1,042 complaints were received in 2021, up on 2020 (+41%).

However, this rise was mainly due to the return to travel and ordinary traffic compared to 2020 when road traffic had dropped considerably due to the public health emergency which translated into a decrease in the number of complaints.

Customer Service carefully anal-

yses each complaint and catalogues them by type while also cross-checking them with the road/motorway of reference.

This identifies any recurring issues to facilitate a subsequent action plan.



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TRAINS
ITALY

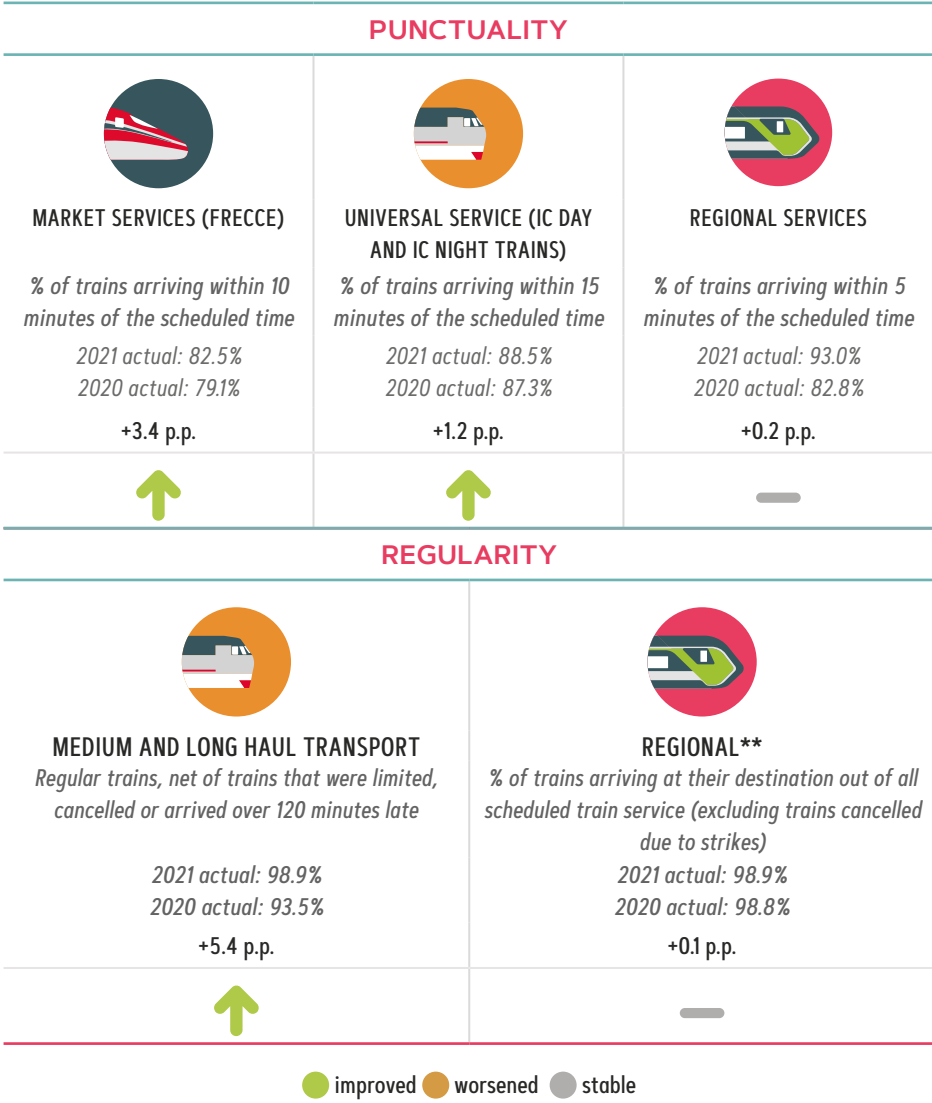
Punctuality⁶¹ improved for all service types, demonstrating the Group’s ongoing commitment to improving the travel experience.

Regularity improved in both segments during the year. However, the data are skewed by the fact that services were constantly being rescheduled due to the ongoing state of emergency.

Perceived quality is measured through periodic surveys of passengers aged 14 years and up about their experience on trains managed by the Group (medium/long haul⁶² and short haul journeys and local/regional transport⁶³). Surveys are conducted using face-to-face and telephone interviews⁶⁴.

In 2021, 97.1% of passengers on medium and long haul trains reported satisfaction with the overall journey⁶⁵, up 1.8 p.p. on the previous year.

Overall, all of the main aspects recorded improvements on the previous year. Specifically, punctuality

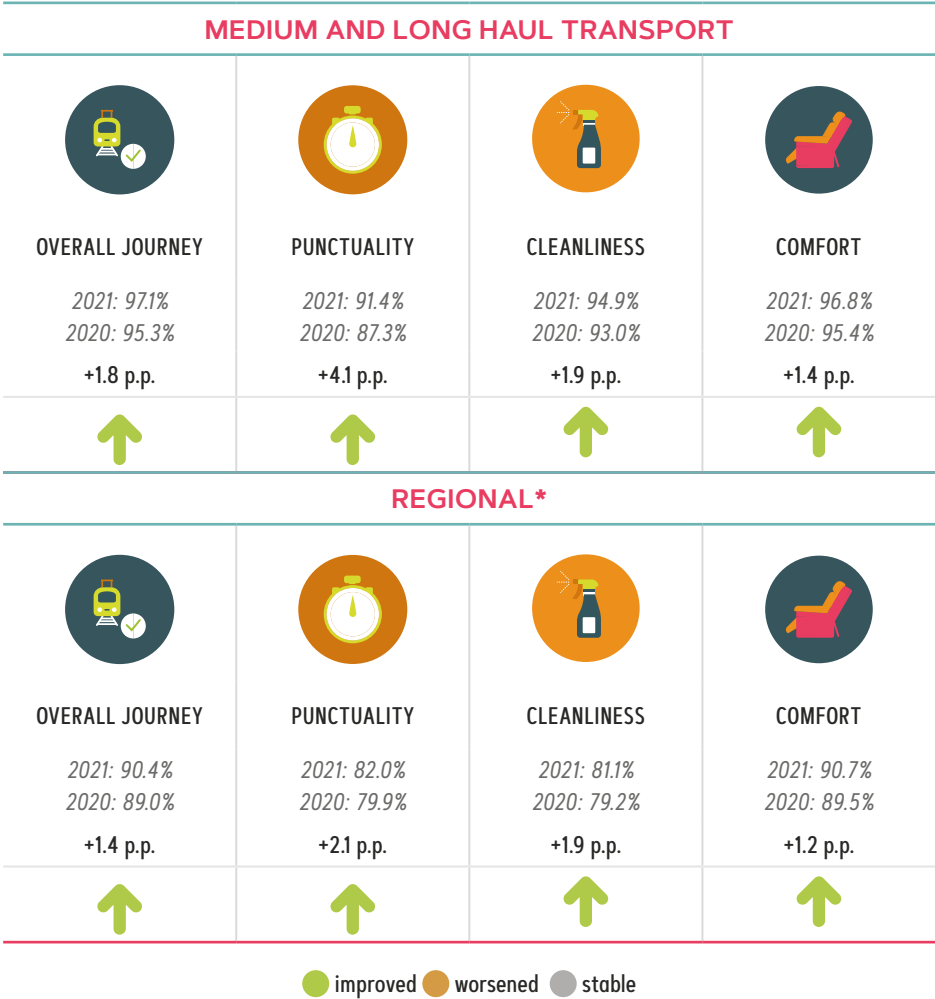


** Regularity figures exclude trains cancelled due to the Covid-19 emergency.

improved by 4.1 p.p. The regional transport survey results also show higher passenger satisfaction.

90.4% of passengers were satisfied with the overall journey⁶⁶ (up 1.4 p.p. on 2020) and there was higher passenger satisfaction with all main aspects of the journey overall.

An analysis of the individual aspects of the journey shows an improvement in punctuality (+2.2 p.p.), cleanliness (+1.9 p.p.) and comfort (+1.2 p.p.). These results are in line with the Group’s efforts and investments in regional transport to improve the customer experience for everyone, but especially commuters, who take the train every day.



* Regional transport in Emilia Romagna, operated by Trenitalia TPER, left the Regional Passenger Division scope in 2020.

61) Trains are considered late if they arrive after the limit indicated below (considering all trains with no exceptions).
62) Surveys are conducted once every two months for a total of six surveys per year and entail 5,000 interviews with a sample of passengers selected using a probability-based procedure in connection with three different aspects: traffic, station and brand.
63) Surveys are conducted every two months for a total of six surveys per year and entail 7,666 interviews. Such a high number of interviews makes it possible to survey passengers travelling on the 35 main regional railway lines throughout all of Italy.
64) Face-to-face interviews are conducted at the station before the interviewees board their trains. Telephone interviews using CATIs (computer assisted telephone interview), are conducted through call-backs to interviewees two/three days after the journey.

The score for each variable considered in the survey is on a scale of one to nine, where nine corresponds with the highest satisfaction and one with the lowest. Passengers who report a satisfaction rate equal to or greater than six are considered satisfied.
65) Satisfaction with the overall journey considers all stages of the journey (door to door).
66) Overall journey satisfaction considers all stages of the journey: pre-departure, arrival at the station, time at the station, journey on board the train, leaving the station and post-arrival.

The careful management of complaints is a vital tool for engagement with customers because it enables the Group to monitor and analyse reported inefficiencies, improve performance and provide a service that is increasingly tailored to travellers' needs.

For the systematic and efficient management of complaints, the Group has set up an organisation spread throughout Italy consisting of:

- * local offices that manage complaints paperwork and replies to customers;
- * a network of focal points capable of identifying the issues that customers report and taking the appropriate action for resolution.

Complaints are managed on an integrated IT customer relationship management platform that analyses and handles complaints synergetically with other means of customer contact (such as ticketing offices, customer care centres at stations, online, the call centre, post and e-mail). The complaints management process is as follows: complaints received from customers - online, complaint form or via letter - are forwarded to the CRM

platform and assigned to the specific local offices responsible for managing them. After being analysed, the complaint is sent to the focal points, i.e., technical staff capable of identifying the issues reported by the customer, taking any corrective action to resolve the reason for the fault reported and providing the complaint manager with the information necessary to send a response. The response is sent and, where appropriate, considering the severity of the inefficiency, the customer is offered a voucher. Currently, the most frequently used channel is the website, through which most complaints arrive.

The complaints are broken down by type: pre-travel (e.g., information, ticketing), travel (e.g., assistance, on-board comfort, environment, functioning of equipment, comfort categories) and post-travel (e.g., assistance with delays, refunds/compensation).

In 2021, Trenitalia received a total of 35,147 complaints related to medium and long haul transport, down 52.8% on the previous year. The decrease largely refers to the fact that many of the requests received in 2020 were requests for infor-

mation related to the measures introduced during the public health emergency.






Similarly, the number of inefficiencies reported also fell 38.4% on 2020, from 20,497 to 12,623.

The main inefficiencies reported for medium and long haul transport trains concerned punctuality and service regularity (-17% on 2020), the service level (-60%) and comfort (+16%).

The trend in the number of inefficiencies reported in recent years is chiefly related to the reduced railway connections and number of passengers during the public health emergency, which caused a reshaping of transport offer and demand.



The main inefficiencies reported in complaints are broken down below:

INEFFICIENCIES – MEDIUM AND LONG HAUL TRANSPORT (national and international)				
				
REGULARITY PUNCTUALITY	SERVICE LEVEL	TRAIN COMFORT	FRONTLINE PERSONNEL	PASSENGER INFORMATION
2021: 4,637 2020: 5,598	2021: 4,956 2020: 12,279	2021: 1,340 2020: 1,158	2021: 542 2020: 354	2021: 350 2020: 466
-17.2%	-59.6%	+15.7%	+53.1%	-24.9%
↑	↑	↓	↓	↑






● improved ● worsened ● stable

20,364 complaints were handled for the regional service during the year, up on 2020 (+16%), with a corresponding rise in the number of inefficiencies flagged to 23,053 (+19%).

The increase is chiefly due to the revival of railway traffic.

The main inefficiencies reported for regional service concerned the service level (+16% on 2020), punctuality and service regularity (+27%) and comfort (+50%).

The main inefficiencies reported for regional transport are broken down at the side:

INEFFICIENCIES – REGIONAL				
				
REGULARITY PUNCTUALITY	SERVICE LEVEL	TRAIN COMFORT	FRONTLINE PERSONNEL	PASSENGER INFORMATION
2021: 5,376 2020: 4,245	2021: 9,207 2020: 7,912	2021: 2,202 2020: 1,468	2021: 1,530 2020: 1,123	2021: 1,056 2020: 936
+26.6%	+16.4%	+50.0%	+36.2%	+12.8%
↓	↓	↓	↓	↓

● improved ● worsened ● stable



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The Group also introduced a fair settlement procedure in 2009 whereby customers who are dissatisfied with the response they have received to a complaint or request for a refund/indemnity can have the Settlement Commission re-examine their complaint or request.

This procedure is free and non-binding for customers, who may decide whether to accept the proposed solution or not. The European Commission recognises the

fair settlement procedure as a best practice.

822 requests were handled in 2021, of which:

- 45 received in 2020 and closed in 2021;
- 773 received in 2021⁶⁷.

The fair settlement procedure was also introduced for passengers of Trenitalia’s regional services as of January 2022. Extending this pro-

cedure to regional transport after the long and well-established experience in medium and long haul transport (Freccie and Intercity) confirms Trenitalia’s attention to the people who chose to travel on its regional trains every day.

67) Broken down as follows: 478 for the high speed segment (of which 368 accepted and 110 rejected), 184 for Intercity (of which 143 accepted and 41 rejected), 24 for HS +IC (of which 20 accepted and 4 rejected) and 87 rejected for other reasons.

FERROVIE DEL SUD EST - FSE

FSE monitors and reports on the quality targets set out in the service charter⁶⁸ to strive for constant improvement.

Specifically, the main targets and results are summarised below:

FSE also monitors customer satisfaction via face-to-face interviews with users of the various services. Specifically, for rail transport, thousands of interviews were carried out on-board sampled trains,

extracted based on line, time of day and day of the week. The interviews were carried out in November 2021.

The score for each variable considered in the survey is on a scale of one to nine, where nine corresponds with the highest satisfaction and one with the lowest. Passengers who report a satisfaction rate equal to or greater than six are considered satisfied. Factors which scored highest are courtesy and politeness of personnel (88.4% of passengers satisfied), professionalism and expertise of personnel (87.4% of passengers satisfied), travel safety (87.1% of passengers satisfied), comfort of vehicle (83.8% of satisfied passengers) and overcrowding/seat availability (83.1% of passengers satisfied). Even the aspects that were less satisfactory last year showed improvement in satisfaction levels: focus on the environment and pollution (from 59.9% to 77.8% of passengers satisfied), punctuality (from 58.6% to 73.3% of passengers satisfied), cleanliness and hygiene of vehicles (from 57.7% to 75.5% of passengers satisfied) and journey time/duration (from 48.6% to 66.6% of passengers satisfied).



Also for FSE careful management of complaints is a vital tool for interaction with customers because

it enables the Group to monitor and analyse reported inefficiencies, improve performance and meet passenger needs.

Complaints are managed by a special team that receives them via a specific channel on the company website or by email.

In 2021, 276 complaints were received.



FSE – SERVICE CHARTER		
INDICATOR	2021 TARGET	2021 ACTUAL
<div>Travel safety</div> <div>ACCIDENT RATE</div> <div>no. of accidents (due to the company) per 1,000,000 km</div>	zero accidents	<div>✓</div> <div>zero accidents</div>
<div></div> <div>Travel comfort</div> <div>ACCESSIBILITY OF VEHICLES</div> <div>% of trains fitted with lower floors</div>	69%	<div>✓</div> <div>73%</div>
<div></div> <div>Passenger information</div> <div>ON BOARD INFORMATION</div> <div>% of trains with spoken destination and next stop announcements</div>	69%	<div>✓</div> <div>73%</div>

✓ Target achieved

UK

The Group operates in the UK through Trenitalia C2C Limited, which operates the passenger transport service between London and Essex.

A survey was carried out in 2021 using Wavelength⁶⁹, which showed an improvement in customer satisfaction during the year.

Overall satisfaction was 77/100 in the first quarter (10 January - 31

March), improving to 78/100 at the end of the year.

Complaints are managed by the customer relationship management (CRM) department which aims to reply to 95% of reports received within 10 working days and 100% within 20 working days.

Approximately 4,800 complaints were handled in 2021 with an average response time of 5 days. The main complaints related to the ticket and refund policy (approximately 1,000 complaints), using the smartcard for buying tickets (roughly 720 complaints) and purchasing tickets online (roughly 620 complaints).

68) The 2022 service charter can be downloaded at the following link: <https://www.fseonline.it/cms/delivery/the media/MCGOAKAGAATFHMZGDYBEGBVMALME>

69) The National Rail Passenger Survey performed by Transport Focus in 2020 was not carried out in 2021 due to the pandemic. It was replaced by the Wavelength customer satisfaction survey. As a result, the results of the two years cannot be compared.

GREECE

TrainOSE measures passenger satisfaction quarterly (e.g., surveys and mystery customers).






The sample analysed amounted to 2,000 passengers (including all business segments: long haul, interurban, regional).

There was a general decline in customer satisfaction in 2021 which would appear linked to lower satisfaction with punctuality and service reliability, which in most cases was a result of issues related to the management of infrastructure (which is carried out by another party). In particular:

TrainOSE also handles and monitors complaints received in order to rapidly reply to requests and improve the level of services offered.


There was a slight rise in the number of complaints received in 2021 (+17% on 2020) for a total of 2,084 (at 10 December). This increase is chiefly due to the resumption of certain services and lines which had been suspended during the pandemic.

Approximately 84% of complaints received a response within the time limit (within the 30 or 90 days for first replies) in 2021. The average response time was 19.4 days (compared to 12.9 days in 2020).

CLASSIFICATION OF COMPLAINTS				
TrainOSE				
				
DELAYS	REFUNDS	PASSENGER INFORMATION	PERSONNEL	CANCELLATIONS
2021: 342 2020: 295	2021: 648 2020: 366	2021: 441 2020: 340	2021: 203 2020: 177	2021: 231 2020: 273
+15.9%	+77.0%	+29.7%	+14.7%	-15.4%
↓	↓	↓	↓	↑
● improved ● worsened ● stable				

GERMANY

The Netinera group uses the methodology defined by the Public Transport Authority to monitor punctuality and passenger satisfaction on a regional basis and according to the type of service offered. The information is made available to the authorities upon request.

GREECE			
			
PUNCTUALITY	SATISFACTION WITH THE OVERALL JOURNEY	CLEANLINESS ON BOARD TRAINS	RELIABILITY
% of satisfied passengers	% of satisfied passengers	% of satisfied passengers	% of satisfied passengers
2021: 67.2% 2020: 77.0%	2021: 73.3% 2020: 84.0%	2021: 75.5% 2020: 77.3%	2021: 66.7% 2020: 78.9%
-9.8 p.p.	-10.7 p.p.	-1.8 p.p.	-12.2 p.p.
↓	↓	↓	↓
● improved ● worsened ● stable			



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BUSES AND TRAMS

ROAD PASSENGER TRANSPORT COMPLETES THE GROUP'S INTEGRATED OFFER, OPERATING ON A NATIONAL AND INTERNATIONAL LEVEL.



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ITALY

Customer satisfaction targets are reported in the various service charters prepared on a regional, provincial and municipal basis and separately for the urban and suburban services. Below, customer satisfaction with the punctuality of services in Italy in 2021⁷⁰ is compared with 2019⁷¹, as 2020 was impacted by the most acute phases of the pandemic, with significant impact in terms of reduced

services, thus making it impossible to compare such figures with other years. Compared with 2019, a year of regular services, there is a considerable improvement in satisfaction with punctuality in both urban and suburban services (the figure is calculated as the ratio of recorded delays to monitored runs, weighted by the number of runs operated in the year).








Regular monitoring of customer satisfaction was able to resume in 2021. The preferred method was field surveys, directly interviewing customers while they are using the services. Thus, the surveys were carried out via face-to-face interviews for both urban and suburban services. The sampling was stratified by customer pool and line, with random extraction.

In addition to socio-behavioural data, the survey gathered data on customers' perception of the quality of the service provided (customer satisfaction), using a score of one to ten. Customer satisfaction is gauged on both the service overall and individual aspects of the service.























The consolidated results of the surveys carried out in 2021⁷², referred to Umbria, Veneto and Campania in May and November. They covered both urban and suburban services and were consolidated by weighing the figures for each individual area by the corresponding number of passengers.

The tables at the side show 2021 figures compared with 2019⁷³ because, as reported last year, there were huge disruptions to services in 2020 due to the public health emergency which also affected the customer satisfaction survey.

The comparison with pre-pandemic figures show how all parameters have improved, demonstrating the Group's commitment to improving its services even in such a difficult period. A total of 5,833 customers were interviewed in 2021, of which 3,191 on urban services and 2,642 on suburban services.

ROAD PASSENGER TRANSPORT	
<div></div> <div>PUNCTUALITY (URBAN) (% of arrivals within five minutes of the scheduled time) 2021 actual: 95.0% 2019 actual: 90.3% +4.7 p.p.</div>	<div></div> <div>PUNCTUALITY (SUBURBAN) (% of arrivals within 15 minutes of the scheduled time) 2021 actual: 95.3% 2019 actual: 88.3% +7.0 p.p.</div>
	
 improved  worsened  stable	

70) The scope of reference includes LPT services in Umbria, Veneto and Campania.
71) the scope of reference includes LPT services in Tuscany, Umbria, Veneto and Campania.
72) the scope of reference includes LPT services in Umbria, Veneto and Campania.

URBAN			
<div></div> <div>OVERALL SCORE 2021: 90.6% 2019: 87.9% +2.7 p.p.</div>	<div></div> <div>SERVICE REGULARITY 2021: 79.4% 2019: 75.6% +3.8 p.p.</div>	<div></div> <div>CLEANLINESS 2021: 80.5% 2019: 78.5% +2.0 p.p.</div>	<div></div> <div>COMFORT 2021: 82.5% 2019: 77.3% +5.2 p.p.</div>
			
 improved  worsened  stable			
SUBURBAN			
<div></div> <div>OVERALL SCORE 2021: 88.7% 2019: 83.9% +4.8 p.p.</div>	<div></div> <div>SERVICE REGULARITY 2021: 77.4% 2019: 73.2% +4.2 p.p.</div>	<div></div> <div>CLEANLINESS 2021: 79.3% 2019: 69.9% +9.4 p.p.</div>	<div></div> <div>COMFORT 2021: 82.8% 2019: 76.6% +6.2 p.p.</div>
			
 improved  worsened  stable			

73) the scope of reference includes LPT services in Tuscany, Umbria, Veneto and Campania.

The Group’s commitment to the scrupulous management of complaints in order to rapidly respond to customers extends to the road passenger transport segment as well.

The number of complaints was greatly impacted by issues related to the pandemic. 3,269 complaints were received in 2021 (for both the urban and suburban segments), compared to 4,534 in 2020 and 6,719 in 2019. The decrease in the number of complaints is mainly due to the fact that 2021 figures do not include services offered in Tuscany.

By analysing the complaints received, the Group is able to focus its efforts on the areas that passengers see as the weakest, to improve the services it provides and boost passenger satisfaction.






The most frequent type of inefficiencies (shown in the tables at the side⁷⁴) reported via complaints regard: service regularity, punctuality, on-board comfort, customer care and information provided. Specifically, 1,274 complaints reporting 2,129 disservices were received in 2021 with regard to the urban segment.

1,995 complaints reporting 3,269 disservices were received in 2021 with regard to the suburban segment.

74) To align with other data presented, the number of inefficiencies was compared with 2019 figures.








DISSERVICES REPORTED URBAN

				
SERVICE REGULARITY	COMPANY/CUSTOMER RELATIONSHIP	PUNCTUALITY	COMFORT	PASSENGER INFORMATION
2021: 693 2019: 2,134	2021: 157 2019: 1,174	2021: 376 2019: 584	2021: 88 2019: 365	2021: 86 2019: 324
-67.5%	-86.6%	-35.6%	-75.9%	-73.5%
↑	↑	↑	↑	↑

● improved ● worsened ● stable




DISSERVICES REPORTED SUBURBAN

				
SERVICE REGULARITY	COMPANY/CUSTOMER RELATIONSHIP	PUNCTUALITY	COMFORT	PASSENGER INFORMATION
2021: 890 2019: 556	2021: 167 2019: 164	2021: 504 2019: 388	2021: 117 2019: 287	2021: 93 2019: 39
+60.1%	+1.8%	+29.9%	-59.2%	+138.5%
↓	↓	↓	↑	↓

● improved ● worsened ● stable

FERROVIE DEL SUD EST

Also with regard to road transport, FSE monitors and reports on the quality targets set out in the service charter⁷⁵ to strive for constant improvement. Specifically, the main targets and results are summarised below:

FSE – SERVICE CHARTER		
INDICATOR	2021 TARGET	2021 ACTUAL
Travel safety ACCIDENT RATE accidents caused per 1,000,000 bus*km	13.3	6.1 (at November 2021) 
Travel comfort AIR CONDITIONING ON VEHICLES % of buses with air conditioning	92%	93% 
Passenger information ON BOARD INFORMATION % of buses equipped with screens with destination and next stop announcements	35%	36% 



Similarly, FSE also monitors customer satisfaction via face-to-face interviews with users of the various services. Specifically, for road transport, 1,300 interviews were carried out at a sample of bus stops chosen to catch passengers of the different lines in the area. The interviews were carried out in November 2021.

The score for each variable considered in the survey is on a scale of one to nine, where nine corresponds with the highest satisfaction and one with the lowest. Pas-

sengers who report a satisfaction rate equal to or greater than six are considered satisfied. Factors which scored highest are courtesy and politeness of personnel (89.2% of passengers satisfied), travel safety (89.0% of passengers satisfied), professionalism and expertise of personnel (87.7% of passengers satisfied) and comfort of vehicle (84.5% of satisfied passengers).

Also for the road transport segment, careful management of complaints is a vital tool for interaction

with customers because it enables the Group to monitor and analyse reported inefficiencies, improve performance and meet passenger needs. Complaints are managed by a special team that receives them via a specific channel on the company website or by email. In 2021, 1,576 complaints were received.

75) The 2022 service charter can be downloaded at the following link: <https://www.fseonline.it/cms/delivery/the-media/MCGOAKAGAAT-FHMZGDYBEGBVMALME>

THE NETHERLANDS

Qbuzz’ passenger satisfaction monitoring system includes a national “OV barometer”⁷⁶, survey covering all routes and concession operators.

The survey was not carried out in 2021 due to Covid-19 restrictions.



UPGRADING THE FLEET

ELECTRIC AND HYDROGEN BUSES

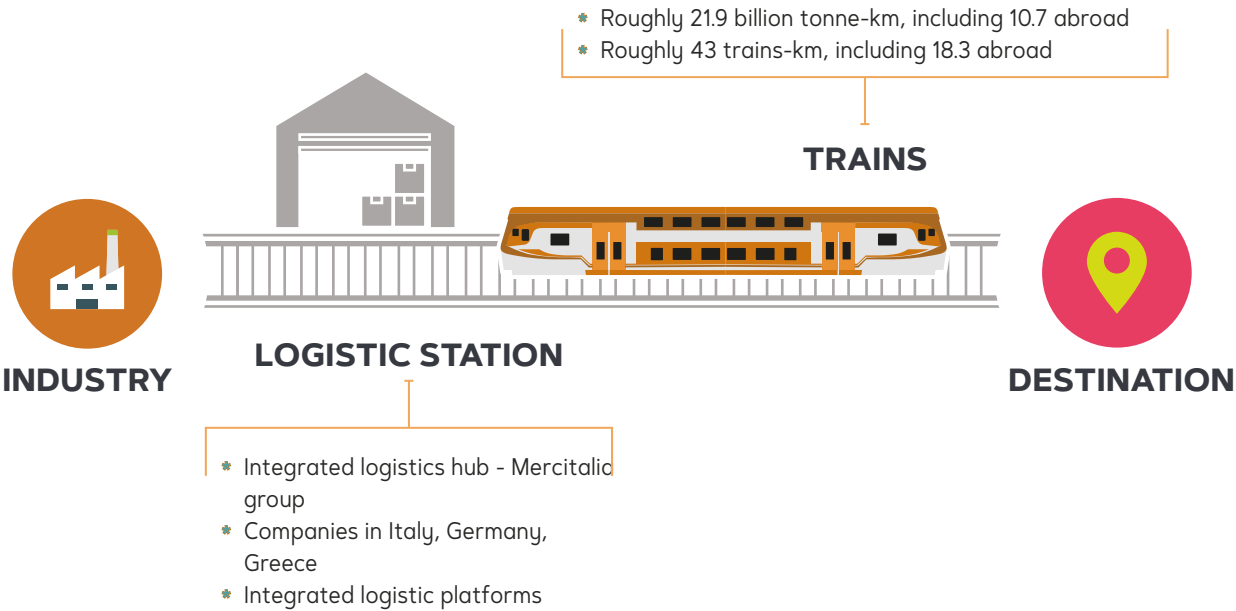
20 hydrogen buses were deployed in the Groningen area and a “green” hydrogen fuelling station was built. 35 electric buses were brought into service in the Utrecht area with renewable energy charging stations set up.



76) “OV-Klantbarometer” is the name of the national survey conducted by a third party to gather feedback from public transport passengers (urban and regional). Passengers may score the various aspects of the service. The survey is conducted on a quarterly basis on buses, trams, underground trains, regional trains and ships in most of the areas covered by public transport service concession operators.

(102-1, 102-4, 102-6, 102-7, 102-43, 102-44)

INTEGRATED LOGISTICS



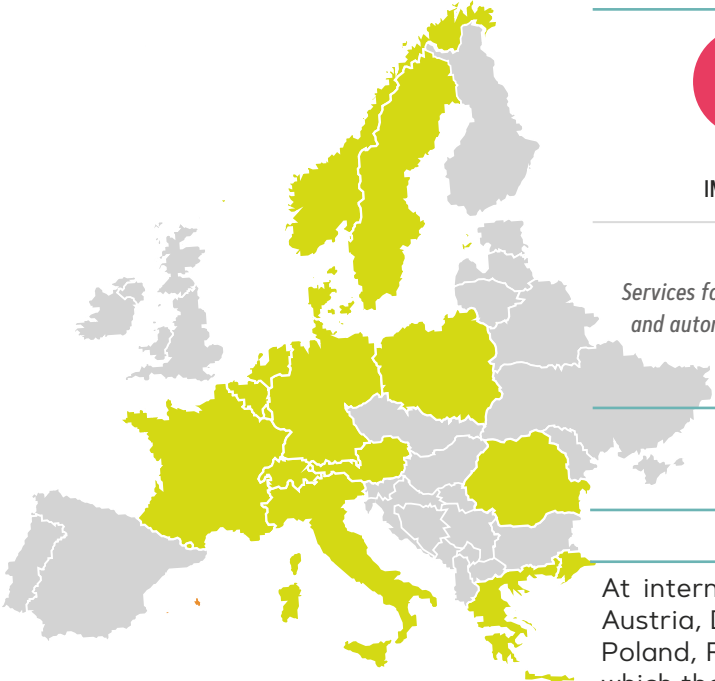
THE GROUP INTENDS TO PRESENT ITSELF AS AN INTEGRATED LOGISTICS OPERATOR, BOTH IN ITALY AND ABROAD, CONTRIBUTING TO IMPROVING THE FREIGHT

TRANSPORT SYSTEM AND PROMOTING THE MODAL SHIFT: FROM ROAD TRANSPORT TO RAIL, WITH FEWER SOCIAL REPERCUSSIONS (ACCIDENT RATE, TRAFFIC CONGESTION)

AND ENVIRONMENTAL REPERCUSSIONS (LOWER ATMOSPHERIC EMISSIONS AND LESS ENERGY CONSUMPTION).

The Group’s commercial offer⁷⁷ is based on a wide range of Italian and international connections. It satisfies the needs of the different product sectors, which has also entailed structuring a business unit which guarantees less time-to-market for customers:

NATIONAL FREIGHT TRANSPORT		
INDUSTRY	INTERMODAL	GENERAL
Services for steel, chemicals and automotive industries	Complete selection of railway and logistics solutions dedicated to the transport of containers, mobile homes, semi-trailers and lorries	Transport for manufacturing and work sites, products for large-scale distribution and military transport



INTERNATIONAL FREIGHT TRANSPORT
At international level, the Group offers logistics and rail solutions in Austria, Denmark, France, Germany, Greece, Norway, the Netherlands, Poland, Romania, Sweden and Switzerland. The main goods sectors to which the Group offers dedicated services are: chemical, wood and paper, raw materials, mining, agriculture and automotive

77) Mercitalia hub, the Group’s freight segment, is led by Mercitalia Logistics and is composed of: Mercitalia Rail, which is Italy’s largest rail freight company; TX Logistik group, which is Germany’s second-largest railway freight carrier, operating in many other European countries as well; Mercitalia Intermodal, Italy’s largest combined road/rail transport operator, and the third largest in Europe; Mercitalia Transport & Services, which specialises in road freight transport and value-added logistics; Mercitalia Shunting & Terminal, one of the largest intermodal terminal operators in Italy, which designs, creates and maintains freight connections and rolling stock shunting and maintenance services, including intermodal inland terminal operations; and TerAlp (Terminal AlpTransit), which specialises in building cutting-edge terminal infrastructures.

FOR THE FIRST TIME IN 2021, ALL MERCITALIA COMPANIES CONDUCTED A CUSTOMER SATISFACTION SURVEY USING THE SAME METHOD.

Customer centrality is a fundamental value for all Mercitalia companies. The companies ensured the following in 2021 in order to meet customer needs:

- * providing tailor-made services;
- * delivering flexible transport solutions that are efficient and competitive;
- * forging valuable company/customer relationships to ensure adequate, timely and customised offers;
- * innovating and developing strategic drivers, combined with updating the Mercitalia group's vehicles and infrastructures.

Specifically, the level of satisfaction with the services provided was assessed via an online questionnaire involving customers representing at least 70% of transport revenue. Customers rated Mercitalia's overall services 7.0 out of 10, calculated as the average score given to the different companies. This demonstrated the customers' appreciation of the group's efforts to offer a service of increasingly higher quality and focused on their needs.

The Group's commitment to carefully handling complaints in order to provide services that are increasingly tailored to its customers' needs extends to the freight segment as well. All complaints received from customers are handled by investigating the causes behind the inefficiency and providing a prompt response to the customer, indicating any corrective measures if possible.

Mercitalia Rail received 95 complaints in 2021, slightly up on the previous year (+13%) partially justified by the difficult situation in general (pandemic) which made planning and operating management of transport complicated due to the fluctuating demand. Roughly 90% of complaints received a response within the set timeframe and the main causes for complaint were management of inefficiencies and traceability of transport when abroad (an IT project is currently being rolled out to set up a new global track & trace system to resolve this latter issue).



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(416-1, 416-2)

PROMOTING SAFETY



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Not only is people’s safety a priority for the Group, but it is a strategy as well, and one that translates into a daily commitment to providing all services according to the highest standards on its railway and roadway networks.

This commitment has led the Group to adopt certified maintenance processes, use sophisticated diagnostics tools and invest significantly in non-routine maintenance, security and technologies, which in 2021 amounted to:

- * approximately €3.7 billion in infrastructure (+21% on 2020);
- * approximately €440 million in the transport segment (+5% on 2020).

RAILWAY PASSENGER TRANSPORT - SAFE CIRCULATION OF TRAINS

The Group devotes utmost attention to the safe circulation of trains of the various client railway companies that offer passenger and freight transport services on the RFI network spanning over 16,800 km (with roughly 2,200 stations⁷⁸).

Most of the network is managed by complex remote command and control technologies (CCS, multi-station computer based interlocking system, CTC) governed by central dispatchers offices:

78) Systems with active/possible passenger services.

	TECHNOLOGIES FOR NETWORK SAFETY*	
		Km of line
ERTMS/ETCS 	The Group is one of the first in Europe to have adopted the level 2 European Rail Traffic Management System/European Train Control System (ERTMS/ETCS) on the new HS/HC network lines. The system, in compliance with European standards, ensures the seamless circulation of trains on all European lines that are equipped with the ERTMS/ETCS and is capable of guaranteeing their safe circulation through the adoption of cutting-edge functions and technologies.	780
CCS, CTC and M-CBI 	CCS - Command and control systems, adopted on the main routes and at the main metropolitan railway junctions, and developed for the high speed lines (CCS-HS and CCS-M), are the most advanced integrated remote traffic management systems in use in the railway sector. Centralised Traffic Control (CTC) allows for the remote management and regulation of traffic on lines and in stations from central dispatchers offices. The multi-station computer based interlocking system (M-CBI), which is the technological evolution of the interlocking systems, simultaneously controls several systems in the station and the related interlocking sections.	13,519
DSS 	The driver support system (DSS) controls the maximum speed permitted second by second, based on limitations put in place by signalling, infrastructural characteristics and the trains performance both in normal and deteriorated conditions. The system is applicable to non-electrified lines of the secondary network rated for maximum speeds of 150 km/h, on a single or double track.	2,870 of which 71 km equipped with both DSS and TSCS
TSCS 	The train speed control systems (TSCS) is a safety system that helps the driver and provides control of the maximum speed permitted second by second, in relation to limitations put in place by signalling, infrastructural characteristics and the trains performance both in normal and deteriorated conditions.	13,109 of which 71 km equipped with both DSS and TSCS
GSM-R 	GSM-R (R stands for railway) is a proprietary system for both traditional voice and data communications and the exchange of information between the most advanced technological systems for signalling and traffic control. Over 1,250 km of tunnel lines are also part of the GSM-R network, using proprietary radio coverage or roaming.	11,633

* for more details, reference should be made to <http://www.rfi.it/rfi/SECURITY-E-INNOVAZIONE/Tecnologie>

ERTMS – NETWORK INTEGRATION AND SAFETY

The ERTMS/ETCS standard, which is one of the most significant innovations to have been introduced into the railway field, allows the circulation of trains of different nationalities, on the basis of information exchanged by the ground and on-board subsystems, defined in a common language and managed with interoperable components.

More specifically, the standard defines the procedures for the exchange of signalling information between the ground-based and on-board equipment, identifying the transmission methods to be used and the message format. ERTMS/ETCS basically removes the constraints on international train traffic caused by the differences between the present systems in different countries. The ERTMS/ETCS system also provides the driver with all the information needed for optimal driving, constantly controlling the effect of every action taken in terms of train safety, and activating the emergency brakes if the train speed exceeds the maximum safety limits.

In addition to these traffic control technologies, technical and instrumental checks are continuously carried out on infrastructure with the use of mobile diagnostics vehicles. These checks are governed by procedures and protocols defining how the checks are performed, their frequency and who is responsible for them.

Diagnostics enable operators to automatically determine the conditions of various infrastructure components, verifying their wear and tear through an efficient IT system. Diagnostic systems may be fixed or mobile.

In particular, **fixed diagnostics** systems provide for the permanent application of measurement devices on specific parts of the infrastructure to continuously read the most important functioning parameters for systems comprising the railway station and line infrastructure. Continuously collecting measurements on the characteristics of the infrastructure and processing the data enable operators to base the maintenance strategy on predictive policies, identifying potential malfunctioning before it occurs. Fixed diagnostics are a key back-up tool for operating personnel in the event of a breakdown as they provide the technician with all the information they need to resolve it.










Mobile diagnostics entail equipping rolling stock with measurement systems that give important infrastructure readings. **Diagnostic trains** used by RFI can accurately diagnose the infrastructure by monitoring the functioning pa-

rameters of the track, contact line, signalling systems and telecommunications to order maintenance when the parameters are not within the standard levels.

Railway lines are classified in accordance with European standards on the basis of the stresses to which they are subject. On top of standard safety goals, maintenance is optimised for each class depending on level of reliability using specific diagnostic trains.

At 31 December 2021, RFI has 32 diagnostic trains (including five for the HS/HC network). With further investments, these will increase to 40 over the coming years. An operating schedule is prepared annually for the fleet in order to meet set diagnostic requirements.

The main parameters surveyed during the diagnostics are: civil works, superstructure (track geometry, wear and tear and condition of the rails, etc.), electric traction (layout and wear and tear of the contact line, pantograph - catenary interaction, voltage and current of the catenary, etc.), telecommunication systems (coverage and quality of the GSM/GSM-R voice channel and the LTE data channel), signalling equipment (Euroradio, Eurobalise, BACC and CCS channels used in the European and domestic train speed control systems "ERTMS/ETCS" and "TSCS and CCS", respectively).

SUPERSTRUCTURE, TE, IS, TLC			US
1st class (2 weeks)	2nd class (2 months)	3rd - 4th class (4-6 months)	(6-12-24 months)
 Aiace Hybrid	 Aldebaran 2.0	 Falco 1 - Falco 2	 DIC-80 US
	 Sirter	 EM 80/100	 SR-240/SR-242/ SRS200
	 Diagnostic Vehicle (ITCF lease)	 PV7	

The diagnostics fleet is continuously subject to developments and implementations, including through specific investments. The fleet currently consists of:

- * Diamante and Aiace: two diagnostics trains made with the same rolling stock as ETR500 trains, that can reach speeds of 300 km/h and inspect high speed lines;
- * Archimede: a diagnostics train consisting of rolling stock that can reach speeds of 200 km/h to inspect the main lines that are not used for high speed service;
- * Talete: a wagon which can reach up to 160 km/h and inspects electrified complementary lines;
- * Sirter: a new diagnostics truck which analyses track and contact line geometry condition and wear and tear;
- * Trucks: 15 trucks, in addition to 10 courtesy vehicles, are used to replace or supplement the national diagnostics services (hubs, interconnections, yards, non-electrified lines);
- * Galileo: a diagnostics train which carries out ultrasound checks on internal track defects;
- * Caronte 2: a diagnostics railcar which inspects track-side equipment, i.e., signalling systems.

RFI's diagnostics fleet is constantly being upgraded and expanded in order to ensure that cutting-edge technologies, which continue to evolve, are available to railway operations. A total of €500 million is expected to be invested in the diagnostics fleet over the next five years.

UIC EXCELLENCE IN STANDARDISATION AWARDS

RFI won the Excellence in Standardisation Award from the UIC. These global awards are for user friendly documents that support efficiency in the railway system.

Among the 49 IRSs published by the UIC for the 2019-2021 period, RFI was awarded in the Proficiently developed category in March 2021. The winning file, detailing technical regulations applied in railway infrastructure, was prepared by a global work group led by a representative of FS Italiane.



The following new diagnostics vehicles are currently being tested for roll out:

- * Diamante 2.0 and Aiace 2.0: two new high speed diagnostics trains that will replace the current Diamante and Aiace;
- * bimodal diagnostics trains: five new bimodal diagnostics trains, which will replace the current Archimede and join Aldebaran 2.0, with the strategic goal of implementing a predictive maintenance policy to replace condition-based maintenance for all four infrastructure systems;
- * Falco 1 and Falco 2: two diagnostics trucks which analyse track and contact line geometry condition and wear and tear and check switches;
- * Aldebaran 2: a new diagnostics vehicle, which will replace Talete, for analysing track and contact

line geometry condition and wear and tear;

- * diagnostics trucks: 15 new bimodal diagnostics trucks, which will replace the current "local" diagnostics trucks, with the strategic goal of implementing a predictive maintenance policy to replace condition-based maintenance for all four infrastructure systems;
- * wagons: three wagons fitted with technological diagnostics equipment for checking switches, which will be assembled at RFI's ONAI Carini workshop.

In order to create a single, effective tool to monitor the condition of the infrastructure, RFI also set up an information system for centralised diagnostics which gathers and collates the information provided by the diagnostics systems spread out throughout the country along the entire railway infrastructure.

With this growing application of diagnostics technology, the routine maintenance policies applied to the railway network have been modified in recent years. Instead of being almost exclusively cyclical in nature, maintenance is now based on the condition of the infrastructure when this is possible.

Furthermore, over the past few years, predictive criteria have been defined to determine the most appropriate maintenance work to be carried out at the right time, based on the historic performance of diagnostics data, maintenance activities and the trend in faults, with an expected positive impact consisting of the optimisation of vehicles and resources.

Based on the type of work to be carried out and its purpose, maintenance may be either:

- * routine, aimed at limiting the normal infrastructural deterioration, according to the estimated useful life of the assets, and providing immediate assistance;
- * non-routine, aimed at updating/replacing subsystems or their parts, thus increasing the value of the asset while simultaneously improving reliability, productivity, efficiency and safety;

- * exceptional, i.e., unforeseen maintenance required following external events (natural disasters, protests, theft, acts of vandalism, etc.).

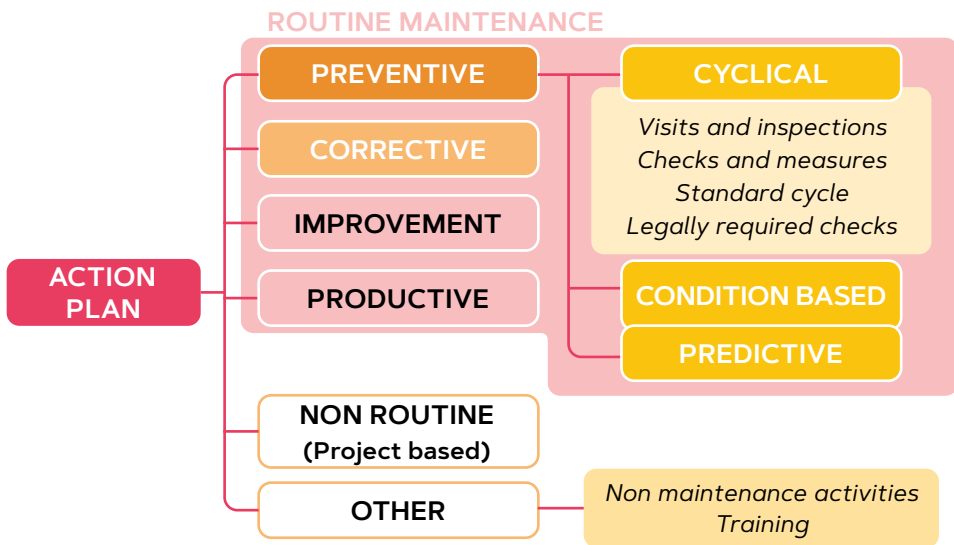
The following tools help achieve maintenance targets:

- * specific performance indicators, which serve as the benchmark parameters to ensure the reliability of the various types of systems;
- * an information system for constant, widespread monitoring of network assets;
- * sophisticated diagnostics, which measure the various degrees of wear and tear on the lines.

Maintenance is carried out following standardised processes in accordance with regulations and plans to standardise the con-

duct of maintenance operators throughout the country, through different maintenance policies:

- * corrective maintenance: performed after a weakness is detected;
- * preventive maintenance (cyclical, predictive and condition-based): carried out at scheduled intervals or according to established criteria and for the purpose of reducing the probability of faults or functional deterioration;
- * improvement/productive maintenance: improvements/small changes that do not increase the value of assets;
- * non-routine maintenance: specifically undertaken to improve reliability and/or strengthen infrastructure through projects that increase the value of assets.



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ITALY

Railway safety on the national railway infrastructure managed by RFI is monitored using indicators calculated based on the data stored in the databases (accident database) in accordance with current international criteria (issued by the EUAR - European Union Agency for Railways).

The main indicators used to monitor safety performance are as follows:

- * indicators related to common safety targets;
- * significant accidents (train collisions, rail derailings, accidents at level crossings, fires on-board rolling stock, accidents to people involving rolling stock in motion, excluding suicides and attempt-

ed suicides, other);

- * overall accidents for which RFI was liable;
- * significant accidents for which RFI was liable;
- * typical incidents according to the UIC.

For some of these indicators, the EUAR has prepared and assigned common safety targets (CST⁷⁹) at European level and national reference values (NRV⁸⁰), based on historical data.

The table below shows the Group's actual safety data for 2021⁸¹ compared with certain common safety targets (measurement unit expressed in FWSI⁸² on a graduated scale). Specifically, the table below

compares the accumulated data on RFI performance, for each risk category⁸³ and each indicator, with common safety targets along with specific national targets assigned to Italy (NRV).

The CST and NRV refer to the entire Italian railway system. Accordingly, they cover damage caused by events on both the infrastructure managed by RFI and on other networks operated by other infrastructure operators in Italy.

79) Common Safety Targets - CST
80) National Reference Value: specific value assigned to the railway system of each member country based on the various CST.
81) Data updated to 7 January 2022. At the date of preparation of this report, the 2021 data reported in the tables below and analysed are not consolidated and may be subject to adjustment following feedback from the railway police on suicides/attempted suicides and the conclusion of RFI's internal investigations (definitive quantification of damage/identification of liability).
82) Fatalities and Weighted Serious Injuries ("FWSI")
83) Type of people who could suffer injury from a railway accident.

COMMON SAFETY TARGETS					
RISK CATEGORY	MEASUREMENT UNIT	GRADUATED SCALE	TARGETS		ACTUAL (2021 ACTUAL)
			CST Common (x 10 ⁻⁹)	NRV Italy (x 10 ⁻⁹)	RFI cumulative (x 10 ⁻⁹)
Passengers	Number of passenger FWSI per year calculated based on significant injuries/passenger train-km per year	passenger train-km per year	170.00	38.10	4.64
Employees or contractors	Number of employee FWSI per year calculated based on significant injuries/number of train-km per year	train-km per year	77.90	18.90	6.64
Users of railroad crossings	Number of users of railroad crossings FWSI per year calculated based on significant injuries/number of train-km per year	train-km per year	710.00	42.90	12.12
Other people on the pavement	Annual number of FWSI to people classified as "Other" due to significant injuries/number of train-km per year	train-km per year	14.50	6.70	0.00
Other people not on the pavement					
People crossing the tracks inappropriately	Number of FWSI to people per year calculated based on serious injuries/number of train-km per year	train-km per year	2,050.00	119.00	191.62

An analysis of the table at the side shows that the only target that was not reached was that for people who cross the tracks inappropriately (violation of safety rules by people outside the railway system), with numbers above the NRV limit but below the CST index. Higher than the previous year (116.57), this figure could be adjusted following feedback from the authorities on suicides/attempted suicides. Significant accidents constitute a significant part of railway accidents given the severity of the consequences⁸⁴.

There were 110 significant accidents in 2021 which overall caused 71 deaths and 32 serious injuries (person hospitalised for over 24 hours) in addition to financial damage to infrastructure, the rolling stock involved, third parties and service inefficiencies due to an over 6 hour interruption to a main line). The increase on 2020 (+30 significant accidents) is mainly due to more accidents to people involving rolling stock in motion (+34) and could be adjusted following consolidation of data on suicides/attempted suicides (7) in particular.

An analysis of the causes of significant accidents shows an increase in accidents caused by external factors (97 in 2021 compared to 58 in 2020), while accidents caused by internal factors (13 in 2021 compared to 22 in 2020) decreased.

There was a decrease in overall accidents for which RFI was liable in 2021, 66 compared to 89 in 2020 (roughly -26%). Similarly, the number of significant accidents for which RFI was liable was also down 37% (-4).

The following table sets out the consequences of significant accidents recorded⁸⁵ in 2021 with regard to harm to people:

HARM TO PEOPLE				
TYPE	DEATHS		SERIOUS INJURIES	
	2021	2020	2021	2020
RFI employees (including contractors)	1	2	3	3
Railway company employees	1	2	0	0
Passengers	1	1	3	0
Users of railroad crossings	4	4	2	0
People crossing the tracks inappropriately	64	33	24	18
Other people on the pavement	0	0	0	0
Other people not on the pavement	0	0	0	1
TOTAL	71	42	32	21

84) According to the ERA classification criteria, a significant accident is any accident involving at least one rail vehicle in motion, resulting in at least one killed or seriously injured person, or in significant damage to stock, track, other installations or environment, or extensive disruptions to traffic. Accidents in workshops, warehouses and depots are excluded.

85) Last updated on 7 January 2022. Data to be definitively finalised upon completion of the preliminary activities that the competent authorities are currently carrying out to calculate deaths and injuries due to suicides/attempted suicides.

The following is an update on accidents from recent years which caused harm to people:

* the railway accident that took place on 25 January 2018 in Seggiano di Pioltello, involving the railway company Trenord S.r.l.'s regional train no. 10452, which was operating the commercial service on the section between Cremona and the Milano Porta Garibaldi station. It caused the death of three passengers and injured others. RFI S.p.A.'s CEO and eight of its officers have been indicted. RFI S.p.A. is also charged for administrative liability pursuant to Legislative decree no. 231/2001. The proceeding is currently in the trial phase;

* the railway accident that took place on 6 February 2020 in Livraga (Lodi), involving Frecciarossa train no. 9595, operating the commercial service between Milan and Salerno. The accident caused the death of two drivers and injured many passengers. RFI S.p.A. is being investigated for administrative liability pursuant to article 25-septies of Legislative decree no. 231/2001, along with the pro-tempore CEO and nine employees/managers, charged with manslaughter, negligence causing bodily injury and negligence causing a train crash. The CEO of Alstom and other parties outside the FS Italiane Group are also being investigated for the same crimes. The preliminary investigations are currently under way.

For additional information, reference should be made to the 2021 Annual Report (Directors' report, Other information).

The Group monitors safety performance, also in accordance with the UIC's guidelines⁸⁶, which enables it to compare its performance with

that of other European networks. The UIC has prepared a total accident safety index, whereby it weighs accidents (individually) considering certain parameters, such as:

- * the type of accidents (train on train, train on people, train on vehicles, etc.);
- * the extent of the injuries to people (number of deaths or injuries);
- * the category of people who suffered injuries (regardless of whether the person was in violation or not);
- * responsibility for the accident (internal or external).

Fourteen typical incidents were registered in 2021 (22 in 2020). Responsibility for six of these was external (i.e., causes outside the railway system), while eight were due to railway system operation. RFI was responsible for three typical incidents in 2021, compared to six in 2020.

The below map⁸⁷, extracted from the 2020 report (April 2021) of the national agency for railway, road and motorway safety, compares the average accident rate for the period (2009-2019) based on production (train-km) in Italy and other European countries. The map includes European Union member

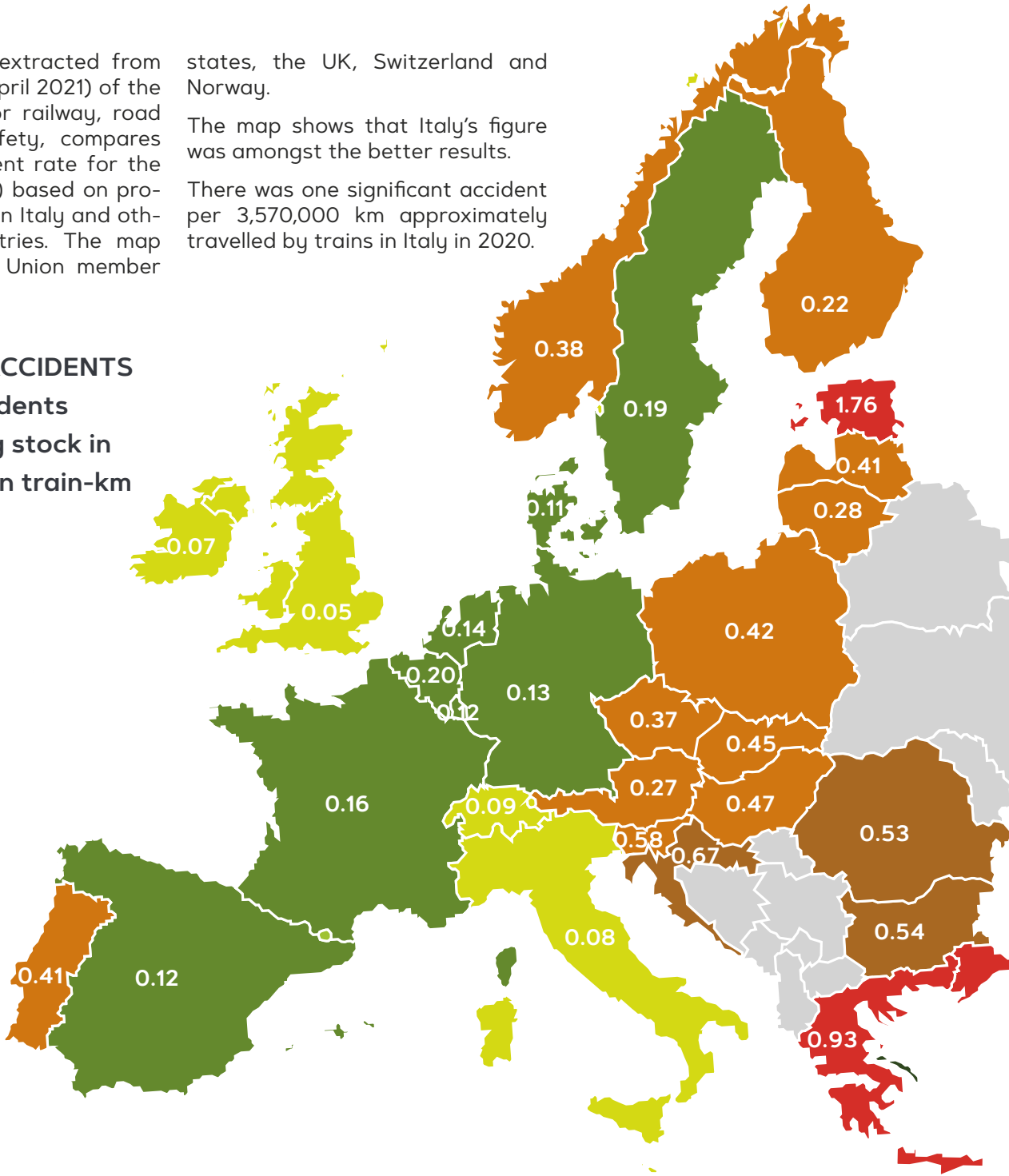
states, the UK, Switzerland and Norway.

The map shows that Italy's figure was amongst the better results.

There was one significant accident per 3,570,000 km approximately travelled by trains in Italy in 2020.

**SIGNIFICANT ACCIDENTS
(excluding accidents
involving rolling stock in
motion) / million train-km
[2010-2019]**

- ≤0.10
- 0.101 - 0.20
- 0.201 - 0.50
- 0.501 - 0.70
- ≥0.701



86) Typical accidents according to the UIC are: collisions, derailing, fires involving rolling stock, accidents involving dangerous goods and accidents at level crossings (collisions with obstacles or vehicles). They exclude accidents in which people are hit (including at level crossings), injuries to people as they inappropriately board/deboard moving trains, suicides and attempted suicides. The UIC's criteria for injuries/damage caused by the accidents are consistent with those for significant accidents:

- at least one death either immediately or within 30 days of the incident;
- at least one person seriously injured (hospitalised for over 24 hours);
- damage to rolling stock/infrastructure/third parties greater than or equal to €150,000;
- disruption of traffic on a main line for a period of time greater than or equal to six hours.

This classification is meant to measure the intrinsic safety of railway systems, assigning less weight to accidents caused by conduct in violation of railway regulations by people unrelated to the railway system (violations of Presidential decree no. 753/80) in railway contexts.

87) The analysis considers the most typical rail accidents, i.e. derailments, collisions, accidents at level crossings and fires. Though in line with EU requirements, the figures vary by country and the countries with lower numbers (marked in green and light green) have implemented a more effective continuous improvement process.



The Group has dedicated structures to oversee operational safety, which cover all activities in accordance with the current European and national legislative context. The Operational Safety Management System is the heart of the Group's safety model. Various activities are carried out to keep operational risk under control. These activities range from ongoing monitoring to risk analysis and assessment and identification and adoption of mitigation measures.

Where necessary, specific indicators and/or projects are defined to reduce risks and are reported within the safety plan each year.

The indicators and projects may relate to one or more of the three key parts of the systems: machines (technology), people (human factor and organisation) and procedures (how processes are performed).

The maintenance of railway vehicles is one of the key processes in

ensuring that operational safety is maintained and improved and to meet established quality standards.

In particular, the Group ensures the planning, performance, control and improvement of maintenance processes on rolling stock through an organisation that provides for:

- * a unit that supervises and coordinates all stages of maintenance to ensure safe conditions for railway system vehicles;
- * a maintenance engineering unit that establishes the criteria and general provisions for the maintenance of vehicles, including the operating conditions for the functioning of vehicles and to learn from experience;
- * operating units that manage taking the vehicles out of service, sending them to repair workshops and subsequently returning them to operations;

- * maintenance systems at two organisational levels: the first level consists of the divisions' current maintenance systems, responsible for light and corrective maintenance work included in vehicle shifts, while the second level consists of cyclical maintenance workshops responsible for work with a significant impact on the value of the rolling stock, which is carried out when the vehicles are not being used.

Specific attention is devoted to improving maintenance processes, with the formalisation and implementation of a safety plan providing for a series of projects each year regarding vehicles, people and procedures to ensure operational safety.

ROAD INFRASTRUCTURE SAFETY

The Group strives to ensure road safety throughout its network, which requires a constant, scrupulous commitment to around 30,000 km of roads.

It pursues this goal by spreading a culture of safety and respect for the rules of the highway code and through daily surveillance of the network, with operating personnel taking immediate action if needed and the national control room and unit control rooms performing ongoing operations. The Group has a road management tool (RMT) to continuously monitor the network. The RMT consists of various modules that manage road safety information and devices: fixed and

mobile cameras, variable messaging signs (VMS), system diagnostics in tunnels and events management.

The Group is also constantly committed to analysing the road-way and motorway network incident rate based on data acquired through reports from operating personnel and the police. However, this commitment is not sufficient, since over 90% of accidents are due to the driver's conduct and, as data for recent years show, distraction is the greatest driver safety risk factor. To reduce the impact of this factor, the Group holds awareness campaigns to promote a culture of safety.

The Group also manages scheduled

routine maintenance on the road network that it operates under concession, to protect assets and traffic safety, ensuring surveillance and immediate action in the event of emergencies on directly managed roads and motorways, by coordinating and directing the local offices, the situation room and the management of relationships with the traffic police and the national civil protection department.



PROMOTING ROAD SAFETY

Anas continued to implement the Smart Road project in 2021. This highly-innovative project is a global pioneer in road safety that prioritises drivers and their safety. Via digital transformation processes, the project will reduce the accident rate, increase travel comfort, manage and improve traffic conditions and handle extraordinary critical events, make the transport network more resilient and ramp up digital interaction with areas through which the roads pass and interoperability with vehicles.

The project will also build infrastructure to constantly monitor road structures in real time, including the test Anas is carrying out with MIT Boston along the A90-A91 to study the possibility of using smartphones to monitor the condition of bridges and viaducts. Two-way communication is key for the Smart Road project and offers the possibility to exchange information between the vehicle and infrastructure, better known as V2I or Vehicle to Infrastructure.

In 2021, roughly 855 scheduled maintenance projects worth €2.2 billion were approved, mainly financed by the 2016-2020 Government Programme Contract. This work was mainly to restore the road surface and foundations, as well as road signs, recondition and update small and large road structures, repair slopes and sides and revamp technological and lighting systems.

In 2021, €194 million was invested in routine maintenance, specifically for snow removal, grass cutting, repair of localised sections of asphalt and guardrails, cleanliness of the road surface, appurtenances, road structures, hydraulic works and urgent road work.

The scheduled maintenance of technological systems entailed fully replacing existing systems, identifying in the design stage the system architectures and equipment that give the maximum level of efficiency, while offering the same level of security, in order to curb energy consumption. Using only high-efficiency LED lighting systems along with high-performance electric engines and transformers show the Group's focus on reducing energy consumption. The scheduled maintenance also included installing systems to monitor and control the working of the systems in order to manage the entire system efficiently and securely.

SAFETY OF ROAD PASSENGER TRANSPORT

The Group is committed to guaranteeing the safety of personnel and passengers with:

- * video surveillance systems on board vehicles and protection for the driver's cabin;
- * automatic vehicle monitoring (AVM) systems for the fleet;
- * driver-assistance devices (ABS, ESP, ASR, etc.) with newly acquired latest-generation active safety systems (e.g., active braking assistance, distance sensors, lane departure warnings) and passive safety systems (e.g., collision warnings).

Furthermore, the Group conducts maintenance on the fleet through KPIs to monitor vehicle performance and safety and the performance of in-house maintenance units. The new fleet monitoring systems installed in latest-generation vehicles can collect increasingly more data and information for predictive maintenance, ensuring greater guarantees and safety.



SAFETY OF FREIGHT TRANSPORT

The procedures promulgated by the Operational Safety Management System, in accordance with European standards (Regulation (EU) 1158 and Regulation (EU) 445 for wagon maintenance), are implemented to ensure the safety of freight transport.

All rolling stock undergoes maintenance in line with Group standards and applicable European standards.

Performance is also periodically monitored through audits and inspections by the national agencies for railway safety (ANSF in Italy and EPSF in France).

Engines are equipped with diagnostics systems to detect faults and sensors are mounted on latest-generation wagons to check how they are running. These flag

any malfunctioning in advance.

Furthermore, personnel is constantly trained to gain and maintain expertise and is periodically tested by qualified instructors.

With regard to safety, a project is under way to create a system that can interact with and integrate the drivers' actions. The device is ap-

plied to the head train car and connects to the workings of the shunting engine, ensuring that it brakes in the event of obstacles ahead or should the driver accidentally end up on the tracks.

The aim of the system is to reduce accidents (collisions) during shunting and injuries (hitting personnel).

SECURITY, INFORMATION SECURITY AND PRIVACY

SAFETY

Due to the public health crisis provoked by the pandemic under way, various measures were in place in 2021 to fight and contain the spread of the virus, for instance:

- * taking passengers' temperature via thermal scanners installed at HS and IC departure train stations and handling suspected cases of infection in compliance with ruling legislation;
- * a new method for managing passenger flows in order to ensure social distancing (e.g., highly visible floor markings, creating specific paths using retractable belts);
- * providing specific devices for frontline station personnel (social distancing, personal protection devices, procedures for handling suspected cases of infection);

- * statistical/analytical monitoring of passenger traffic at large hubs where "Project Gate" is under way (Firenze Santa Maria Novella, Milano Centrale, Napoli Centrale and Roma Termini).

The security and protection of personnel, passengers/users at stations, assets and know-how are essential for the Group.

SECURITY INDICATORS					
INDICATOR	2021	2020	2019	CHANGE % 2021/2020	TREND % 2021/2020
Assaults on railway personnel	354	263	395	+34.6%	↑
Thefts at the station	473	419	1,059	+12.9%	↑
Thefts on board trains	1,356	1,175	2,692	+15.4%	↑
Copper thefts from operating assets	171	138	254	+23.9%	↑
Copper thefts at depots	10	11	18	-9.1%	↓
Total	2,364	2,006	4,418	+17.8%	↑

The increase in the number of certain events is mainly due to the gradual resurgence of commercial services and passenger traffic in 2021.

The Group constantly invests to guarantee and monitor travel safety and the security of the infrastructure and stations. To monitor security indicators, the Group strengthened a partnership with the railway police (the branch officially responsible for preventing and repressing crimes in the railway sector). With respect to passenger security in 2021, the Group recorded the following:

- * 1,356 thefts suffered by passengers on board trains, significantly down on 2019, a year not impacted by reduced commercial services;
- * 473 thefts suffered by passengers at stations, up slightly by 12.8% on the previous year (2020: 419 thefts) due to the fact that Covid-related restrictions led to a huge fall in numbers of passengers at stations.

Compared to 2019, i.e., pre-pandemic figures, the numbers continue the positive trend recorded in recent years, with a 55.4% fall in the number of events recorded at national level.

The FS Italiane Group continues to pursue anti-mafia actions by adopting measures beyond those provided for by law and collaborating with the competent authorities in a structured manner in order to achieve effective results in repelling any attempts by organised crime to infiltrate intercompany contracts and sub-contracts.



CYBER SECURITY

The digitalisation of transport and mobility set off a process of human and industrial transformation of the entire sector. Widespread use of new technologies, such as blockchain, AI and IoT, will give the industry as a whole cognitive capacities that would have been unimaginable just a few years ago.

As well as providing opportunities for developing a more efficient transport service portfolio, this new digital dimension could also enable cyber criminals to attempt cyber attacks to steal confidential information or block essential services, including acts of terrorism.

Railway assets, trains, buses, stations, platforms, employee devices

and suppliers' IT systems will be increasingly more interconnected and the risk that just one of these assets be compromised and trigger a chain of effects generating inefficiencies in train circulation and impacts for customers cannot be excluded, nor is it acceptable.

Cyber attacks are an inevitable side effect of digitalisation. Not only FS as an essential service operator, but the entire Italian system is obliged to acknowledge and contain such attacks.



The recent EU directive on NIS (network and information security) concerning cyber security, transposed into Italian legislation with decree no. 65 of 18 June 2018, identifies the FS Italiane Group as an essential service operator and, as such, requires that it adopt technical and organisational measures to strengthen management of cyber risks and prevent cyber attacks as part of a national and European model based on cooperation and the integration of information between member states.

Furthermore, the national cyber security scope was established with Legislative decree no. 105 of 21 September 2019. In addition to public entities, it includes private entities considered strategic operators whose protection is essential for the country to function. They are required to apply adequate technical and organisational security measures.

Considering the legislative obligations and rapid evolution of security threats, the Group has adopted an integrated physical/cyber security steering and governance model in which physical security

and cyber security converge under one command and control point, ensuring the adoption of general principles and consistent operating logic, to identify as quickly and reliably as possible the sources of a threat regardless of where it arises and irrespective of whether it is a physical, cyber or hybrid attack, in order to intervene immediately.

The Group completed and launched the cyber security operation centre (C-SOC), a hub of excellence where state-of-the-art technological and human resources meet to identify, prevent, detect and fight cyber attacks. The C-SOC protects tens of thousands fixed and mobile group workstations throughout the country and the information systems supporting business processes and transport operation services harnessing the most innovative technologies on the market capable of exploiting the analytical potential of big data and AI to recognise and fight cyber attacks.

A real time security monitoring system detects cyber threats in the network and business systems, active 24 hours a day, 365 days a year at the group's C-SOC.

In 2021, the team of security incident analysts detected, countered and neutralised over 4,000 cyber attacks.

The threat intelligence service plays a hugely significant preventative role in this regard. Expert analysts seek and detect new threats and specific attack routes in this complex preventative activity. They use technologies that can automate the gathering of information from certified channels, mainly institutional, and update the defence systems using links synchronised with the Group's security devices.

The threat intelligence service is also supported by an internal malware analysis team of specialists that can break down malware code and analyse its behaviour. This enables them to detect unknown threats and publish internal newsletters with Indicators of Compromise (IoC), or attack vectors that could impact all segments, and share them with institutions or other essential service providers.

To boost resilience and meet the high standards of service security and continuity, the C-SOC set up a

"Lampertz room" dedicated to disaster & recovery and technologies for controlling operations remotely which allowed the analysts to operate fully remotely during the initial months of the public health emergency without any impact on operations or security.

During the pandemic, the Cyber Security Unit, in collaboration with FS Technology, rapidly activated another remote access system to enable employees working from home to securely access company resources even using their own devices on an exceptional basis.

The Group is also fully engaged in fighting fraud, and is a forerunner in its sector thanks to its fraud management system which uses specifically designed software for the railway sector.

New monitoring methods designed to intercept fraud as swiftly as possible will be implemented in order to guarantee the best service to these and other international companies.

The Company Security team continued to chair the international Colpolfer Fraud and ticket forgery

working group in 2022 for international collaboration on ticket forgery.

The group also rolled out a Travel Security model. Its main objectives are providing safety risk analysis, training, information and assistance to employees on work trips or international secondment. The travel security team analyses the security conditions of the country of destination to find the best measures to mitigate any risks and adjust security plans to handle any critical events in medium-high risk foreign countries.

DATA PROTECTION AND THE DATA PROTECTION OFFICER

The General Data Protection Regulation ("GDPR") expands the protection of natural persons' rights and freedoms in relation to their personal data, as these rights and freedoms have been recognised as fundamental for EU citizens.

After the GDPR was introduced, the Ferrovie dello Stato Italiane Group designed and implemented an organisational framework to protect the data of its customers, employees, suppliers and other third parties. The data protection framework comprises a group measure and an organisational notice. It defines the key personal data protection principles, the roles and related macro-responsibilities and information flows to/from the board of directors, senior management, the units involved in its creation and those involved in the processing of personal data, as well as the data subjects.

In order to further safeguard data protection processes, Data protection officers were appointed at the main Group companies in 2021, thus adopting a distributed control model.



(102-8; 103-2, 103-3; 401-1; 405-1)

OUR PEOPLE AND THEIR VALUE

Invaluable assets, people are at the centre of the Group’s strategy. It undertakes to ensure their well-being and growth through communications, training, development and caring programmes at all organisational levels every day. The recruitment of new talents, performance assessments and development and career advancement are based on equal opportunities and merit.

In 2021, with the continuing serious situation engendered by the Covid-19 emergency, the Group increased its efforts to keep its commitment to employees and the community, accelerating its digital and process development to maintain continuity in recruitment, training and development. All of the means of caring for employees were merged into a new organisational unit which, in 2021, offered

programmes to all Group employees to support individuals and their all-round well-being, thus not just their professional life.

Welfare services were considerably amplified, rolling out new dedicated information programmes, e.g., on care givers, promoting resilience skills, emotion management and life skills related to parent/child relationships.

The innovation programme already rolled out to create new levels of excellence in talent acquisition, developing and training methods continued with further boosts which not only helped maintain a strong bond between the Group and its employees, but also generated greater communion, active involvement and engagement in the development and evolutionary change we are facing.

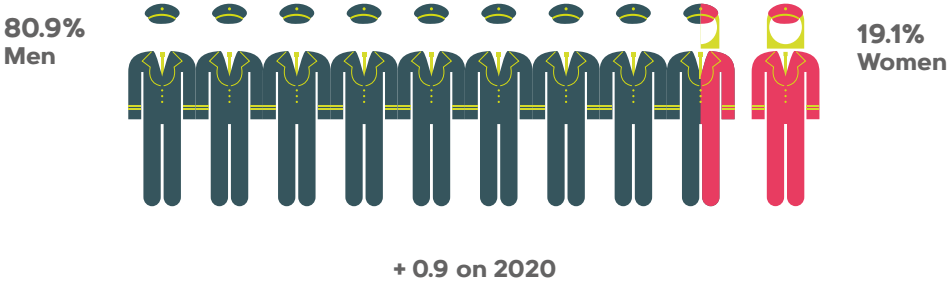
Just as it has guaranteed the safety of its passengers, the Group has adopted all measures available to safeguard the health of its workers, allowing widespread working from home, rolling out company vaccination campaigns and adopting the strictest prevention and protection measures, updated as instructed by the authorities.

The Group’s people further proved their professionalism, dedication and responsibility in 2021, ensuring high levels of service quality and productivity at all times and treating customers, colleagues and all Group stakeholders with flexibility and passion.

The Ferrovie dello Stato Italiane Group **employs 81,906 people** at 31 December 2021, a net increase of 497 resources⁸⁸ compared to 2020.



The **percentage of women in the workforce has increased constantly**, reaching 19.1% of total employees in 2021 (+0.9 percentage points), reflecting the Group’s objectives and actions to close the gender gap.



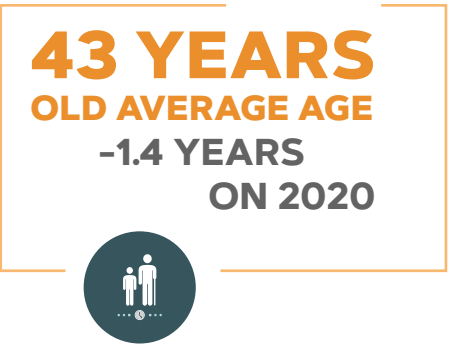
BREAKDOWN OF GROUP WORKFORCE	MEASURE- MENT UNIT	2021	2020	2019
Managers	no.	998	1,004	999
women	no.	237	215	198
men	no.	761	789	801
Junior managers	no.	12,285	11,896	12,298
women	no.	2,743	2,503	2,245
men	no.	9,542	9,393	9,853
White collars	no.	39,934	38,829	40,299
women	no.	10,386	9,829	9,849
men	no.	29,548	29,000	30,450
Blue collars	no.	28,689	29,680	30,168
women	no.	2,261	2,291	2,163
men	no.	26,428	27,389	28,005
Total number of employees at 31 December	no.	81,906	81,409	83,764
of which women	%	19.1	18.2	17.5
of which men	%	80.9	81.8	82.5
Average number of the year	no.	81,365	81,838	83,181

88) This balance includes 1,429 resources lost in sales of companies, of which 158 at NWN (subsidiary of Netinera), 773 at Ataf Gestioni Srl. and 498 at Busitalia - Sita Nord Srl.

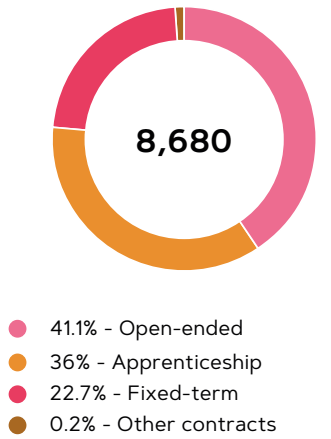
Over **11%** of employees work in companies **based abroad**.

Despite the public health emergency and consequent fall in the production activities of Group companies, the generational change continued with 8,680 new hires against 6,754 outgoing employees.

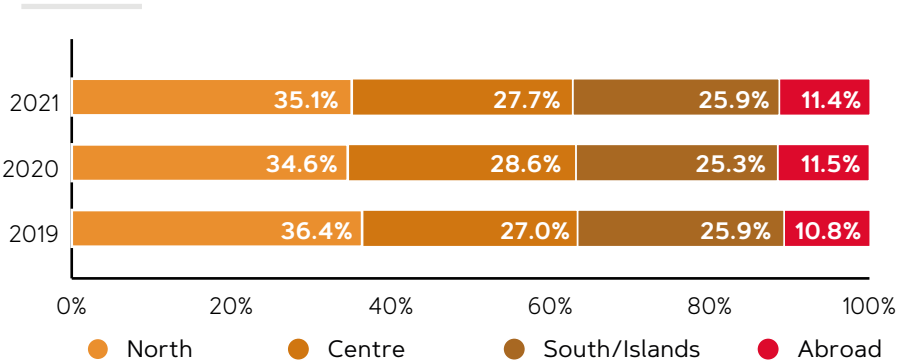
The Group's commitment to investing in young people continued in 2021, **as can be seen from its workforce which has an average age⁸⁹** of roughly 43 years old, 1.4 years younger than 2020 and 2.3 years below 2019.



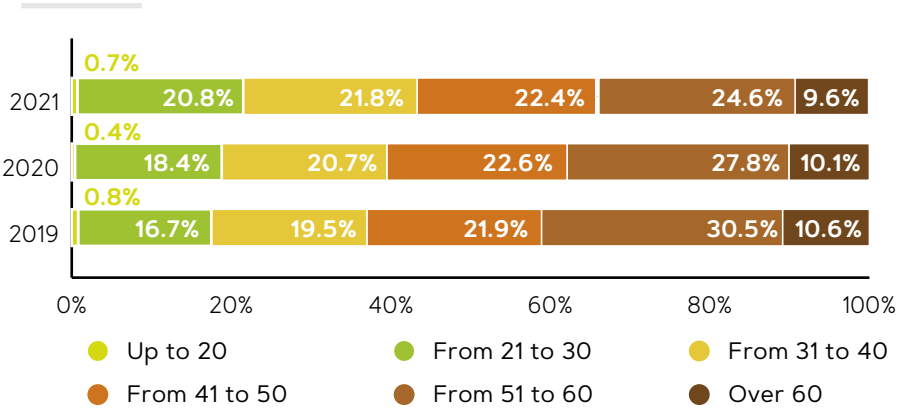
JOB RECRUITMENT FROM OUTSIDE THE GROUP



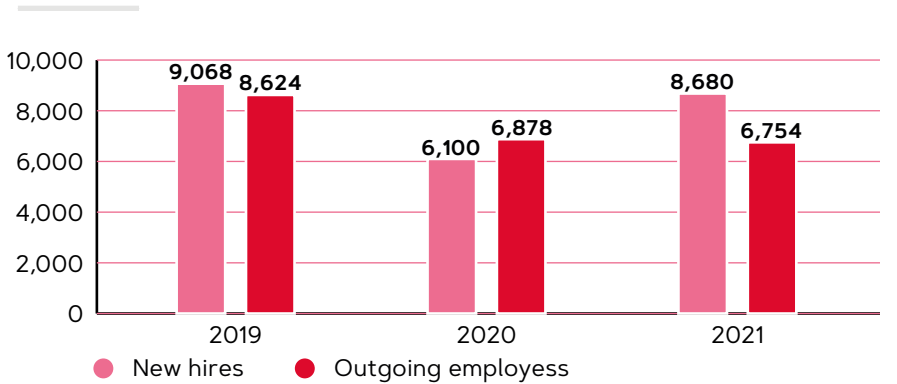
PERSONNEL BY GEOGRAPHICAL SEGMENT



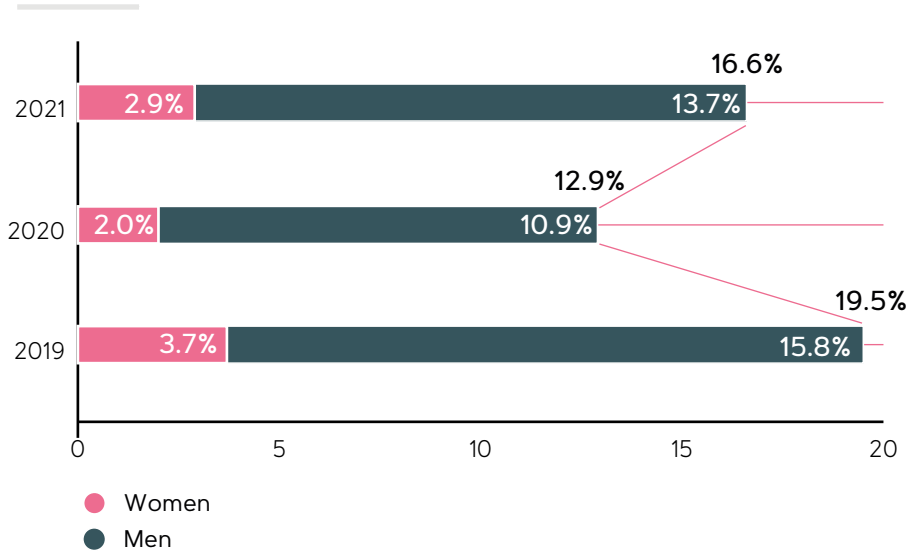
PERSONNEL BY AGE



NEW HIRES AND OUTGOING EMPLOYEES



TURNOVER BY GENDER



The turnover rate was 16.6%, compared to 12.9% in the previous year. The increase was due to the higher number of incoming employees in 2021 compared to 2020.

RECRUITMENT AND HR MANAGEMENT

(102-8, 102-35, 102-36, 102-41; 201-3; 401-1, 401-2; 404-2; 405-1, 405-2)

RECRUITMENT

2021 saw the Group advance its commitment in all talent acquisition and recruitment activities based on the principles of merit, transparency and equal opportunities, with a view to diversity and inclusion.

In continuity with the promotion of professional diversification and development of the Group's resources, each recruitment process for professional targets and middle management jobs involved a preliminary job posting, resulting in

267 processes, with over 753 positions filled for corporate and inter-company mobility.

Recruiting on the market was also more innovative and digital in 2021, with a total of 1,440 recruitment processes carried out at Group level on different targets.

Specifically, FS planned and ran 15 online recruiting days to recruit recent university graduates mainly as engineers, economists and legal experts. FS' database has more than 406,000 CVs, of which 16,000 were screened for job postings.

Over 124,000 candidates were pre-screened and over 23,000 underwent technical/motivational interviews. In addition, 11 assessments were made and over 700 online candidates were found, 59 of whom through the Group's fruitful collaboration with the network of universities.

In the external recruitment of professional and operational personnel, each company followed its own specific procedures while upholding the Group's principles and guidelines.

89) The data refer to the following companies: FS Italiane S.p.A., RFI, Trenitalia, Ferservizi, Italferr, FS Sistemi Urbani, Mercitalia Logistics, Mercitalia Rail, Mercitalia Intermodal, Busitalia Veneto, Busitalia Rail Service, Busitalia Campania, Grandi Stazioni Rail, Grandi Stazioni Immobiliare, Terminali Italia, Italcertifer, Nugo, FS Technology, Cremonesi Workshop, FS International and Ferrovie del Sud-Est. The total number of employees in this scope of analysis is 62,301, approximately 76% of the Group's total workforce.



The FS Italiane Group was once again the **2021 best employer of choice** among recent university graduates as surveyed by Cesop Communication.

For the second year in a row, the Group was ranked first in Potential Park's online **talent communication** ranking by students and recent university graduates of best experience in online job search.

The Group earned a place on the podium of the **HR Innovation Award** (Digital Innovation Observatories of the School of Management) of Milan's Polytechnic University with the Smart Recruiting project and was voted among the top companies in the Italy's best employer, World's best employer and **World'S Top Female Best Companies** classifications compiled by Corriere della Sera and Statista.

FS Italiane was again nominated among the top employers in **Italy in the STEM** (science, technology, engineering and mathematics) segment by Universum's Most Attractive Employers report.



REMUNERATION AND PENSIONS⁹¹

The FS Italiane Group uses the following types of contracts: open-ended contracts (part-time⁹², full-time and apprenticeships) and fixed-term contracts (part-time and full-time). Approximately 97% of FS Italiane Group employees have open-ended contracts⁹³.

Employees are also covered by collective agreements; in nearly all cases⁹⁴ the national labour agreement for the Mobility/Railway sector is the agreement used for the Group's non-management personnel, supplemented by the Group's contract of 16 December 2016. The contractual minimum wage for employees' respective positions is applied in both fixed-term and open-ended contracts.

Employees with apprenticeship contracts are, for the first 24 months, assigned remuneration that is higher than that established for one level lower than their position. They are then, for the subsequent 12 months, assigned

Online recruitment was also possible thanks to the progressive roll-out of the Smart Recruiting project, with the development of the technological support platform and fine-tuning the AI system for the semantic reading of CVs. Smart recruiting allows the use of online assessment tools for evaluating soft skills via adaptive, random, inclusive scientific tests in line with EU standards.

As part of its collaborations with high schools, during the 2020/2021 academic year, the Group entered into 22 agreements involving over 750 students to help build transversal skills and provide orientation (formerly high school work experience).

The digital professional opportunity channels were managed to consolidate talent attraction and recruitment for all roles: fsitaliane.it/workwithus with an average of

207,000 visitors per month uploading or updating their CVs, in seven languages, looking up current job opportunities; the parent's Facebook pages FS Careers and LinkedIn with roughly 21,000 and 370,000 followers, respectively; with "FirSt", the Group's first chatbot for recruiting, thanks to machine learning, responses were sent to 135,821 requests for information, support or cooperation from external stakeholders and potential candidates.

These results were made possible by ongoing investment in promoting and implementing employer branding and employee attraction initiatives, partly through relationships with universities, including:

- * Master's programmes (e.g., with IISF⁹⁰ at La Sapienza University), advanced training schools (with Alma Mater Studiorum Bologna) and the FS Mobility Academy

(with the University of Naples), ensuring support in developing and organising teaching material and in the recruitment process and specialist university courses;

- * initiatives to drive internationalisation, comparison of best practices, the development and exporting of our know-how abroad, including the master's degree in Transport Systems Engineering at La Sapienza University in Rome (in English, with mainly foreign students);
- * work experience and support in the preparation of university dissertations to foster an exchange of company and university know-

how through conventions with target universities and the development of training projects and/or innovative topics for university dissertations (42 merit-based scholarships, 82 university dissertations based on work experience at Group companies, 50 agreements/conventions with universities, over 270 lectures and testimonials by our managers);

- * 31 virtual career days and job meetings, providing the opportunity to listen, guide and recruit over 1,100 young people at the FS Italiane virtual stand via one-on-one chats, video interviews and company workshops.

90) Master in Engineering of Infrastructure and Railway Systems.

91) The scope of analysis includes the companies listed in the note at the start of this section, covering about 76% of all Group employees.

92) Approximately 1% of open-ended contracts are part-time.

93) Refers to the Group's consolidation scope. Approximately 10% are apprenticeships.

94) The other national labour agreements applied are: the Logistics, Freight Transport and Shipping agreement for Mercitalia Intermodal, the national labour agreement for the tertiary sector, applied by GS Rail and GS Immobiliare, and the railway, tram and shipping workers' (Mobility-LPT) contract for Busitalia Campania, Busitalia Rail and Busitalia Veneto.



remuneration equal to the initial remuneration established for their final position.

All employees, including newly hired employees, receive the contractual minimums plus some of the fixed remuneration items provided for by the national labour agreement (including seniority rises) and additional amounts related to the various types of employment. In addition, they may also receive extraordinary raises and one-time bonuses.

As provided for by the national labour agreement, the Group offers its employees supplementary healthcare plans consisting of a standard package⁹⁵ (with costs borne by the worker's employer) and the option to extend the coverage to their families and purchase additional packages at particular-

ly advantageous rates. In addition, the Group extended the insurance it took out for its employees to cover hospitalisation with Covid-19 also for 2021.

The 2018 agreement⁹⁶ implemented working from home as a structural solution to balancing workers' professional lives with their personal lives. The guidelines and procedures for managing work-from-home at the FS Italiane Group were updated in 2019. The experience gained by testing it in 2017 and 2018 showed how working from home is more than just an efficient way of creating a balance between workers' personal lives and jobs, as at the same time it encourages the organisation of work to maximise the achievement of objectives through a combination of flexibility, autonomy and collaboration.

SEEING IT AS
AN EFFECTIVE WAY TO
CURB AND PREVENT
THE SPREAD OF THE
CORONAVIRUS, DURING
THE PUBLIC HEALTH
EMERGENCY, THE GROUP
EXTENDED THE **OPTION OF
WORKING FROM HOME TO
ALL EMPLOYEES.**

THIS ALLOWED EMPLOYEES
TO CONTINUE TO CARRY
OUT THEIR DUTIES.

The remuneration system for FS Italiane Group managers implements that set forth by the relevant national labour agreement for managers of goods and service production companies with respect to the definition of the minimum guaranteed salary. Total remuneration - both fixed and variable - is defined considering the professional and managerial duties of each position and annual management and performance reviews. Each position is evaluated using a specific weighting method to obtain objective elements for planning and managing remuneration policies, organisational decisions and career paths.

The method to evaluate positions and compare their remuneration with similar positions within the Group and on the market was developed by a leading international group in the rewards sector which boasts one of the most extensive databases on remuneration in the world.

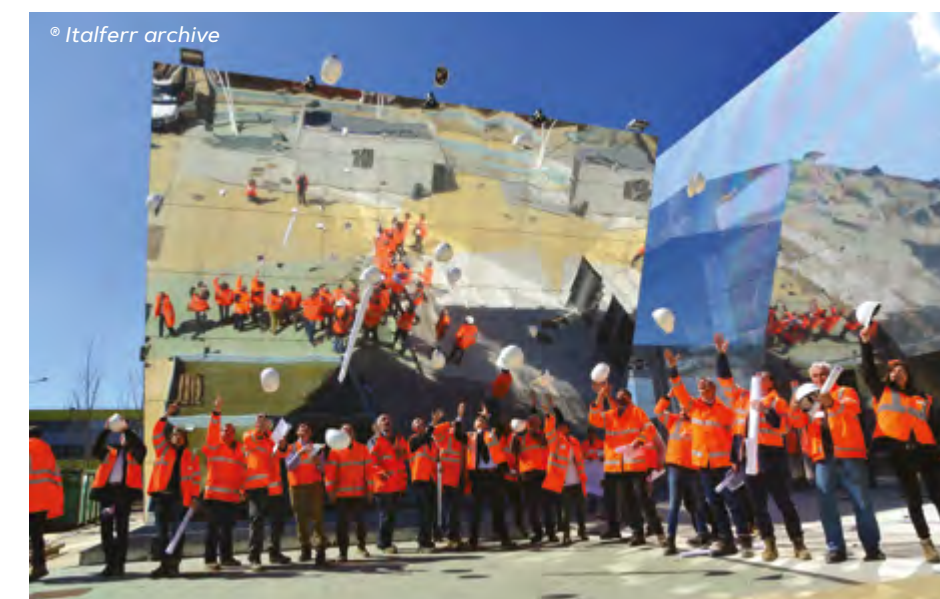
Remuneration policies for Group managers are based on market benchmarking to check that the remuneration offered is consistent with the market, to motivate managers, while also considering the complexity of the position held.

Remuneration policies are updated to support internal management and development policies and to reward personnel with a view to increasing their sense of belonging and motivation over time. Annual one-time bonuses are meant to reward and recognise the contribution of each manager based on their performance in terms of ongoing excellence.

Managers also receive short-term incentives as part of the MBO plan, in which the variable component of remuneration is linked to the achievement of specific performance targets⁹⁷ for the company and the Group. The variable component of remuneration, linked to the achievement of specific performance targets indicated in advance, provides an incentive

to reach the Group's budgeted financial, project and sustainability results. Junior managers heading micro-organisational units that are key to the company's mission and to achieve the Group's main purposes also receive the same incentives as managers.

Each manager and junior manager involved are assigned chiefly financial and/or project targets related to the company and their specific position.



95) A new supplementary healthcare plan was activated on 1 July 2020. In 2021, employees received their 2020 performance bonus as a one-off amount to be used for welfare benefit services or supplementary healthcare plans or to be allocated to the Eurofer supplementary pension fund.
96) On 20 April 2018, the Group companies that apply the national labour agreement for the Mobility/Railway sector of 16 December 2016 signed the agreement with the trade unions. In early 2021, FS signed important agreements with the trade unions to expand opportunities for all Group employees.

97) The objectives must reflect the priorities set out in the budget and should be identified transparently so they can be measured and certified objectively through the Group's accounting and reporting systems, in line with the practices used by leading Italian companies and focused on environmental and financial sustainability.



CONSIDERING THE SOCIAL AND ECONOMIC EMERGENCY THAT BLIGHTED THE TWO YEARS SINCE 2020, THE FOCUS WAS ON ECONOMIC, FINANCIAL AND RECOVERY PLAN TARGETS IN 2021, CONFIRMING ATTENTION TO THE FOCUS ON ENVIRONMENTAL SUSTAINABILITY AND OCCUPATIONAL HEALTH AND SAFETY.

IN THE 2021 MBO PROCESS

The goal of **Economic value generated per unit of CO₂ produced (carbon efficiency) compared to 2020** was assigned to promote the Group’s commitment to combating climate change.

The focus on **occupational safety was confirmed** as a crucial value to be used as the basis for growing the culture and awareness of employees.

- These were assigned on a top-down basis as defined by senior management and set out:
- * common indicators, aimed at ensuring that performance is focused on reaching higher targets at group/company level, especially regarding operating profit (EBIT) and CO₂ emissions (carbon efficiency);
 - * position-based indicators, related to assigned responsibilities and aimed at rewarding individual contributions towards achieving company targets.

Total remuneration to managers is integrated with a series of benefits, mainly consisting of: insurance coverage for both occupational and other injuries and permanent disability due to illness and death, the supplementary health care plan (FASI), the supplementary pension fund (PREVINDAI) and additional supplementary healthcare insurance (ASSIDAI).

The compensation model for these employees is intended to offer remuneration that is consistent with the employee’s position in the organisation and the assigned duties and to reinforce a goal-oriented approach by rewarding continuous performance improvement.

These employees’ remuneration includes a fixed component based on the complexity of their positions and an assessment of their potential, along with a variable component linked to the achievement of formally assigned objectives. Raises and bonuses are closely linked to duties and the continued achievement of the subjective and objectives targets associated with the position.

There are no differences in remuneration based on gender. Any average differences in remuneration between men and women, as

reported in the table below, are due exclusively to the fact that they hold different positions in the companies, the ways in which they provide service and their responsibilities.

For example, there are fewer women in transport operation jobs and, accordingly, average remuneration is affected by this factor (less compensation for shifts, working on holidays, working at night, etc.).

Employees’ pensions are financed through specific mandatory contributions shared by employees and employers.

Employees pay contributions equal to 9.19% of their remuneration base. This percentage is increased by 1% if the monthly base for the calculation of contributions exceeds €3,948⁹⁸. On the other hand, employers pay contributions equal to 23.81% of each employee’s remuneration base for the calculation of contributions. Employers in the Group cover, for all employees, additional costs for maternity leave,

illness, social employment insurance (NASpi)⁹⁹ and ordinary contributions to the fund for income and employment assistance.

Such fund implements actions for Group company employees to promote training programmes for professional retraining and/or re-qualification, set up active income and employment assistance policies, and provide extraordinary allowances to support income due to employees under voluntary redundancy. With regard to the supplementary pension fund, Group employees participate in the negotiation fund provided for by the railway national labour agreement (Eurofer) or certain open-end funds in accordance with the scheme established by law.

EMPLOYEE REMUNERATION		2021	2020	2019
The gender pay gap				
Managers	Gross annual remuneration	-11.4	-10.1	-8.0
	Total annual remuneration	-13.9	-11.3	-11.6
Junior managers	Gross annual remuneration	+0.8	+1.5	+2.0
	Total annual remuneration	-3.1	-2.8	-2.5
White collars	Gross annual remuneration	-2.8	-3.3	-3.6
	Total annual remuneration	-15.3	-14.5	-15.7
Blue collars	Gross annual remuneration	+2.4	+1.6	+1.5
	Total annual remuneration	-4.7	-3.2	-4.2

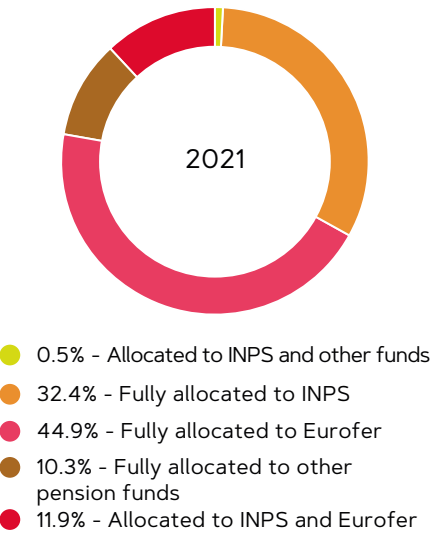
98) Additional contribution under circular no. 10 of 29 January 2021.
99) New social labour insurance



The employer and the employee share contributions to the Eurofer fund equally. Contributions are set at 1% of the monthly salary¹⁰⁰. Employees may increase their contributions on a voluntary basis, without any obligation for the employer to increase its share of the contributions. Furthermore, the Mobility Contract and the FS Italiane group's contract of 16 December 2016 introduced additional increases in contributions to the Eurofer fund, including an annual contribution of €100 each for all employees and another €100 per

employee for those who did not receive work/life balance benefits. The employer is not required to match contributions to the open-end funds, to which the full amount of post-employment benefits required by Italian law is transferred. The chart illustrates employees' selection of where to allocate their post-employment benefits.

ALLOCATION TO POST-EMPLOYMENT BENEFITS



100) According to article 22 of the FS Italiane group's employment contract.

ENCOURAGING, TRAINING AND UPGRADING SKILLS

(404-1, 404-2, 404-3)



The Group **rewards and nurtures people** according to transparent, merit-based criteria in order to achieve the objectives in the business plan.

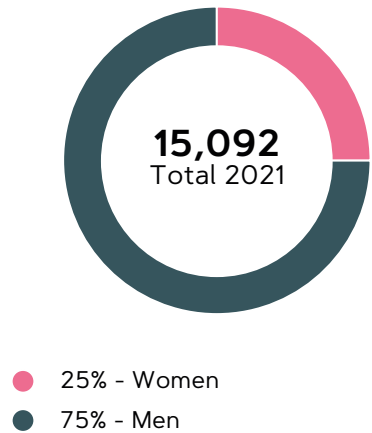
The purpose of the development model is to ensure that the professional and managerial structure is consistent with the needs established in the plan, business development requirements and those of the resulting organisational structure.

The purpose of the performance management process is to encourage better business performance, encouraging growth in the performance of people. In a performance assessment, the person has the opportunity to receive clear, measurable objectives and share open, structured feedback with their supervisor, in order to highlight their strengths and take specific action on their improvement areas, consolidating on-the-job expertise.

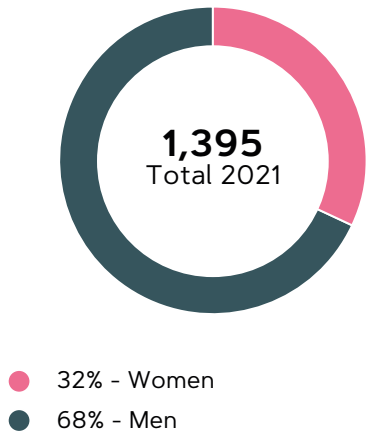
Conducted by employees' supervisors on the integrated assessment system platform, the annual performance assessment involved 15,092¹⁰¹ people, roughly 25% of the average workforce for the year¹⁰².

Resources not included in the integrated assessment process have their performance informally monitored each year by their supervisors (e.g., feedback on strengths and weaknesses).

PERFORMANCE ASSESSMENT



POTENTIAL ASSESSMENT



101) Including 5% managers, 43% junior managers and 51% white collars.
102) The percentage is calculated on the scope average (FS Italiane S.p.A., RFI, Trenitalia, Ferservizi, Italferr, Mercitalia Rail, Mercitalia Logistics, FS Sistemi Urbani and Busitalia - Sita Nord).

DUE TO THE SIGNIFICANT IMPACTS THAT THE PUBLIC HEALTH EMERGENCY CONTINUED TO ENGENDER ON COMPANY PRACTICES, TRAINING ACTIONS IN 2021 FOCUSED MASSIVELY ON DEVELOPING THE PROCESS CHANGES BEGUN IN 2020 AND STEPPING UP INNOVATIONS IN SUPPORT METHODS AND TECHNOLOGIES. THE GROUP CONTINUED TO INVEST HEAVILY IN TRAINING, MAINTAINING THE SAME LEVEL OF CARE AND ATTENTION TO PEOPLE AND IN KEEPING WITH THE NEED TO DEVELOP COMPANY PROCESSES AND STRATEGIES.

In 2021, the Group continued to invest significantly to develop **digital learning** to support know-how in various fields, **increasing** the number of courses under way by 46% on 2020, strengthening internal authoring skills (20% of courses are produced internally).

The first edition of **FS Learning Week** was rolled out in the first quarter of 2021: the first forum of the Group's training schools and academies. With over 1,330 participants and dedicated to sharing the training best practices of all Group companies and comparing them with external benchmarks, this event aimed to:

- * foster and promote widespread sharing of projects and new ideas;
- * make the most of company excellencies in terms of strategic skills and innovative methodologies;
- * promote the roll-out of group-wide projects in order to boost the quality and development of the academy.

Approximately 659 thousand¹⁰³ training man/days were provided in 2021 by the main Group companies, roughly 27% more than 2020, in order to:

- * accelerate **innovation processes** enabling the development of a mindset that is supportive of internal entrepreneurship and the acquisition of innovative skills;
- * drive the evolution of the **management culture** and the **managerial skills** of the Group's people, particularly newly hired employees and all employees involved in the development programmes across all professional lines;
- * ensure the integration of new employees in the productive system through **induction programmes**;
- * retain and refresh **specialised technical skills** in all jobs and professional roles comprising the Group's ability to achieve results;
- * develop a stronger **culture of safety in the workplace and in transport operations** throughout the Group's various business units;

In line with the goals and continuing on from the previous year, the main programmes were:

- * the **Leadership Programmes** for the development of the Group's managerial team;
- * the **induction programme** for newly-hired university graduates; the first module of the programme was expedited and re-designed to engage and create roots and a sense of belonging among new hires during the public health emergency;
- * raising awareness and training on **Diversity&Inclusion** by developing the training programme on parenting, open to all employees, with a focus on the repercussions that parental roles also have in the world of work, discussing both gender and switching various roles;
- * open training on the **MOOC platform** for over 2,400 Group employees;
- * the distribution of the catalogue to support the development of the **soft skills** of all the Group's professionals;
- * the new pilot project **Evolutionary Lab**, a leadership programme for 130 Group managers aimed at instilling awareness and triggering the right energies to embark on a journey of development in



the various areas that regulate both professional and private life;

- * the first completed trial of the group's **International Academy** (programmes for both managers already operating in international projects and for young professionals);
- * the **Innovation Skill Hub** (learning programme to cultivate an innovative mindset among all Group employees) was completed with the participation of leading Italian university partners, the contribution of start-ups, mentors and group and non-group managers. Using an online format and innovative approach, the programme was completed with the finalists taking part in a "learning journey" at a different Group company or a start-up and was voted best innovative practice in the HR field in Italy;
- * refresher training by **professional family** to update know-how on core or common issues;
- * roll-out at the end of 2021 of the first pilot edition of the **Project Management Program** (PMP) international certification preparation course involving an intercompany panel to study and provide training on project management issues in line with Project Management Institute (PMI) standards;
- * coordinating **Health and safety managers** training to study legal requirements;
- * continuation of training on **sustainability** with initiatives to raise awareness and train people on related issues, seeking to involve external companies in the training activities more and more in order to strengthen know-how and inter-company and global networking.

103) The data refer to the following companies: FS Italiane S.p.A., RFI, Trenitalia, Busitalia - Sita Nord, Ferservizi, Italferr, FS Sistemi Urbani, Mercitalia Logistics, Mercitalia Rail and FS Technology.

91% OF TRAINING HELD
IN 2021 CONCERNED
TECHNICAL AND
PROFESSIONAL
CERTIFICATION FOR
OPERATING PERSONNEL,
OPERATING SAFETY AND
OCCUPATIONAL SAFETY.

Once again in 2021, most training was provided via e-learning courses held live, with respect to both training on technical/professional skills for non-core processes and behavioural and managerial training.

The flipped classroom¹⁰⁴ approach (based on digital technologies integrating webinars with e-learning or self-training) implemented in 2020 in response to the Covid-19 emergency continued in 2021 on an even wider scale, making it possible to provide all activities laid out in the 2021 Group training plan, garnering high scores of perceived quality and learning.

Many digital learning courses were provided on organisational culture and compliance issues during the

year, including: information classification, the Group's data protection framework (GDPR), the 231 model, the ABC system, labour law, travel security and the Code of Ethics.

Furthermore, the training provided directly by the individual companies focused on:

- * **technical and professional** training projects focused on learning and refreshing technical skills and qualifications/certifications typical of operating roles;
- * **training** for young **new hires**, especially in operating roles;
- * rolling out the **Safety Culture Project**, aimed at spreading a culture of safety focused on the human element and on behavioural variables;
- * providing specific training for different roles as per the **Safety Management System** and mandatory and refresher training on **Occupational Health and Safety**;
- * **support training for professionals**; in continuation with the previous year, much room was

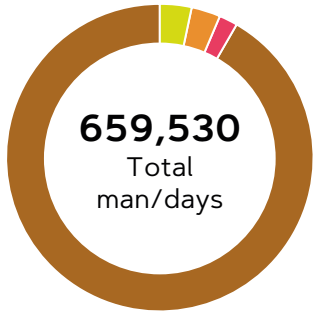
given to courses on developing customer centricity and market orientation skills for front-line personnel - in direct contact every day with customers whose travel needs and habits have been drastically changed by the individual and social restrictions imposed by Covid-19 - and operating personnel;

- * **Digital Skill Up** training campaign aimed at upgrading and developing digital skills;
- * **DL Academy** programme to help learn and boost the skills necessary for works supervisors.

Furthermore, around 15,093 man-days of training were provided to non-group personnel belonging to supplier companies in order to ensure compliance with consistent standards of expertise and safety.

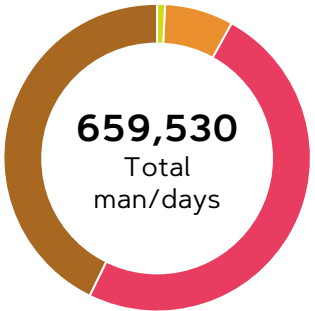
The total cost of training days solely for employees amounted to over €6.3 million, up 10.4% on 2020 due to the increase in training provided. Funding for training generated revenue of over €5 million.

TRAINING
MAN-DAYS
BY TRAINING AREA



- 3.6% - Institutional
- 2.9% - Managerial
- 2.1% - Cross-sectional
- 91.4% - Technical/professional

TRAINING
MAN-DAYS
BY PROFESSIONAL
LEVEL



- 0.5% - Managers
- 7.2% - Junior managers
- 49.4% - White collars
- 42.9% - Blue collars



104) The flipped classroom approach was officially tried out for the first time in the nineties by Erica Mazur at Harvard University. The methodology was formalised with the contribution of Jonathan Bergmann and Aaron Sams. It is also widespread in Italy and is recognised by the Ministry of Education, Universities and Research.

HEALTH AND SAFETY

(403-3, 403-6, 403-9, 403-10)

In 2021, the Group continued to strictly implement measures issued by the public authorities to curb and fight the spread of Covid-19 in the workplace.

The employers identified within the Group companies prepared the document entitled Management of the public health emergency resulting from Covid-19 – Anti-infection protocol, laying down how to implement the Shared protocol governing the measures to counter and contain the spread of Covid-19 in workplaces, which the trade unions signed and updated on 6 April 2021.

In implementation of the provisions of Decree law no. 127 of 21 September 2021 and subsequent Decree law no. 139 of 8 October 2021, the Green Pass guidelines were issued on 11 October 2021 – “Definition of the Group’s organisational model for checking green passes in the workplace”.

The Group companies implemented such provisions and guidelines into their own organisational mod-

els to set up an effective system for checking employee green passes in the workplace.

In 2021, the Group companies **completed the migration and certification of the Occupational Health and Safety Systems** from OHSAS 18001 to **UNI ISO 45001:2018** - Occupational health and safety management systems¹⁰⁵.

Strengthening its commitment to ensuring a workplace safe from Covid-19, Trenitalia also acquired **Biosafety Trust Certification**, a model of how to prevent and control the spread of viral infections on public transport. The Group also received WELL Health-Safety Rating certification, developed by the International Well Building Institute of New York to certify premises that meet public health emergency requirements.

In order to build a responsible and informed culture of health and safety in the workplace, the Group **created the “Health & safety culture perceived by FS Group**

personnel” project in order to gauge employees’ perception of the tangible commitment of company managers, at various levels, regarding health and safety, via a survey developed in collaboration with the Sant’Anna School of Advanced Studies in Pisa based on a model of safety culture focused on nine organisational areas.

With the main Group companies involved, **roughly 40,000 employees took part in the project overall** with an over 50% survey response rate. The results of the survey were positive, with particular evidence of the employees’ acknowledgement of the “Company commitment”, “Training” and “Operating solutions” for safety issues. The companies have used the results as a springboard for improvement actions to strength the culture of safety over time.

In October - to mark the European Week for Safety and Health at Work - and November, the companies held the **third edition of the Safety Day**, a well-established event dedicated to projects to im-

prove prevention and engage personnel. These initiatives, which saw the presence of the CEOs of each company, were focused on safety in the phase of resuming operations, measures in place to counter the spread of Covid-19, developing flexible work and presenting innovative projects. Trade union representatives also took part, highlighting the importance of the event and the need to reinforce the culture of safety to reduce injuries in the workplace.

The strict implementation of prevention measures continued in 2021, with particular focus on resuming all operating activities.

Though showing an increase in injuries and frequency rates compared to 2020 mostly due to the pandemic and the return to operating activities, the overall results confirm the medium-term trend of consistent decreases in the number of injuries and frequency rates compared to 2019, i.e., the year prior to the public health emergency.

In this context, the data of railway companies only (thus excluding Italcertifer, Busitalia and Sistemi Urbani) reflect the increase in injuries and the frequency index by

roughly 10% on 2020, but down approximately 10% on 2019, thus confirming the gradual improvement over the years.

The following table provides data on indemnified injuries currently

being defined, as provided by the national labour insurance institution, INAIL.

In 2021, Anas recorded 97 occupational injury reports, with a frequency rate of 14.4¹¹¹.

INJURIES INDEMNIFIED BY INAIL ¹⁰⁶	2021 ¹⁰⁷	2020	2019
Injuries in the workplace	909	833	1090
Injuries - women	132	108	164
Injuries - men	777	725	926
Fatal injuries	2	6	1
Fatal injuries - women	0	0	0
Fatal injuries - men	2	6	1
Serious injuries in the workplace ¹⁰⁸	234	214	317
Serious injuries - women	28	28	50
Serious injuries - men	206	186	267
Injuries in transit	228	198	295
Injuries in transit - women	37	43	79
Injuries in transit - men	191	155	216
Overall frequency rate ¹⁰⁹	15.39	14.04	17.64
Frequency - women	12.06	10.21	15.80
Frequency - men	16.14	14.87	17.99
Severity rate ¹¹⁰	567	612	675

105) UNI ISO 45001:2018 is the global standard on occupational health and safety management systems. It defines the requirements for improving safety, reduce risks in the workplace and improve the health and safety of workers.
106) INAIL data for 2021 are partially consolidated.
107) 2021 data refer to the following companies: FS Italiane, RFI, Trenitalia, Ferservizi, Italferr, FS Sistemi Urbani, Italcertifer, Mercitalia Logistics, Mercitalia Rail and Busitalia Sita Nord.

108) Serious injuries are those that result in more than 40 days of missed work.
109) Frequency Rate: [no. of injuries at work/amount]x 1,000 employees, calculated in accordance with European ESAW standards.
110) Severity Rate: [number of missed days]/amount]x 1,000 employees.
111) The data are processed using the same criteria as for the other companies.



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In Italy, occupational diseases, which lead to immediate damage to employees' health, are reported by the employer to INAIL within the scope of injuries at work, as required by relevant legislation, and INAIL counts them among the category of injuries at work.

In the Group's case, specifically, there are reports of injuries at work relating to the post-traumatic stress of train drivers (in cases of hitting people along the train tracks, generally suicides).

In addition, there are professional diseases originating in the long term due to pathogenic factors found in the workplace.

In the Group's case, professional diseases, which usually account

for no more than 50% of reports, relate to organisational events dating back many years, in some cases decades. They arise slowly, gradually and progressively and mainly relate to obsolete organisations and work processes, which the companies have remedied by changing the environments and production processes.

The most common professional

diseases in the railway sector are bone and joint or skeletal muscle problems as well as hearing impairment caused by noise.

The following table sets out the data of the periodical medical check-ups, related to various risk factors, which are one of the most significant elements of Group companies' efforts to prevent occupational diseases.

PERSONNEL WHO RECEIVED CHECK-UPS	2021	2020	2019
Personnel who received health monitoring check-ups	36,530	38,472	44,454
Personnel who received railway safety medical check-ups	14,165	10,832	15,267

Roughly 11% of man-days in the technical/professional learning area were devoted to health and safety and environment training, for a total of over 68,000 man-days. To complete the refresher training programme provided remotely via Microsoft Teams, employees were offered the choice of two of the following topics:



WORKING FROM HOME

- * Discover and reflect on the impact of working from home on the company and the quality of the worker experience
- * Transmitting new skills/expertise required by the new organisational structure
- * Helping build a mindset that is in line with new working/organisational requirements
- * Providing strategies to promote a company culture that encourages a new organisational set-up without reducing it to a mere transfer of work "from the office to the home"

COLLABORATIVE INTELLIGENCE

- * Improving knowledge sharing skills
- * Learning to identify the main team building and team working dynamics
- * Identifying and developing communities of interest and engagement skills
- * Learning how to define shared goals and a shared vision

GET MOVING!

- * Providing self-help tools with exercises to treat and/or prevent muscle or joint issues which impede daily life
- * Discovering the positive effects on breathing, circulation, muscular tone, free joint movement, various types of pain, in addition to the indirect ameliorative effects on stress, insomnia, self-esteem, concentration, interpersonal relationships and emotional balance



WELFARE, DIVERSITY&INCLUSION

(405-1)

"WE ALL HAVE A MIX OF DIVERSITIES THAT MAKES US UNIQUE. THE END PURPOSE OF DIVERSITY & INCLUSION MANAGEMENT IS TO FULLY ENHANCE AND USE EACH EMPLOYEE'S CONTRIBUTION TO ACHIEVE CORPORATE GOALS AND BEST EQUIP THE ORGANIZATION TO FACE THE CHALLENGES AND UNCERTAINTIES COMING FROM THE GLOBAL MARKET."

(Code of Ethics, Ferrovie dello Stato Italiane Group).

The Group believes that diversity is a value to be recognised, understood and reinforced. It undertakes to create an open and inclusive work environment with the conviction that the diversity of its people is a source of organisational well-being and competitive edge for the business.

In its Code of Ethics, the Group endorses, inter alia, "the creation of a respectful and collaborative work environment, repressing any form of harassment; policies for personnel's mental and physical well-being, striving to balance the needs of the business with their personal and family needs; refusal to exploit labour and, especially child labour, zero tolerance for any type of illegal labour and a commitment to ensure fair, merit-based, skills-based regulatory and remunerative treatment without any discrimination".

In addition, as confirmation of its commitment to inclusion and diversity and the respect for human rights and equal opportunities, in 2020, the **Group signed the Women's Empowerment Principles (WEPs), established by UN Women, the UN entity dedicated to gender equality.** These principles aim to enhance and promote equal opportunities for women in the workplace, the market and the community through which the Group operates.

The activities and projects for the Group employees are supported by both the National and Local Equal Opportunities Committees¹¹² and directly by specific internal structures.

GROUP INITIATIVES (CARRIED OUT DIGITALLY THROUGHOUT THE COVID-19 PUBLIC HEALTH EMERGENCY)

| DIVERSITY&INCLUSION

[404-2.03]

* WECARE

online space created to inform personnel of the Group's caring actions and provide support on handling the psychological impacts of the pandemic, creating real, inclusive relationships and raising awareness about disability (1,200 participants in a total of 22 initiatives);

* CULTURAL ACCESSIBILITY FOR PEOPLE WITH HEARING LOSS:

an interpretation service in Italian sign language was integrated into the Wecare webinars to give access to the content to people with hearing loss and raise awareness of all participants about the value of accessibility as a shared responsibility;

* CREATION OF A DASHBOARD

for monitoring the improvement of D&I policies at the FS Italiane Group;

* 4WEEKS4INCLUSION

the second edition of the intercompany marathon dedicated to inclusion and enhancing diversity with over 200 companies and 700,000 people involved. FS was in the front line with the participation of senior management in two events to raise awareness, coming second in the "WIN4Inclusion" charity trophy and organising a webinar with over 120 participants, "Diversissimo me", dedicated to the inclusion of all the identities that characterise each of us.



FS STORIES CAMPAIGN INCLUDED IN THE TOP50 ACTIONS OF THE DIVERSITY BRAND INDEX 2021

The "People" (FS stories about employees' strengths and uniqueness through their own words) and "Le Persone e il fare" (first-hand accounts of the commitment and passion that employees put into their work every day) campaigns came in amongst the top fifty inclusive schemes from the assessment board for the Diversity Brand Index 2021 which measures the level of inclusion at brands according to companies' real commitment to Diversity & Inclusion.

112) A bilateral and joint corporate body set up pursuant to article 1.3.C) of the national labour agreement for the Mobility/Railway sector and article 3 of the Ferrovie dello Stato Italiane Group's contract of 16 December 2016. There is one national committee and 15 local committees.

EVENTS AND CAMPAIGNS

★ **JOINING FORCES TO STOP VIOLENCE AGAINST WOMEN**

an awareness campaign about gender-based violence. All employees got involved by launching the #iononrestoaguardare (I will not be a bystander) campaign on 25 November, an invitation to spread awareness about this “silent” call for help by sharing photos to say together we stand against gender-based violence. Furthermore, a webinar was organised to spread awareness about the importance of not being a bystander so that the people around

women can catch on to even the less obvious signs of psychological abuse as well as physical violence in order to protect and prevent the risk.

★ **CLEAN UP THE WORLD**

as part of Legambiente’s “Clean up the world” initiative, the FS Italiane Group organised a morning for Group employees and their families to redevelop some urban areas and clean up waste, restoring their value.

WELFARE

★ **WELFARE PORTAL:**

a single, integrated tool for finding all the welfare services offered by the Group and using the ever expanding selection of assets and services, which recorded higher usage by employees in 2021. Specifically, on the FS Welfare portal, employees can: find out about the Group’s welfare plan, use welfare credits by either requesting reimbursement of expenses regarding work/life balance benefits or by availing of new welfare assets and services, and find information on the special agreements and discounts available for employees for numerous cultural initiatives;

★ **UNILATERAL DONATIONS:**

in 2021, the Group offered the payment of two contributions: one for a holiday voucher and one to re-

imburse expenses incurred for babysitting services, creches, study holidays, day camps and play centres, in addition to assistance services for elderly and non self-sufficient family members;

★ **ASSISTANCE FOR DISABLED CHILDREN:**

the Group once again offered monetary assistance (€800) to employees with disabled children in 2021;

★ **CUSTOMER CARE FOR EMPLOYEES:**

the Group provided the service to support employees with welfare initiatives, including supplementary healthcare, again in 2021.

EQUAL OPPORTUNITIES COMMITTEE INITIATIVES

[405-1.01]

★ **GENDER-BASED VIOLENCE:**

a collaborative project (#NONèNormale - It is not normal) organised throughout the Group’s intranet to mark 25 November, aimed at identifying violence, stimulating discussion among employees and preventing it from occurring.

★ **EMPLOYMENT OF WOMEN:**

Women in Rail agreement distributed among the equal opportunities committees; this agreement was signed in Brussels on 5 November 2021 by the Community of European Railway and Infrastructure Companies (CER) and the European Transport Workers’ Federation (ETF) to increase the number of women in the railway sector and improve their conditions.

★ **PREVENTION OF SEXUAL HARASSMENT AND SEXISM:**

- * analysis of the 2020 Annual Report of the confidential female counsellor (appointed as part of the code of conduct for cases of sexual harassment in the workplace) and follow-up meeting to examine the report;
- * Proposed actions aimed at preventing sexual harassment in the workplace at the FS Italiane Group drafted and presented to the People management & compensation manager;
- * meetings between the equal opportunities committees and the confidential female counsellor to decide on how to act in potential cases of harassment, in order to become a point of reference for employees in this regard;
- * FAQs drafted on sexual harassment in the workplace as per the “code of conduct for cases of sexual harassment in the workplace” and published on the Group intranet.

★ **COMMUNICATION AND AWARENESS:**

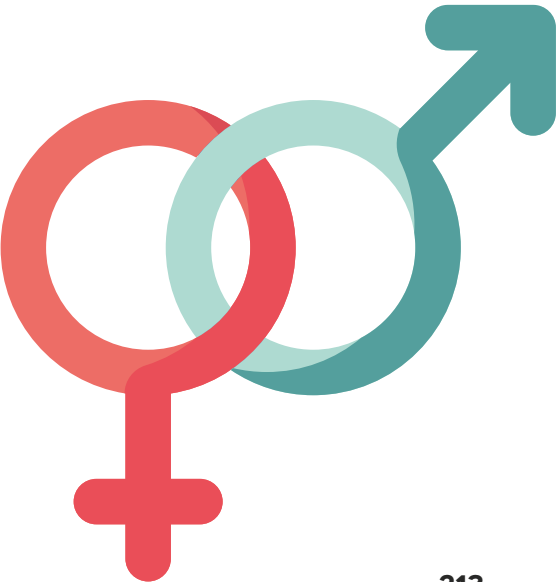
promoting dialogue on gender-related issues via news and events, expanding the range of addressees.

★ **WORK/LIFE BALANCE:**

roll-out of a study on working from home to assess potential impacts for female workers.

★ **HEALTH PREVENTION AND SUSTAINABLE MOBILITY:**

- * pilot training/motivational seminar called “Women move the world” organised on 8 March for all members of the equal opportunities committees to promote physical exercise as a factor of well-being, also in relation to work;
- * notice published on the Group intranet on the outcome of the above seminar with regard to both gender and sustainable mobility.



RELATIONSHIPS WITH TRADE UNIONS

(401-3; 402-1)

Relationships with trade unions are based on utmost respect for the commitments required by the relevant Italian legislation and applicable contracts.

The trade unions receive the required information and carry out bargaining activities in accordance with the national labour agreement¹¹³. Changes to the overall corporate organisational structures and those of the individual production units are disclosed to the trade unions.

The national labour agreement requires that before changes can be made to the organisation of labour and the structure of working hours, they must be specifically negotiated, with the negotiation procedure ending within no more

than 20 days after it begins. Negotiations with the trade unions take place centrally through the respective national divisions and locally through the regional divisions, in conjunction with the unit trade union representatives.

The Group has formal agreements in place with the trade unions protecting workers' health and safety, to promote projects that foster a culture of safety and prevention among workers by constantly updating employee training and with the introduction of new equipment and new technologies.

Additional information on relationships with trade unions is given in the Group's 2021 Annual Report (Directors' report, "Commitment to sustainable development - Human

capital" section).

The percentage of Group employees who are members of trade unions was 63% in 2021, slightly up on the previous two years (61.8% in 2020 and 60.7% in 2019).

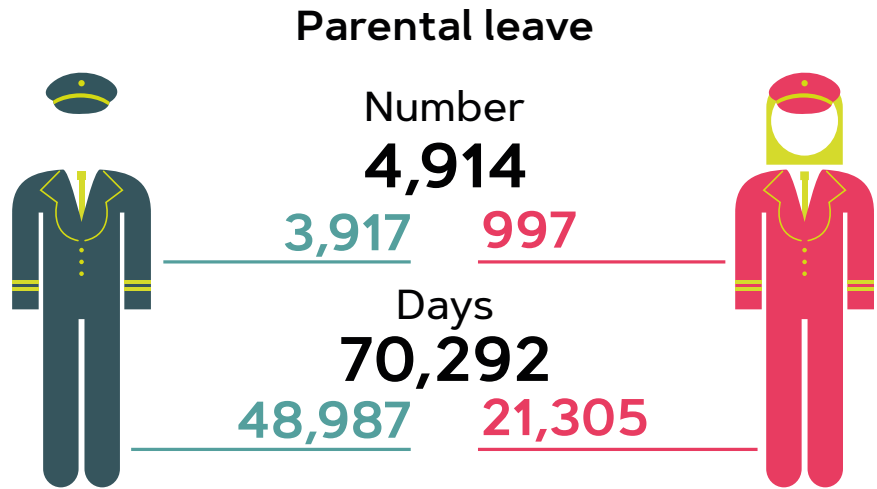
The absenteeism rate is 7.9%¹¹⁴, compared to 9.5% in the previous year. This decrease is due to less absences due to illness in 2021 and also the lifting of extraordinary measures brought in by the government in 2020 regarding maternity leave and assistance for the disabled.

PARENTAL LEAVE

FS Italiane Group applies the relevant legal and contractual regulations which include increasing the term of parental leave up to 12 years of the child's life: in addition to the mandatory maternity/paternity leave established by law, employees (father and/or mother)

may opt to take a period of voluntary leave for up to a maximum of six months for each parent, but the parental leave may not exceed a total of 11 months for both parents. The Group's supplementary contract establishes better econom-

ic conditions during the voluntary leave for any employee who takes it (for the first six years of the child's life). The number of employees who took at least one day of parental leave in 2021 is detailed below:



Measures to protect maternal healthcare include leave for pre-natal check-ups and care, as well as the baby's medical care¹¹⁵, with the Group's supplementary contract offering better remuneration than that guaranteed by the national

labour agreement for leave for the baby's medical care.

The FS Italiane Group granted additional leave introduced under the regulations in the "Measures to strengthen the national health-

care system and provide economic relief to households, workers and businesses in connection with the Covid-19 epidemiological emergency" along with specific additional amounts, where specifically provided for.



113) There are no risks to the freedom of association and bargaining within the Ferrovie dello Stato Italiane Group.
114) The data refer to the following companies: FS, Trenitalia, RFI, Ferservizi, FS Sistemi Urbani, Italferr, Italcertifer, FS Technology, NUGO, Cremonesi Workshop, Mercitalia Logistics, Mercitalia Rail, Mercitalia Intermodal, Terminali Italia, Busitalia Veneto, Busitalia Rail Service, Busitalia Campania, GS Rail, GS Immobiliare, FS International and Ferrovie del Sud-Est.

115) 30 days of paid leave per year, up to the child's third year.

(103-2, 103-3)

RELATIONSHIPS WITH COMMUNITIES

INVOLVEMENT IN SOLIDARITY INITIATIVES IS FUNDAMENTAL FOR FS ITALIANE GROUP, WHICH IS TANGIBLY COMMITTED TO CARRYING OUT PROJECTS AND INITIATIVES TO HELP DISADVANTAGED PEOPLE.

In collaboration with associations and local bodies, Ferrovie dello Stato Italiane has implemented its own policy to support and plan social initiatives in railway areas, creating a new welfare programme at stations. This programme consists of collaborative welfare through a partnership between entities with the power to effect social change (local bodies and third sector organisations, along with networks and local businesses promoting social responsibility).



PROMOTING SOCIAL COHESION

HELP CENTRES

The help centres are meant to welcome and shelter those who are most in need and help begin their rehabilitation with the city's social services and institutions.

Exacerbated by the economic crisis and the ongoing public health emergency, all of Italy is in the midst of a social emergency, which can be especially seen at railway stations. Promoted and managed in collaboration with local bodies and third sector organisations, the help centres are the Group's response to the growing phenomenon of social hardship and the considerable rise in migration to Europe.

During the emergency, the help centres continued operating despite the lockdowns and countless difficulties faced due to the need to sanitise premises, social distancing measures and the lack of volunteers. There were particular restrictions at some of the centres managed directly by public administrations that were forced to close for certain periods. The most frequently

needed services were: distribution of essential goods, especially meals, and medical equipment (face masks and hand sanitiser). There was also growing demand for toilets and showers and spaces granted temporarily for use as dormitories.

The public health emergency led to a reorganisation of the help centre services, focusing on two main lines:

- * **safety:** showers and changing rooms were expanded for people not sheltered on a long-term basis, and emergency kits and kits for the needy were located and distributed, with the collection and distribution of food and essential goods;
- * **sharing and cooperation:** initiatives were rolled out to support the link between the operating services for those in need, local businesses, healthcare services, donors and residents.

The Group plays a crucial role in the help centres, offering premises on free loan inside or near railway stations to associations and bodies that help relieve marginalisation and the social crisis so they can create help centres. The help centre network currently spans 18 railway stations from Northern to Southern Italy with spaces granted on free loan covering a total surface area of 4,777 m²,¹¹⁶ for a commercial value of €7,165,500 (estimating an average of €1,500 per m²). From June 2020 and throughout 2021, activities to support social vulnerability have been expanded by increasing surveillance and healthcare prevention at the Roma Termini help centre and "Binario95" where, thanks to a partnership with Istituto IFO San Gallicano IRCSS, over 7,000 free Covid-19 tests (blood tests and antigen and molecular swabs) have been administered to the homeless and service operators. In addition to making it possible to monitor the dynamics in the outbreak among the most vulnerable, this has helped the homeless to find shelter in the city structures.

In 2021, the co-design work for the creation of a new health centre model in Rovereto was completed. This poly-functional centre aims to set up a community hub of the city's social resources.

Active help centres



116) The total surface area granted on free loan for the help centres in Bari and Chivasso is not included because the network partners use premises that they own near the railway stations.

In order for the help centres to work in synergy, the Group relies on the close collaboration of the National Observatory for the Disadvantaged and Solidarity at Stations (ONDS), which is managed by the social co-

operative Europe Consulting Onlus. The ONDS coordinates all the centres, trains help centre workers and gathers and analyses data on social projects carried out by the national network. In 2021, the FS Italiane

Group allocated €125,000 for activities and projects to help people facing social difficulties.

ACTIVITIES	DETAILS OF ACTIVITIES	AMOUNT
CONTINUED ONDS ACTIVITIES IN 2021	Support for the social activities unit in the coordination and expansion of the help centre network, the monitoring of network data, international activities and specific training of social workers, including training on how to use the database.	€115,000
THE SOLIDARITY TRAIN PROJECT	As part of the solidarity train project, train tickets are issued free of charge for journeys involving the social and employment integration of people with serious social hardships identified by the ONDS.	10,000 ¹¹⁷
		€125,000

THE HELP CENTRE NETWORK’S MAIN SERVICES

Since 2002, the ONDS network has been creating and developing the prototype of an IT system for sharing and filing the important information and activities carried out for people in need. Over the years this had led to the design and gradual roll out of the Anthology® platform¹¹⁸. The system standardises the ways of gathering and recording data on actions

and the people assisted, in order to keep track of a structured path for assisting people.

Evidence of the immense work carried out over the years is seen in the numbers related to the past five years (2016-2020): over 107 thousand people used the centres of the network for over 2.3 million social orientation projects (including almost 2 million low threshold projects - providing basic goods, food, clothes, blankets or basic sanitary services - and over 400 thousand support and social orientation projects) thanks to the intense daily work of the thousands

of operators and volunteers who helped provide the services over the years.

New users, i.e., those using the ONDS social services available at the station for the first time, account for more than half of total users between 2016 and 2020 (55%).

Most of the beneficiaries were men (81%) and most users were foreign (63% non-EU citizens and 13% from the EU).¹¹⁹

With regard to 2021, though information is still being gathered at some help centres at the time of

preparation of this report, an initial analysis shows an estimated over 10% increase in the number of people who received assistance from the network compared to 2020, with significant rises in Florence (+11%), Milan (+28%), Pescara

(+33%) and Rome (+46%) and a resulting overall rise of 15% in social orientation projects carried out. There was also an estimated increase in new users from 52% in 2020 to 55% in 2021.

SHELTERS

In addition to the help centres, through major Italian non-profit associations, many shelters have been set up in railway areas, particularly in Rome and Milan:

- * the Don Luigi Di Liegro shelter in Rome;
- * the Rifugio Caritas shelter in Milan;
- * the Binario 95 day shelter in Rome;
- * the Progetto Arca shelter in Milan;
- * the Pedro Arrupe shelter in Rome for those seeking asylum and political refugees, managed by the Centro Astalli association. It has been operating out of the former Ferrotel premises at the shunting site in Rome since 2002.

A total surface area of roughly 11,016 m² has been granted on free loan for the social activities



carried out in the shelters, with a total estimated value of around €16,524,000 (average value of €1,500/m²). Overall, the total surface area granted on free loan for

social activities (help centres and shelters) in 2021 is approximately 15,793¹²⁰ m², with an estimated value of around €23,689,500 (average value of €1,500/m²).

117) The contract for the solidarity train project was signed in December 2021.
118) To date, the data of the help centres of Bologna, Brescia, Catania, Florence, Messina, Naples, Pescara, Reggio Calabria and Rome are gathered via Anthology®, while the data related to other cities are gathered using a specifically structured form filled in by operators.

119) More detailed data on the ONDS network are available on the website: www.onds.it where the ONDS annual report is published every year. 2021 data are currently being consolidated and will be available in the 2021 ONDS annual report.
120) The surface area includes the help centre network (4,777 m²) and the shelters (11,016 m²). In addition, space has been granted to the Museo della Shoah foundation for a symbolic fee for the Shoah Museum's social and cultural activities (7,000 m² at Milano Centrale).

RE-USE OF REAL ESTATE

THE FERROVIE DELLO STATO ITALIANE GROUP OWNS NOT ONLY ASSETS THAT ARE FUNCTIONAL FOR ITS CORE BUSINESS, BUT ALSO EXTENSIVE REAL ESTATE THAT IS NO LONGER USED, CONSISTING OF TRAIN STATIONS, BOOTHS AND TRACKS.

To date, in collaboration with local bodies and non-profit associations, 390 stations have been reassigned for activities to improve the local area or provide public services¹²¹. Total spaces of roughly 156,704 m²¹²² have been provided, with a total value of around €156,704,000 (average of €1,000 per m²). Idle railway lines that can potentially be used for social purposes and soft mobility span approximately 1,168 km¹²³. **At present, roughly 496 km of idle lines have been converted into tourist lines, cycling paths and greenways.**

Another initiative to use the Group’s railway assets for social purposes has involved using **railway routes for historic/tourist train journeys**. This reuse preserves the infrastructure’s function as a railway and the role of secondary lines, for which there is little demand for commercial transport.



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FUND RAISING CAMPAIGN

Each year, the FS Italiane Group promotes and organises its traditional Christmas fund raising campaign in collaboration with leading social organisations. At the end of 2021, the Group held a fund raiser called “I’ll take care of you” in collaboration with Fondazione Bambino Gesù of the Bambino Gesù Paediatric Hospital to build a paediatric palliative care centre at Passoscuro.

This centre will welcome children with incurable rare diseases that require high levels of assistance or in the terminal phase of illness. It will take care of the entire family, in synergy with local units, the

family paediatrician and all paediatrician hospitals near the family home in order to create a network that can look after fragile children and tangibly meet their needs.

A centre that assists children in the toughest part of their illness and where parents can learn the skills they need to best look after their child at home.

NATIONAL AND EUROPEAN PROJECTS AND SOCIAL AWARENESS CAMPAIGNS

In Europe, since 2008, the Group has been a signatory of the European charter for solidarity (European charter for the development of social initiatives at stations), as one of 17 partners from different European countries¹²⁴. The European social network includes non-railway operators that have signed parallel support pacts, including the European Federation of National Organisations Working with the Homeless (FEANTSA), the UIC and the Paris and Rome municipal authorities, among others¹²⁵.

121) The number refers to stations with at least one free loan agreement in place.
122) The number refers to buildings granted on a free loan basis in and around stations. The Group has granted the use of yards outside stations and/or land for roughly 3,674,206 m².
123) Idle lines do not include those to be redeveloped as “railway lines for tourism” (185 km).
124) Romania (CFR), Slovenia (Zeleznice), Norway (NSB), Bulgaria (NRIC) and Denmark (DSB), the Czech Republic (CD), Sweden (Jernhusen), Germany (DB), Croatia (HZ), Greece (TrainOSE) and Serbia (SZ).
125) Additional members include the Spanish Railway foundation, ANCI (National Association of Italian Municipalities), the Sant’Egidio community, Fondazione Centro Astalli, the “Aux Captifs” association for the homeless, La Libération and FNARS, a leading federation of French organisations and associations that shelter socially disadvantaged people, and CINI, a non-profit organisation active at India’s largest railway stations.



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CENTRO
VACCINAZIONE
ANTI-COVID 19



PROMOTING CULTURE AND OTHER SOCIAL INITIATIVES

THE GROUP AND CULTURE

The FS Italiane Group fosters and supports the cultural development of the country. It is a natural vocation for a group that has been rooted for over a century in the civil, economic and social fabric of Italy and is a leading player in its infrastructural development. Indeed, FS Italiane plays a key role in relaunching Italy, in modernising and enhancing local areas and the beauty of Italy by developing the main rail and road corridors, speeding up and upgrading the high speed network and regional transport, fundamental to regenerate tourism and to create a digitalised, sustainable transport system.

This is why FS chose to emerge from the pandemic demonstrating its support for the country's revival by agreeing key collaborations with Italy's main foundations and museums. The goal is to create new and better travel opportunities, promoting trains as a sustainable means to travel to cities of art, discover Italy's cultural excellence, explore the country and visit top

exhibitions. FS confirmed its connection with Accademia Nazionale di Santa Cecilia, of which it is a founding partner, taking part in the inaugural concert of the season dedicated to the revival with Gustav Mahler's Symphony no. 2 "Resurrection" as the sole partner.

The main internationally-renowned major events, institutions and museums in which the Group participated include:

- * the Rome Film Festival;
- * exhibitions in Palazzo Strozzi in Florence and Scuderie del Quirinale, the exhibition on the future of mobility at the Trento Science Museum;
- * cultural events in small and large cities such as "Dante Assoluto" at the Colosseum Archaeological Park in Rome, the Assisi Christmas concert and the Communication Festival in Camogli.

Ferrovie dello Stato Italiane also assisted Fondo Edifici di Culto of the Ministry of the Interior with the "Travelling with art" project to promote Italy's historical, artistic, religious and cultural her-

itage in a journey to discover the country's greatest treasures. As part of this unique exhibition route, the pictures from the Fund's calendar were exhibited in the high speed waiting rooms of the main national stations and on-board Trenitalia trains.

OTHER SOCIAL ISSUES

In 2021, the Group was a partner in key events dedicated to social sustainability, such as the Sustainable Development Festival promoted by ASVIS and the CSR and Social Innovation Salon. In collaboration with leading charitable institutions and associations, the Group also promoted initiatives to protect health and diversity & inclusion.

The main projects included:

- * **Frecciarosa:** prevention travels by train. This initiative is dedicated to the treatment and prevention of breast cancer and education on correct lifestyles, sponsored by the Ministry of Health and promoted by the IncontraDonna non-profit organisation. After the 2020 edition was held fully online, health and

prevention returned to trains in 2021 with on-board specialists on high speed and regional trains and in the Freccialounges in stations who offered free cancer prevention consultations. In addition, online teleconsultations continued for the whole month of October on frecciarosa.it.

- * **Race for the Cure:** the largest event in the fight against breast cancer. The 2021 edition returned to an in-person event and the Group was one of its top supporters once again, even receiving a celebratory plaque for the precious contribution of everyone who made a donation. FS employees took part in a campaign on the company intranet which collected approximately €18,000 to support **Associazione Susan G. Komen Italia**.

- * **The Women's Football Super Cup:** FS made a tangible contribution to the development of an inclusive sport whose athletes are a symbol of female empowerment and leadership. Professionalism and talent have no gender, this is the motto of the initiative embodying FS Italiane's commitment to win the game of inclu-

sion via projects, initiatives and rallies that mobilise the network of connections, relationships and resources surrounding female leadership.

- * **Save the Trucker:** initiative in partnership with the Italian Red Cross aimed at protecting and promoting 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.

RESTARTING ITALY TOGETHER

Among the numerous actions rolled out by the Group in 2021 to tackle the public health emergency, the first **national vaccination centre** was inaugurated at Roma Termini in March.

Covering an area of 750 m² along with an emergency tent, the centre has 17 medical history posts and 21 vaccination posts. There are also two posts for the exclusive use of people with reduced mobility.

Another initiative to help restart the country was the medical train made available by the national civil protection department and the Italian Red Cross to transport patients with Covid or serious illnesses. Equipped with 21 intensive care units, bio-containment stretchers, oxygen tanks and resuscitation equipment to be used at stations and during the journey, the train was designed to transport the sick or injured, offering them first aid and diagnosis.

FONDAZIONE FS ITALIANE

FONDAZIONE FS ITALIANE
ESTABLISHED IN 2013,
AIMS TO PRESERVE AND
MAKE THE MOST OF THE
HISTORICAL CULTURAL
HERITAGE OF THE
HISTORIC TRAINS, FROM
DOCUMENTARY MATERIAL
(BOOKS, DOCUMENTS
AND MAPS, AUDIO-VISUAL
MATERIALS) WHICH ARE
EVIDENCE OF THE HISTORY
OF THE RAILWAY SECTOR
AND ITALIAN SOCIETY
SINCE THE BEGINNING OF
1900.

ITALIAN HERITAGE



- * 20 steam engines
- * 50 electric and diesel engines
- * 13 electric and diesel buses
- * 110 carriages and special vehicles
- * 12 wagons and luggage wagons - 18 rain carriages
- * 1 fast electric train
- * ETR 252 Arlecchino



- * 55 rolling stock on show
- * 39 to-scale plastic station models
- * 1 library with roughly 2,000 volumes
- * 1 plastic Trecentotreni model (18x2 m)
- * 1 plastic model of the Tirano-Saint Moritz railway (56 m)
- * 1 plastic model of the Battipaglia station (4x1.8 m)
- * 1 plastic model of "De Marchi" (4.5x1.5 m)



- * 60,000 historic volumes and periodicals
- * 2,000 blueprints and profiles



- * 12,000 plans and blueprints of the network and the station
- * 7,000 architectural drawings of stations and railway buildings
- * 7,000 rolls of technical drawings of historic engines and rolling stock
- * 10,000 photographs of trains, traction vehicles, carriages and freight



- * 500,000 black and white and colour film and digital photographs
- * 3,500 video cassettes
- * 3,000 films

Ferrovie dello Stato Italiane, Rete Ferroviaria Italiana and Trenitalia are the patrons of Fondazione FS. Its main activities include:

- * organising trips on historic trains¹²⁶;
- * promoting railway tourism;
- * maintaining and rolling out historic vehicles;
- * managing the Museum of Pietrarsa;
- * promoting and organising events, shows and exhibitions;
- * renovating historical railway infrastructure to open to the public as museum hubs and historical archives:
 - * Campo Marzio station in Trieste
 - * former interlocking control building at Roma Termini
- * renovating historical railway infrastructure as workshops for redeveloping/storing historic trains:
 - * Milan, Pistoia and La Spezia historic train depots
 - * Bologna Centrale hub
 - * Roma Termini depot
- * partnering with FAI to open prized railway infrastructure to the public:
 - * Firenze SMN terminus and interlocking control building
- * redeveloping historic lines to open to the public:
 - * opening panoramic views to make the most of the landscape
 - * redeveloping stations to create tourist hubs

The main social media channel used by Fondazione FS is Facebook which it uses to boost its corporate identity. Thanks to strategic events held on social media, the Fondazione's Facebook page has reached over 177,420 followers (+1.98% on 2020), garnering more than 12 million accounts during the year, thanks to content that generated interactions from over 3 million users (+11.7% on 2020).

The Fondazione's official Instagram profile also recorded excellent results, overtaking the threshold of 2,000 followers and reaching the current number of 22,439 (+26.7% on 2020). The Fondazione reached an average of 7,912 Instagram users from a total of 3,117,850 accounts, with an interaction rate of 4.94%. The Fondazione revamped its Pinterest page on 30 November 2020 and registered 101,120 users in 2021 along with 4,650 users involved and over 9,500 interactions on the content promoted by the channel. Fondazione FS launched its official LinkedIn page on 5 April 2021. With over 1,400 followers, this channel is already widely used by the Group to reach new profiles, companies specialised in the tourism industry and local bodies rooted in the local areas.

With the support of the Group's social media team, the Fondazione set up an official Tik Tok page in summer 2021, which is now a verified account. The hope is to reach a new younger segment of the public. The official Fondazione FS YouTube channel of high-quality videos grew exponentially in 2021. It reached a record 356,149 views during the year with

over 16,489 total viewing hours, over 4.750.00 impressions and a click rate of 4.5%. It also reached the important threshold of 4,000 subscribers.



NATIONAL RAILWAY MUSEUM
OF PIETRARSA

- * 106,649 visitors
- * 971 historic train visitors
- * 27 major events
- * €625,500 in revenue



JOURNEYS ON HISTORIC TRAINS

- * 500 individual journeys with historic trains for a total of 50,000 passengers
- * 150 journeys with historic "Timeless rails*" trains for a total of 31,000 passengers
- * 43,000 train-km
- * €2,600,000 in revenue

*railway lines, between nature and art, dedicated to historic-tourist trains, outside the main rail hubs and lines with intense traffic

126) The following railway lines reopened for tourism as part of the "Timeless rails" project, have been selected for inclusion in a genuine "moving museum": ("Ferrovia della Valsesia", "Ferrovia del Tanaro", "Ferrovia del Lago", "Ferrovia della Val d'Orcia", "Transiberiana d'Italia", "Ferrovia dell'Irpinia", "Ferrovia dei Templici", "Ferrovia del Sannio", "Ferrovia Pedemontana" and "Ferrovia del Monferrato")

Marketing activities in 2021 included promoting the Fondazione’s on-line shop, which recorded 754,108 views. Finally, the FS Fondazione newsletter has over 18,000 subscribers.

Fondazione FS invests its revenue (mainly from hiring out historic trains, property leases and the sale of tickets to the museum in Pietrarsa) in creating social and cultural value for the country and the areas in which it operates.

Specifically, maintenance and roll-out of historic trains, management and museum conservation of its assets (rolling stock, audio/visual material and designs) help preserve and highlight the country’s historical, social and cultural heritage.

TRAVELLING IN GREAT COMFORT

Restoration of a Gran Confort type 1985 train was wrapped up in 2021 with the final inspections. This was the first of a group of eight vehicles assigned to Fondazione FS Italiane. A huge part of railway history, this type of train is getting back on the tracks for the upcoming tourist season as part of the historical train service.

Designed in the late sixties by Fiat Ferroviaria in Turin for national and international long haul journeys, the Gran Confort trains were immediately popular among passengers. They were designed using innovative technical solutions to offer the utmost comfort even at high speeds.

The floating floor, double-glazed windows, air conditioning and tannoy system kept these trains in circulation for over 40 years. Their story began with the summer timetable of 1972 when the first available units were used as Trans Europ Express (TEE) fast international trains during the XX Olympics Games in Munich. They were then deployed in the national Gran Confort train services the following year. The two versions

could be easily told apart by their colours: the international trains kept the TEE colours of red, beige and grey, while the national trains were painted slate grey with an ivory band between two 10-cm red lines running above and below the windows.

Technically, the difference lay in the fact that the TEE service trains were fitted with converters in the luggage wagon to remedy the different electric current on the European network. 380 Gran Confort trains were built between 1970 and 1988, including compartment carriages, lounges, restaurant cars and luggage compartments.

The arrival of the Eurostar trains in the mid-90s marked their decline

on routine services. Some were used for special services, such as the summer Palinuro Express in the early 2000s or the electoral trains in spring 1999 and winter 2001 when the candidates Romano Prodi and Francesco Rutelli travelled Italy by train.

Now, thanks to the aesthetic and functional renovation work by Fondazione FS Italiane and Trenitalia, a number of Gran Confort trains will be deployed once again in historical trains to offer special tourist services, ensuring an excellent standard of safety and perfect travel comfort without forgetting the original colours.



CC - Wikimedia Foundation

AN ESTIMATE OF THE SOCIAL AND CULTURAL IMPACTS¹²⁷ GENERATED BY THE FOUNDATION’S ACTIVITIES IS SHOWN BELOW:



Passengers on the historic trains contribute to the development of the areas and districts (purchasing local products and artisanal goods) and to the development of the historical and cultural heritage of the trains themselves.

NOTES 1: Contributions from members refer to donations made by founding members during the 2014-2021 period (2021 data are estimated) for grants related to income (to run the Fondazione) and assets (to fund the Fondazione’s investments in protection and maintenance projects and to increase property, plant and equipment and intangible assets).
2: Revenue from other activities includes: ticket sales for the Museum of Pietrarsa, hiring out historic trains and other commercial revenue during the 2014-2021 period (2021 data are estimated).
3: The estimated value of the Fondazione’s historical, social and cultural

heritage was based on the appraisal performed by an external consultant to value assets transferred to the Fondazione when it was set up. This estimate prudently did not consider investments in improvements, maintenance and the rolling out of assets. If these investments were included, the historical, social and cultural heritage would amount to approximately €15.5 million.
4: Passengers on the historic trains contribute to the development of the areas and districts (purchasing local products and artisanal goods) and to the development of the historical and cultural heritage of the trains themselves. The estimated value created

for local communities and areas was based on research carried out in 2013 by the government organisation “All Party Parliamentary Group on Heritage Railways” with the title of “The Social and Economic Value of Heritage Railways”. This research estimated that every pound earned through ticket sales generates £2.7 for local communities due to the purchasing of local products, lunch/dinner, museums in the areas, etc.. This coefficient was reconfigured on the basis of the relationships between total consumption in Great Britain and total consumption in Italy in 2017 (source: Eurostat). The coefficient was therefore equal to 2.01.

127) The estimate is based on the framework provided by Associazione Civita “From CSR to Corporate Cultural Responsibility: how to enhance the projects of cultural companies”.



3

The FS Italiane Group believes that an organisation's long-term success is built on a strategy that prioritises the protection of natural balances.

FS ITALIANE GROUP FOR THE PLANET

The FS Italiane Group's greatest contribution to the creation of an environmentally sustainable development model is that it offers increasingly more efficient and sustainable **transport services that maximise the benefits of collective mobility.**

(102-15)

HIGHLIGHTS

RAILWAY TRANSPORT IS ONE OF THE MOST EFFICIENT AND LEAST POLLUTING SOLUTIONS WITH THE SMALLEST IMPACT ON THE LAND AND IS, ACCORDINGLY, THE FS ITALIANE GROUP'S CORE TRANSPORT SERVICE FOR PASSENGERS AND FREIGHT.

Indeed, the Group intends to offer multimodal transport services that encourage mobility choices which help reduce road traffic, improve safety, scale down emissions and benefit the quality of life for people while creating fewer risks for the environment.

In this regard, the ongoing improvement of environmental performance plays a key role that impacts the quality of services offered. Thanks to an iterative process comprised of actions, monitoring and assessment, the Parent guides and coordinates the environmental strategies that the companies then translate into independent paths for improving performance, maximising the environmental advantages of their own transport system and particularly focusing on rational use of resources, cutting emissions of greenhouse gases and other polluting substances and generally reducing the carbon footprint of all business segments.

ENERGY AND EMISSIONS

WHAT WE HAVE ACCOMPLISHED

- 1 Rated B by the Carbon Disclosure Project on climate change
- 2 CO₂ emission performance targets included again in the Group's remuneration policy
- 3 Inaugurated a hydrogen fuelling station in Groningen and introduced new hydrogen buses with fuel cells into the vehicle fleet used for public transport in the Netherlands
- 4 Saved approximately 30,000 tCO₂ compared to 2020 on railway traction consumption following a partial revival of traffic

WHAT WE AIM TO DO

- Consolidate the Group's environmental rating
- Define medium-term targets for reducing greenhouse gas emissions
- Continue to develop hydrogen technology for both road and rail transport
- Develop railway network electrification projects and continue introducing vehicles with a lower environmental impact





RESPONSIBLE PURCHASES

WHAT WE HAVE ACCOMPLISHED

1

Called for tenders for a “service aimed at developing and assisting the application of tools to assess and check the sustainability profile of financial operators and suppliers of Group companies”

2

Published guidelines for sustainable procurement management with a view to standardising sustainability principles and drive their integration into purchasing procedures and management

WHAT WE AIM TO DO

Continue working to improve the supply chain’s sustainability performance while reducing environmental and social risks



SUSTAINABLE INFRASTRUCTURE

WHAT WE HAVE ACCOMPLISHED

1

In 2021, based on the “Guidelines of the NRRP and supplementary national investment plan” the Group drafted sustainability studies and reports related to the works planned under the NRRP in order to provide a clear overview of the potential of the infrastructure works to generate value for the community.

WHAT WE AIM TO DO

Continue specific actions on structuring a stakeholder engagement process and define a content strategy to create a broad support network throughout the regions touched by infrastructure projects with the aid of the Sentiment Analysis platform developed by Italferr.



(103-2, 103-3)

ENERGY AND EMISSIONS

STRATEGIES FOR DECARBONISING THE TRANSPORT SECTOR

Infrastructure and sustainable mobility are the cornerstones for the future transition to fair, environmentally-responsible growth. Properly structuring the transport systems is crucial for human and economic development and can play a key role in reaching the 17 SDGs set out in the United Nations 2030 Agenda.

For instance, a properly structured transport sector could help make cities sustainable (SDG 11), also favouring climate action (SDG 13), and could impact development thanks to the active role of infrastructure supporting innovation (SDG 9) and promoting responsible consumption and production models (SDG 12).

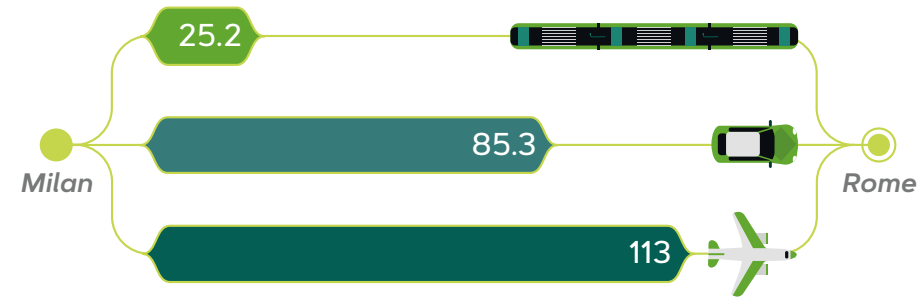
With regard to climate issues, the transport sector has one of the highest impacts on global CO₂ emissions, accounting for roughly a quarter of the total.

The most effective way to reduce the sector's carbon footprint is raising the share of eco-friendly transport, such as railway, collective transport by road and shared

systems, in addition to improving the energy efficiency of systems and increasing usage of low/zero-emission energy.

These measures can be summarised by the shift & improve strategies in which the railway sector is strongly engaged.

At the end of 2021, the UIC Global Railway Sustainability Taskforce published the document *Design a better future*¹²⁸ promoting a vision of zero emissions transport for



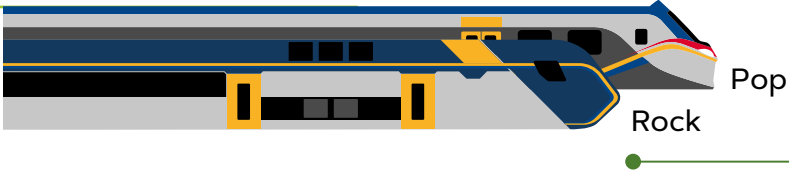
kg of CO₂ per passenger on the Rome-Milan section (source ecopassenger.org)

2030 by favouring intermodality, customer experience, innovation and renewable energy, leading to a transformation to more connected and liveable cities and communities. All players in society will need to play their part in achieving this vision. Institutions need to demand tougher targets and incentives to promote decarbonisation and the modal shift, companies need to in-

vest in projects that improve transport services and customer experience and redesign logistics, while also raising awareness of public transport systems.

FS Italiane's strategy mirrors this approach. The Group is constantly engaged in upgrading vehicles, networks and hubs to meet its customers transport needs while simultaneously helping reduce the transport sector's emissions. For instance, the Group is currently updating the regional passenger

transport fleet, partly acquired via green bonds, with more energy efficient vehicles: Trenitalia's Pop and Rock trains consume approximately 30% less energy than the most recent regional trains in circulation in Italy. The new Blues trains make it possible to save 50% of fuel.



Less energy consumption
than the most recent
regional trains
in circulation in Italy
~30%

In order to fortify intermodal choices, thus reducing the sector's carbon footprint, the FS Italiane Group continues to offer benefits if you opt for more efficient and sustainable transport solutions to get to the station or continue your journey (e.g., Freccialink, train + bicycle, car sharing, micromobility, etc.).

The business plan sets out a programme that fosters synergy between the various components of the Group, with a plan aimed at increasing integration between rails and roads regarding both infrastructure building and design and freight and passenger transport services. The plan targets improving accessibility, smoothing disparities in infrastructure built in the north and south of Italy, reinforcing and expanding the national high speed railway, boosting east-west connections and the regional railway network especially in the south, thus advancing the sustainability policy with rail travel playing a central role. The plan is to expedite the path to decarbonisation, increasing the electrification of lines - more than 2,000 km over the next ten years - and, where this is not possible, using latest-generation hybrid trains fuelled by electricity, diesel and batteries. In

addition, the Group is also studying hydrogen powered rail travel, a technology which is already being used in its road transport network with 20 hydrogen vehicles rolled out in 2021 by QBuzz, Busitalia - Sita Nord's subsidiary operating in the Netherlands.

To improve the prospects of building a sustainable infrastructure and transport system, the investments earmarked under the NRRP for railway transport will play a big role in the modal shift from private road transport to rail transport, thus cutting CO₂ emissions. Starting from 2030, such investments can reasonably expect to aid a modal shift that will lead to savings of roughly 2.8 tonnes of CO₂ emissions per year.

Mobility is one of the sectors with the highest carbon footprint. Only an integrated, systemic approach, capable of enhancing synergies and strengths, can help beat the climate change challenge while at the same time improving people's well-being.



©Trenitalia Archive

128) UIC, 2021, Design a better future, Vision of Rail 2030, uic-design-a-better-future-vision-of-rail-2030.pdf



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TRAINS FOR SUSTAINABILITY:
THE CONNECTING EUROPE EXPRESS AND THE CLIMATE TRAIN

The railway sector is highly focused on how to contribute more to the global decarbonisation strategy in line with the guidelines of the Paris Agreement and the 2030 Agenda, also by promoting awareness campaigns. 2021 was the European Year of Rail, as designated by the European Commission to promote sustainable mobility. With the involvement of FS, a special Connecting Europe Express train crossed 26 European countries, including Italy, travelling 20,000 km and stopping in over 100 cities.

Born from a partnership between the European Commission, the Community of European Railway and Infrastructure Companies (CER) and over 40 railway operators, infrastructure operators and partners, the project was set

up to raise awareness, through on-board and station gatherings and events, about rail transport's key role in reaching decarbonisation targets and underlining its contribution to bringing people and regions together and building relations to boost social and economic prosperity. The Connecting Europe Express arrived in Italy from France on 5 September and passed through Turin, Milan, Genoa and Rome, leaving again through Brennero, Italy's northernmost station.

Almost two months later, on 30 October, the Climate Train made its journey to Glasgow, the host city of COP26, organised by Avanti West Coast (a Trenitalia and FirstGroup joint venture), Eurostar, NS and Prorail and Youth for Sustainable Travel. Departing from Amsterdam and passing through

Brussels, the train brought European and English delegates to the 26th Climate Change Conference held under the joint Italian and UK presidency.

The train journey and its stops along the way were an opportunity to emphasise - through seminars, meetings and debates - the importance of rail travel for the decarbonisation of the transport system, with the core idea of transporting the delegates to such an important conference on the best means of transport in terms of CO₂ emissions.

The environmental performance of rail transport is better than other motorised vehicles. It is estimated that, although trains account for 10% of global transport, they only contribute 0.3% of the entire sector's CO₂ emissions.

(302-1, 302-3, 302-4)

SOURCES OF ENERGY

TOTAL FS GROUP ENERGY CONSUMPTION (SOURCE)	MEASUREMENT UNIT	2021	2020	2019	% CHANGE 2021/ 2020
Electricity for railway traction	GJ	14,803,061	13,934,831	17,522,131	6.2%
Electricity for other uses	GJ	2,508,701	2,412,378	2,550,335	4.0%
Electricity for road network lighting	GJ	1,244,516	1,265,872	1,379,451	-1.7%
Diesel	GJ	6,141,810	5,863,942	7,324,771	4.7%
Natural gas	GJ	1,396,065	1,236,602	1,418,331	12.9%
Biodiesel	GJ	228,813	240,958	-	-5.0%
Other (*)	GJ	87,180	63,183	67,181	38.0%
TOTAL	GJ	26,410,146	25,017,766	30,262,200	5.6%

(*) Heating, petrol, LPG, fuel oil, hydrogen

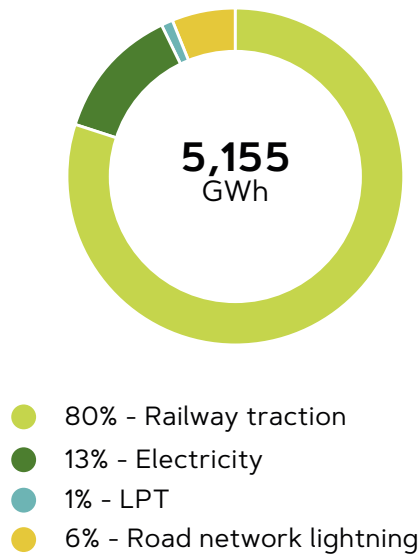


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Energy consumption is a crucial environmental aspect in the FS Italiane Group's activities and is monitored in terms of sources and end use. Transport services especially, in addition to maintenance and operation of road and railway infrastructure, require the use of vast quantities of energy and absorb a significant amount of the

Group's overall energy. 2021 saw transport services pick up. However, the public health emergency and consequent measures taken to contain the spread of infections which characterised most of 2020 had a significant impact, tempering the rebound in traffic demand with an only partial revival in people's mobility, remain-

ELECTRICITY

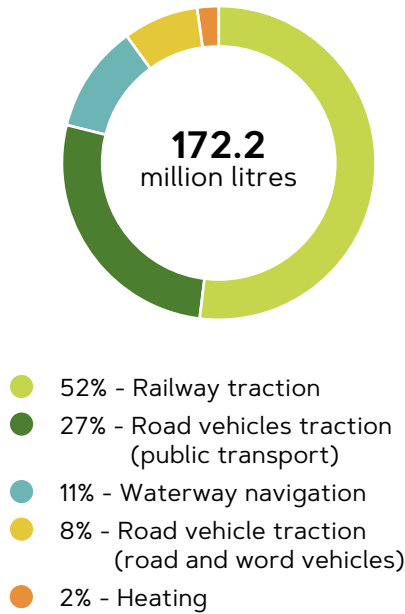


ing below pre-pandemic panels. This resulted in a roughly 5.6% rise in energy consumption compared to 2020, a year when volumes fell significantly due to the travel restrictions imposed to tackle the public health emergency.

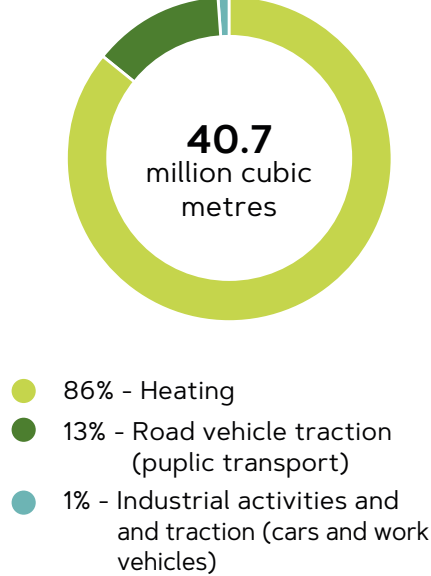
The total volume of energy consumed in 2021 was 24.6 million GJ. The increase, linked to the upswing in transport services, is seen in the variations in the main energy items linked to transport activities: electricity for railway traction (+6.2%) and diesel (+4.7%).

Electricity had the majority share and highest percentage of total consumption considering electricity for railway traction, road network lightning and other uses (roughly 70%). Electricity for railway traction absorbs 80% of the 5,155 GWh total energy consumed.

DIESEL



NATURAL GAS



Indeed, a large part of trains travel on the electric network (over 70% in Italy) with positive implications regarding the possibility of benefiting from the generation of electricity from renewable sources of the national energy mix.

An examination of use by individual source shows how transport services also account for a significant amount of diesel consumption, though with different percentages of the total than electricity. Railway traction absorbed roughly half of the 172.2 million litres of diesel consumed, public road transport approximately 27% and waterway navigation 11%. The remaining portion was consumed by work vehicles (8%) and heating (2%).

Natural gas is mainly used for heating rooms (86%) and only residually for transport, mostly to power part of the public transport road fleet (13%).

The FS Italiane Group's commitment to using energy from renewable sources is also evident from its consumption of biodiesel (introduced in 2020 and totalling roughly €6.2 million litres in 2021) new consumption of hydrogen (approximately 53 tonnes in 2021), both used for local public transport, as well as self-generated energy from photovoltaic plants (roughly 4.6 GWh, approximately +58% on 2020) and self-generated solar thermal energy (around 22 MWh in 2021).

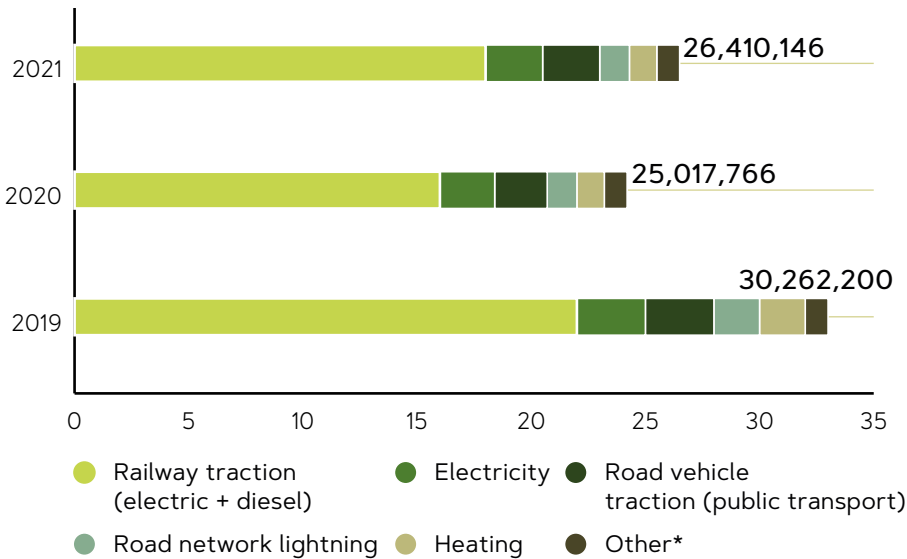
In order to quantify performance, specific end consumption is monitored, calculated as the ratio of energy used for railway activities in Italy on electric and diesel trains to the traffic units used to measure passenger and freight railway transport (respectively passenger and tonnes per kilometre).

Affected by a variety of factors (e.g., speed, altitude, vehicles, load factor, transported weight, atmospheric conditions, etc.), this ratio did not show any material changes in passenger traffic during the pe-

riod considered, especially in 2020, due to the downturn in passengers and restrictions on passenger numbers. However, the ratio did drop to around 644 kJ/passenger-km in 2021.

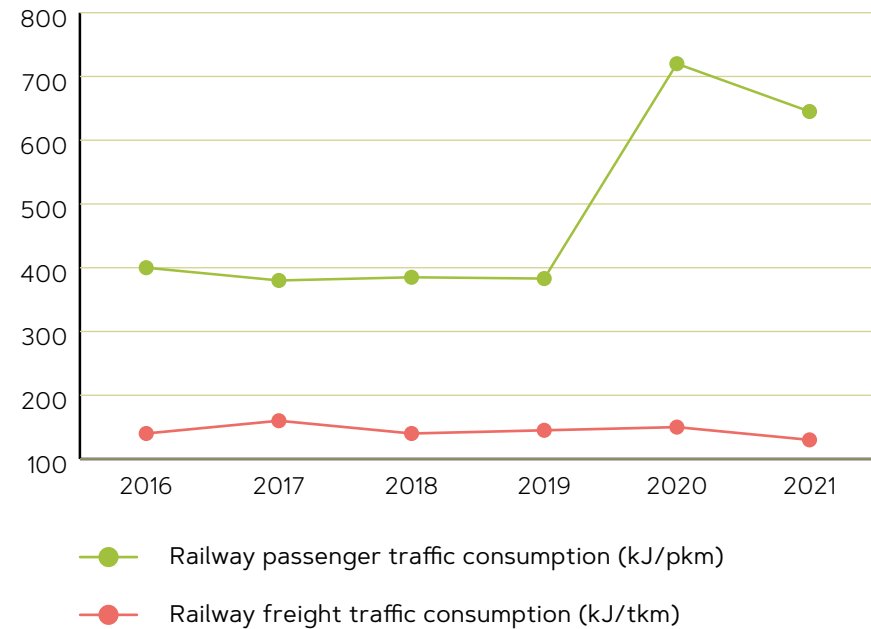
The ratio of freight traffic, on the other hand, did not show any significant changes (roughly 133 kJ/tkm)

FS ITALIANE GROUP ENERGY CONSUMPTION IN GJ (DESTINATION)



* Waterway navigation, vehicle traction (road and work vehicles), industrial activities, maintenance of green areas

FINAL SPECIFIC CONSUMPTION FOR RAILWAY TRACTION IN ITALY



(305-1, 305-2, 305-4, 305-5, 305-7)

EMISSIONS

CURTAILING GREENHOUSE GAS EMISSIONS IS A GROUP PRIORITY PURSUED VIA NUMEROUS INITIATIVES ROLLED OUT BY THE GROUP COMPANIES.

As part of its process to fine-tune reporting and transparency on environmental issues, the Group signed up for the Carbon Disclosure Project (CDP), a global reference point on climate change. FS was rated “B” (management score bracket) in 2021.

In 2021 we published the first GHG FS Italiane Group Report, a document about strategies, governance, results and initiatives to combat climate change.

In 2021, the Group’s CO₂ emissions came to 2.06 million tonnes of CO₂, just slightly under the 2020 total. The close connection between energy consumption and CO₂ emissions is mirrored in the volumes and variations in the total and individual items. As a result, the pandemic also had a huge impact on greenhouse gas emissions in the past two years.

The increase in consumption in 2021 did not give rise to a rise in greenhouse gas emissions compared to 2020 thanks to the continuous upgrading of the railway fleet with more energy-efficient vehicles and improved national emissions of the electricity generation mix.



DIRECT AND INDIRECT EMISSIONS OF CO ₂ e (LOCATION-BASED) (SOURCE)	MEAS- UREMENT UNIT	2021	2020	2019	% CHANGE 2021/ 2020
Electricity for railway traction	tCO ₂ e	1,198,449	1,235,303	1,624,718	-3.0%
Electricity for other uses	tCO ₂ e	184,780	193,375	222,076	-4.4%
Electricity for road network lighting	tCO ₂ e	96,728	105,313	122,480	-8.2%
Other (*)	tCO ₂ e	19,945	16,837	12,312	18.4%
TOTAL (Scope 2 *** location-based)	tCO₂e	1,499,902	1,550,828	1,981,586	-3.3%
Diesel	tCO ₂ e	480,137	458,497	571,585	4.7%
Natural gas	tCO ₂ e	80,926	71,947	82,738	12.5%
Other (**)	tCO ₂ e	2,522	1,361	1,231	85.4%
TOTAL (Scope 1***)	tCO₂e	563,585	531,805	655,554	6.0%
TOTAL (Scope 1 + 2 location-based)	tCO₂e	2,063,487	2,082,633	2,637,142	-0.9%

(*) Electricity per LPT, heat
(**) Petrol, LPG, fuel oil, biodiesel
(***) Scope 2. Emissions from the generation of electricity purchased and consumed by the organisation for electrical devices, heating and lighting in buildings; companies are indirectly responsible for the emissions generated by the supplier to produce the electricity requested. Scope 1. Emissions from the direct combustion of fossil fuels purchased for heating, to generate electricity and thermal energy and to fuel transport vehicles.

Based on the Greenhouse Gas Protocol (GHG Protocol), the amounts in the table were calculated using the location-based method which calculates emissions applying average domestic emissions for the various countries where the electricity is purchased.

The attached “Performance indicators tables” containing the energy and emissions amounts also set out the amounts calculated using the market-based approach which calculates emissions based on emissions defined in the contract with the electricity supplier. This latter method highlights the gradual

spread of energy from renewable sources certified with guarantees of origin in the company segments where this is possible.

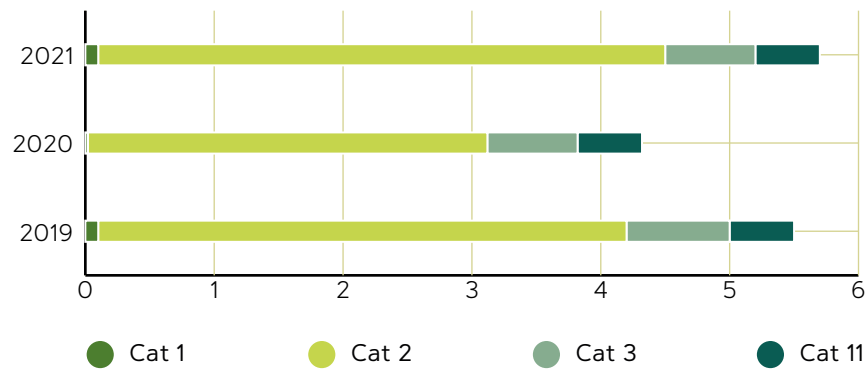
In 2021 the Parent carried out an analysis on the CO₂ emissions of the Group’s value chain, in line with GHG Protocol guidelines, allowing reporting of scope 3 emissions. This analysis identified four significant categories of emissions related to the supply chain (purchased goods and services and capital goods), third party railway operators that circulate on the RFI network, emissions linked to upstream processes of energy procurement. These

emissions account for roughly 99% of the Group’s estimated overall scope 3 emissions. The “Performance indicators tables” shows the figures for the other categories of emissions, in line with the GHG Protocol standard.

These emissions rose in 2021 compared to the previous year, after the slump during the public health emergency, due to the increase in works, goods and services supplied to Group companies.

The performance of the direct (scope 1) and indirect (scope 2) specific emissions of rail transport in Italy is similar to that of specific

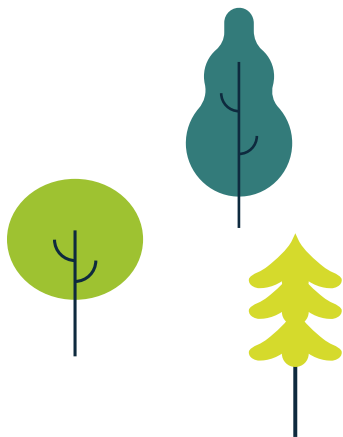
SCOPE 3 EMISSIONS (IN MILLIONS OF tCO₂e)



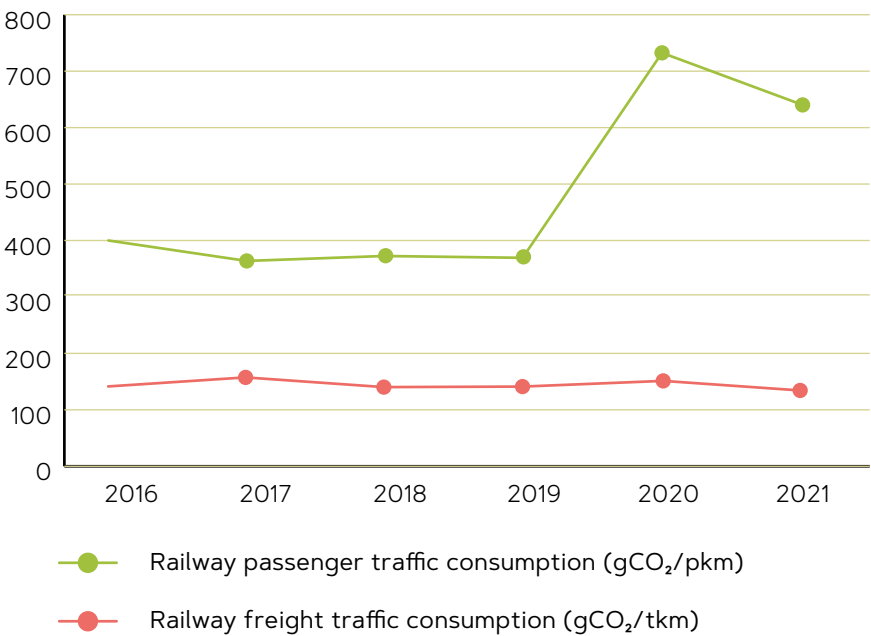
Cat 1. Purchased goods and services (consumables and services provided to Group companies)
Cat 2. Capital goods (assets used in transport activities such as trains and buses, and infrastructure construction materials)
Cat 3. Fuel- and energy-related emissions not included in scope 1 or scope 2 (upstream energy procurement)
Cat 11. Use of sold products (use of railway infrastructure by railway operators)

consumption: emissions by traffic units transported in Italy amount to roughly 49 gCO₂/passenger-km for passenger traffic, a decrease following the revival of transport

services after the peak reached in 2020, and approximately 10 gCO₂/tonne-km for freight transport, down slightly on 2020.



FINAL SPECIFIC CONSUMPTION FOR RAILWAY TRACTION IN ITALY



The transport sector is also responsible for other emissions. Although the railway sector's emissions are marginal compared to other environmental aspects, atmospheric emissions should in any case be monitored, also with regard to the environmental impact of the Group's road transport services.

Also in this case, nitrogen oxide and sulphur oxide emissions and particulates are mostly the result of combustion for road and rail passenger and freight transport, as well as shunting rolling stock. The FS Italiane Group's road transport companies are committing to upgrading the fleet, preferring more modern engines with signifi-

cantly less harmful emissions. This commitment is apparent from the figures shown below. Despite the considerable resurgence of passenger traffic, though only partial, the emissions remain low, in line with the levels recorded in 2020.

OTHER ATMOS- PHERIC EMISSIONS	MEASURE- MENT UNIT	2021	2020	2019	% CHANGE 2021/ 2020
NO _x	t	6,445	6,266	7,777	2.9%
SO ₂	t	413	415	485	-0.3%
PM ₁₀	t	173	167	208	3.3%





(302-5)

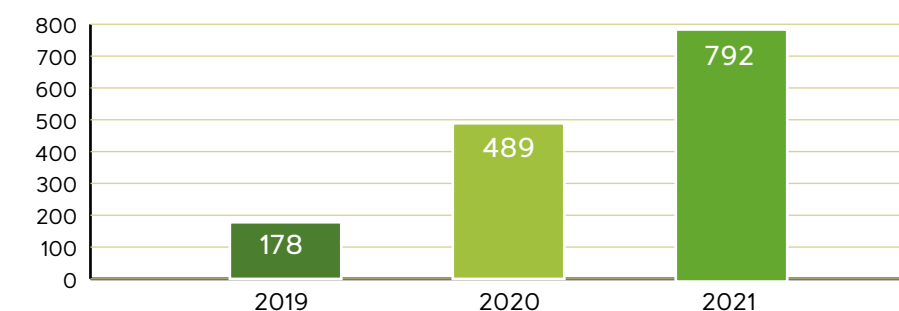
ENERGY AND OPERATING SEGMENTS

Many companies have rolled out various projects to install photovoltaic and thermal solar plants for self-production of the energy they consume, in addition to other plans to improve the efficiency of their total environmental performance, as detailed in the attached "Company highlights". Furthermore, benefiting from energy from renewable sources certified with guarantees of origin to be consumed for uses other than railway traction, FS Italiane Group com-

panies purchased energy certified with guarantees of origin that accounted for roughly 61% of their needs in 2021.

This improved from 37% in 2020, proving their growing commitment over the years. Furthermore, the Group's European integrated logistics company TX Logistik, part of the Mercitalia hub, covers 94% of its consumption of energy for railway traction via energy certified with guarantees of origin.

PROCUREMENT OF ELECTRICITY FROM RENEWABLE SOURCES CERTIFIED WITH GO [GWh]



THE FS ITALIANE GROUP AND THE CARBON DISCLOSURE PROJECT (CDP) RATING

In 2021 FS entered the "Management" category of the CDP by reaching an "B" climate change rating.

CDP is a not-for-profit organisation that runs one of the top global environmental reporting platforms. It encourages companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests.

Over 9,600 companies disclosed their environmental data via CDP. In addition, over 920 cities,

states and regions also used the CDP platform.

FS' score is in line with the European, global and sector average, recognising the Group's ability to report its energy consumption, emissions, actions taken to reduce its environmental impact and adopt adequate governance, strategic planning and climate risk management solutions throughout its entire value chain.

The prior-year rating was "A-", placing the Group in the "Leadership" category. The change in 2021

was due to stricter rating criteria.

The Group was also rated "A-" in the "Leadership" category of the supplier engagement score in 2021, bringing it above the sector and European average.

This rating measures a company's ability to engage suppliers on the topic of climate change, considering the huge weight of purchasing policies that encourage practices that aim for decarbonisation.

THE FS ITALIANE GROUP
AIMS TO PROVIDE
TRANSPORT SOLUTIONS
THAT INCREASINGLY
COMBINE IMPECCABLE
SERVICE QUALITY
WITH EXCELLENT
ENVIRONMENTAL
PERFORMANCE.

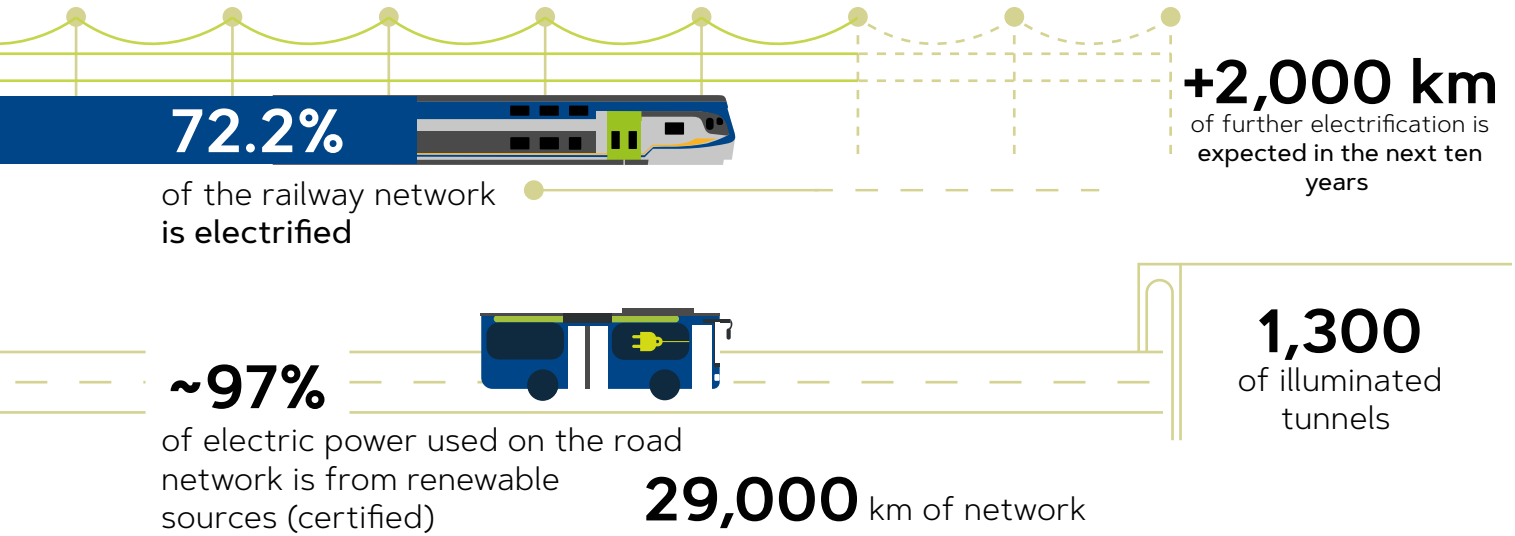
The roll-out of the new Pop and Rock regional trains began in 2019 and continued in 2021, involving several Italian Regions¹²⁹. Designed to meet strict environmental standards, they consume up to 30% less energy than other trains in the same segment and are equipped with smart air conditioning energy management systems and the green drive and smart parking functions. The market has recognised the environmental perfor-

mance of this new generation of trains, alongside the performance of the Group's Frecciarossa 1000 trains, enabling the Group to place green bonds in 2021¹³⁰. The green bonds also involved the railway sector's freight transport segment, allocating a portion of proceeds to the purchase of latest-generation wagons and engines, improving the efficiency and sustainability of the transport service.

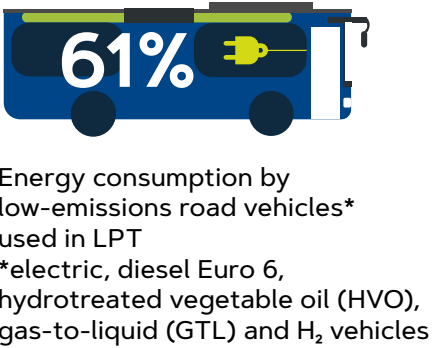
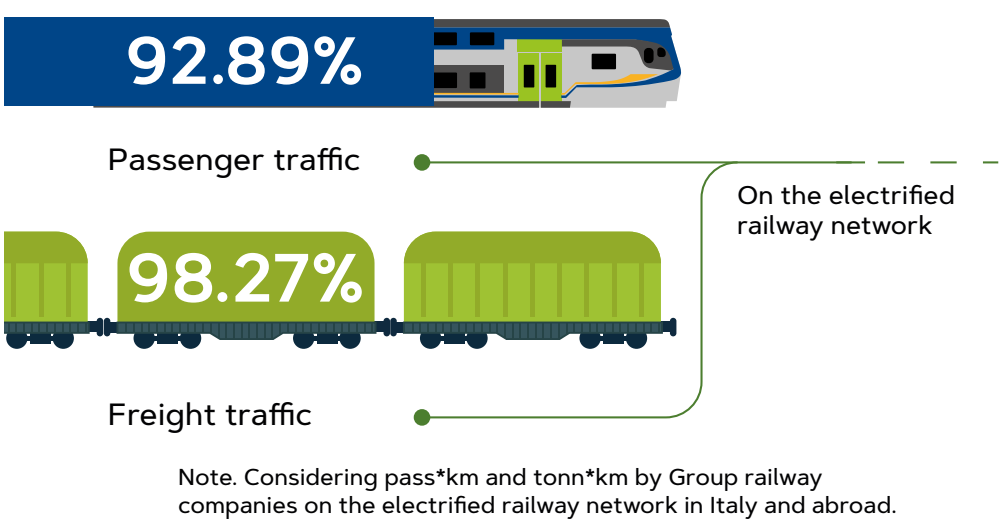
A prominent role is given to increasing the already considerable percentage of railway infrastructure using the electric network to cut diesel-fuelled transport to a minimum. A large-scale campaign to upgrade lighting systems, along with smart management systems to remotely control and manage lighting, is being carried out at the network of main stations.

Starting from August 2020, the road network is using green energy to light roads and tunnels thanks to a supply contract for energy from renewable sources certified with guarantees of origin that will cover almost all energy consumption.

In the road transport segment, the Group aims to replace lower environmental category buses (Euro 2, 3 and 4) with vehicles meeting higher ecological standards, including hydrogen and electric hybrid vehicles. In 2021, the energy used to fuel low-emissions vehicles for local public transport accounted for 61% of overall consumption of the Group's road vehicle fleet.



129) For details please make reference to the "Travel" section
130) For details please make reference to the "Sustainable finance as a tool for change" section



THE FS ITALIANE GROUP'S COMMITMENT TO HYDROGEN MOBILITY

The search for technological solutions that can reduce transport emissions plays a crucial role in the Group's sustainability drive. The experience of the Dutch LPT company Qbuzz, part of the Busitalia - Sita Nord group operating in Utrecht and Groningen-Drenthe, was significant in this regard.

Qbuzz acted on the eco-drive in the transport sector pushed by the Dutch government by developing sound know-how on hydrogen as well as operating electric buses.

Intent on replacing more pollutant vehicles, at the end of 2020 the company upgraded its vehicle fleet by adding two new hydrogen vehi-

cles to the over 200 electric buses, for a total of 248 zero-emission buses.

In June 2021, Qbuzz unveiled the new hydrogen fuelling station at the Groningen bus depot, one of the largest in Europe. On average, a bus is refuelled in less than 10 minutes and then lasts approximately 400 km. With the new station in operation, Qbuzz added another 20 hydrogen buses in the Groningen area.

By introducing hydrogen buses, Qbuzz aims to save 1,375 tCO₂ emissions per year. Moreover, by the end of 2022, the company aims to add another ten in the Emmen

area, saving a further 687 tCO₂ per year.

Following suit, Busitalia is taking part in a project on the use of hydrogen based in Terni, Umbria, financed by funds allocated by the National Sustainable Mobility Strategic Plan to make the country's bus fleet more environmentally friendly.

The Terni municipal authorities aim to use the funds to study the use of hydrogen produced for the city's steelworks but that exceed production requirements to fuel Terni's TPL buses.

(103-2; 103-3)

RESPONSIBLE PURCHASES

OUR SUPPLIERS (102-9, 102-12, 102-16; 204-1)

THE FS ITALIANE GROUP
NEGOTIATES PURCHASES
IN ACCORDANCE WITH EU
ANTITRUST DIRECTIVES
AND THE GROUP'S
OWN "REGULATION
FOR NEGOTIATIONS
OF FERROVIE DELLO
STATO ITALIANE GROUP
COMPANIES".¹³¹

The Group's relationships with suppliers (including external contractors, consultants, intermediaries, sub-contractors, sub-suppliers and, in general, all parties in the supply chain) and business partners are based on upholding the principles of honesty, integrity, impartiality and sustainability.

We base all our actions and conduct on utmost integrity and legality, excluding any form of favouritism. We only work with reliable, honourable and highly reputable people and businesses.

This is why, as noted in the Code of Ethics, the Group undertakes to:

- * encourage suppliers and business partners to promote respect for human rights and environmental protection;
- * guarantee total and effective competition and fair treatment;

- * select suppliers, business partners and their products based on quality, price, environmental performance and company needs and use, in accordance with declared and transparent methods;
- * guarantee diligence, good faith, integrity and respect for internal procedures in negotiations and contract performance with suppliers and business partners;
- * guarantee the transparency of transactions and the traceability of financial flows;
- * respect and enforce the confidentiality of information, documents and data;
- * not exploit any contractual grey areas or economic weaknesses.

¹³¹) The code of ethics is available online in the Group companies' procurement platforms.

In line with the rules of the Public Contracts Code (Legislative decree no. 50/2016), suppliers are vetted on the basis of assessments relating to quality, price and other corporate pre-requisites (the supplier's location and nationality are not part of the vetting criteria). Based on the sustainable procurement guidelines issued by the Parent, the Group companies rolled out a process aimed at including mandatory or rewarding sustainability criteria in their calls for tender based on the materiality of the environmental and social aspects applicable to the main categories of goods, for example:

- * ISO 14001, ISO 9001 and ISO 45001 certification;
- * the use of ecological materials and product certification;
- * energy efficiency and the use of energy from renewable sources;
- * measures for the protection of health and safety in the workplace;
- * amplifying diversity and inclusion (% of women in project teams).

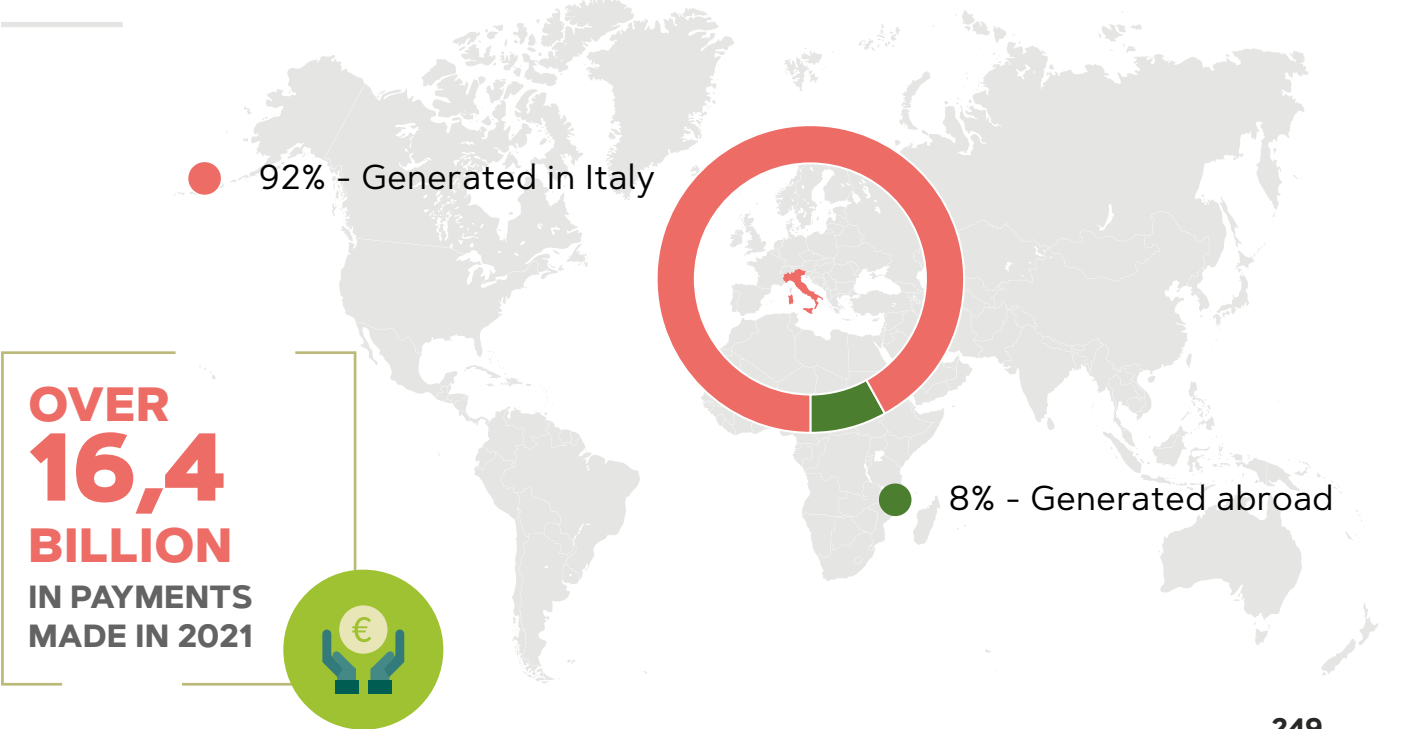
Over €22.2 billion of the economic value of contracts awarded by the Group in 2021 (with environmental and social criteria included in over 90% of bids for tender), confirming its role as the powerhouse behind

the country's economic and infrastructural development.

In 2021, the Group companies paid suppliers over €16.4 billion, roughly 65% of which for the performance of contracts and 92% consisting of suppliers based in Italy and directly and indirectly generated income and job opportunities in the country.



PAYMENTS VALUE



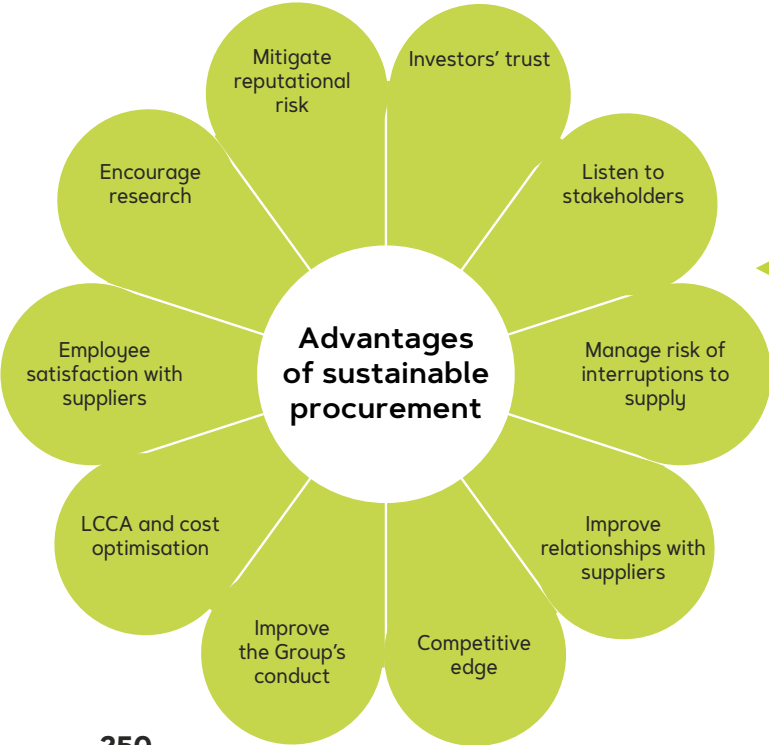
(102-13; 308-1, 308-2; 414-1, 414-2)

SUSTAINABLE PROCUREMENT

Responsible management of the Group’s supply chain begins with the inclusion of rules (labour and social security laws with the application of national labour agreements, occupational health and safety, Code of Ethics, etc.) in standard contractual clauses and continues, in certain instances as part of the Group companies’ management systems, with a process to improve the environmental and

social performance of their suppliers. As part of the Sustainable Procurement & Supply Chain Management project, during the year, FS Italiane SpA issued Group guidelines for sustainable procurement in line with the business processes at the various operating companies. The goal is to:

- pinpoint what is needed to define sustainable procurement policies and standards and establish them within the FS Italiane Group;
- standardise sustainability principles and drive their integration into purchasing procedures and management;
- integrate the requirements and guidelines provided by international standards on sustainable procurement.

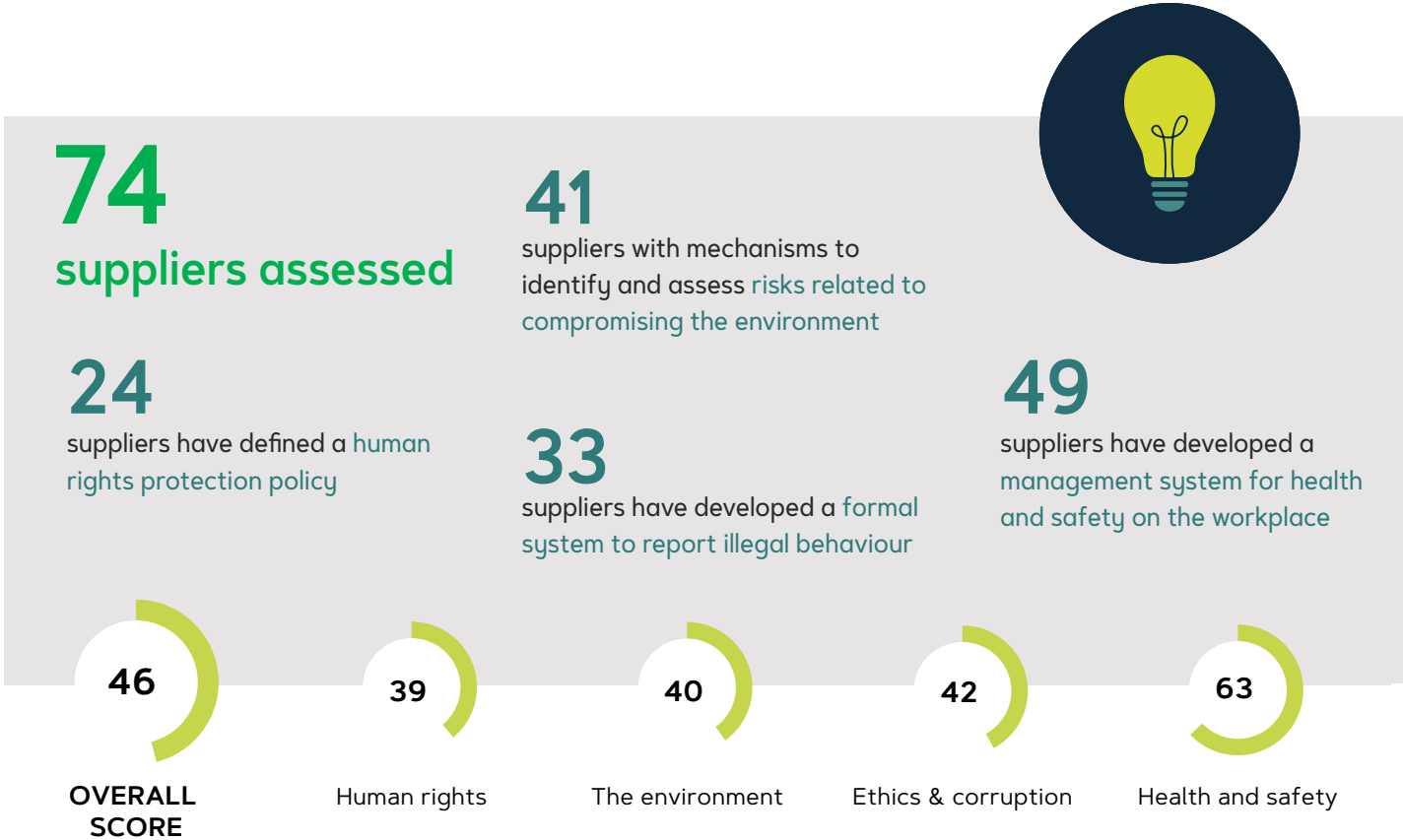


The project to define guidelines has involved the main Group companies and various company departments (purchasing, sustainability, technical and legal departments). The process is broken down into six stages from identifying which categories of goods should be subject to sustainable procurement criteria to reassessing the process itself. The results will provide input for designing the actions to be taken to ensure continuous improvement and achieve the advantages offered.

An online survey was used to monitor the environmental and social impacts of the supply chain. Comprised of around 100 questions broken down into six sections (general information, human rights, the environment, the company, occupational health and safety and

continuous improvement), the survey was sent to the strategic suppliers¹³² of the main Group companies. Based on the replies received, each section is scored and used to calculate an overall rating, from 0 to

100, of the supplier’s environmental, social and governance performance. The main figures and average scores of the 74 suppliers assessed using the Group’s survey are set out below.



132) Each Group company chooses suppliers for the self-assessment questionnaire based on the following materiality criteria: i) strategic - representative of the company’s business or strategy in a “non economic” way (e.g., for specific types of purchases closely connected to the continuity of the company’s core business); ii) economic - defined by setting a materiality threshold for each macro-category (goods, services, works) and calculated as the average of the last three years of purchases and the budget for the subsequent year and inviting suppliers to contribute at least 80% of such threshold.

An analysis and cross-check of the results by supplier size shows four macro clusters with a different level of maturity with regard to managing environmental, social and governance issues:

- * Small suppliers (1 to 25 employees), with an average score of around 32.3%;
- * Small/medium-sized suppliers (26 to 100 employees), with an average score of around 48.3%;
- * Medium-sized suppliers (101 to 1,000 employees), with an average score of around 56.6%;

* Big suppliers (over 1,000 employees), with an average score of around 66.4%.

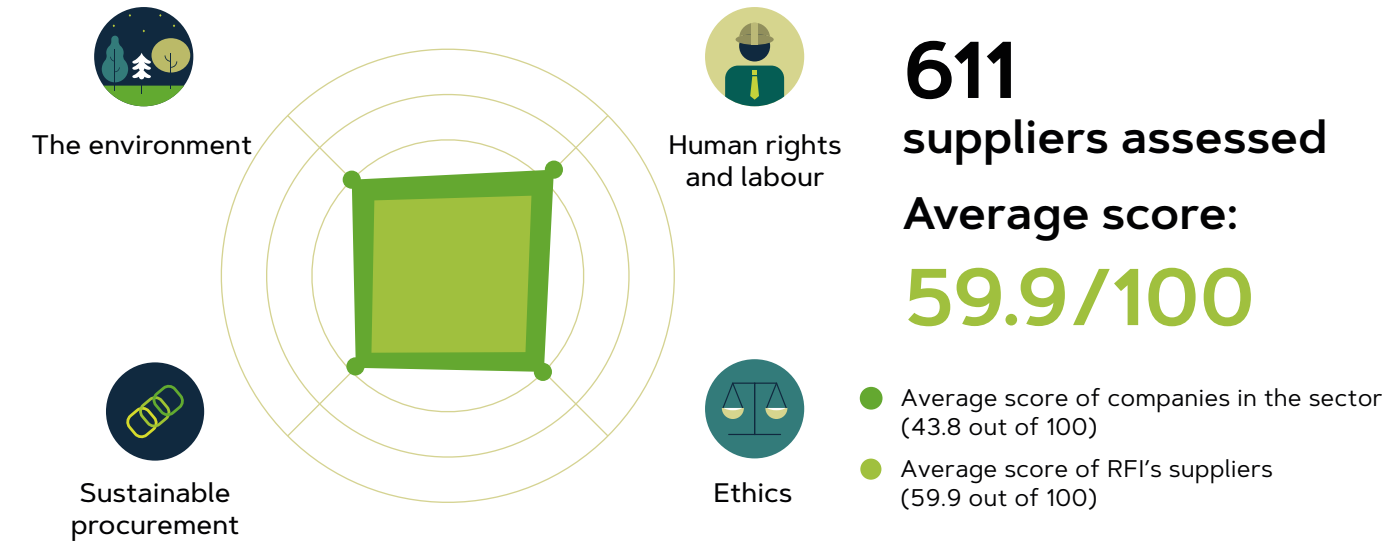
In addition, RFI SpA assessed 611 suppliers¹³³ (18% or 114 of which were new suppliers assessed for the first time in 2021)

As part of Railsponsible, an initiative that brings together major railway companies to promote sustainable procurement, work continued to develop actions in three

significant areas: climate change, sustainable procurement and social responsibility.

Aware of how much improving economic, environmental and social performance also relies on the involvement of suppliers, in November 2021 the Group called for tenders for a “service aimed at developing and assisting the application of tools to assess and check the sustainability profile of financial operators and suppliers of Group companies”.

SUPPLIERS SCORE



133) Number of suppliers with an active assessment on the EcoVadis platform for 2021.



IN 2022, THE GROUP WILL CONTINUE ITS PROCESS TO ASSIST SUPPLIERS IN IMPROVING THEIR SUSTAINABILITY PROFILE BY INTEGRATING AND CONSOLIDATING ENVIRONMENTAL AND SOCIAL CONSIDERATIONS IN THE PROCUREMENT PROCESS AND BY ANALYSING THE SUSTAINABILITY PERFORMANCE OF THE SUPPLY CHAIN.

(102-11; 103-2, 103-3; 203-1, 203-2; 304-1, 304-2, 304-3, 304-4; 413-1, 413-2)

SUSTAINABLE INFRASTRUCTURE

AN EXTENSIVE
INFRASTRUCTURE FITS
INTO SOCIETY AND
CULTURE, AFFECTING
THE FUTURE OF PEOPLE,
THEIR FAMILIES AND
SOCIAL ACTIVITIES AND
INFLUENCING LOCAL AND
NATIONAL STRUCTURES.

To ensure the adequate inclusion of highly complex engineering projects, such as railway and road infrastructures, into the local area the Group devotes specific attention to the integrated assessment of environmental, social and economic impacts over the infrastructure's entire life cycle. As a result, systematic dialogue with all stakeholders in the construction process, which begins in the initial design stages and continues through infrastructure construction and operation, is crucial.

As part of integrating sustainability into the design of infrastructure, implementing new models and tools boosts stakeholder engagement. Accordingly, the Group worked on structuring a stakeholder engagement process and defining a content strategy in 2021 to help create a broad support network throughout the regions touched by infrastructure projects.

In this regard, FS employed a sentiment analysis platform which enables social media monitoring of strategic infrastructure projects. It processes huge quantities of

data gathered from online texts (websites, social networks, blogs or forums) and provides an insight into perceptions on key issues of interest to stakeholders.

This engagement process helps identify stakeholder expectations and needs, pinpointing opportunities for development in the regions which can be used to steer new project exploration and get a full picture of the project. Specific sustainability studies and analyses were developed using indicators (chosen based on the relevant guidelines) to enhance the benefits offered by infrastructure projects and their capacity to create value in terms of economic, environmental, social and tourist development of the regions.

Monitoring the social context means understanding, analysing and explaining the changes that occur while the work is performed with an impact on the main socio-economic and socio-cultural variables that characterise the lifestyles of the communities affected by the project.

SENTIMENT ANALYSIS PLATFORM

FS developed a specific Sentiment Analysis platform which enables social media monitoring of strategic infrastructure projects.

The Sentiment Analysis platform allows active listening to help gauge opinions. It processes huge quantities of data gathered from online texts (websites, social networks, blogs or forums) and provides an insight into perceptions on key issues of interest to stakeholders.



In economic terms, a project may generate changes in local income because of the project's direct and indirect influences (employing the local work force, creating jobs, impacting different business sectors, etc.). It may also trigger sector-related changes in agriculture, industry and services (affecting the number of companies, their quality and size, their degree of specialisation, level of sector concentration, turnover, number of staff, etc.), changes in tourism (number and capacity of hotels, presence of tourists, etc.) and changes in the employment rate and structure.

Environmental analyses focus on an analysis of the local context in which the infrastructure will be built, assessing its final impact on the area, the interferences caused by all site aspects during construction and the mitigation/compensation measures that will be taken.

To minimise the impacts of new infrastructure or upgrades to existing infrastructure during construction and operations, work is planned to reduce the residual en-

vironmental impact, such as:

- * creating green areas and environmental engineering near roads, art work and the opening of tunnels.
- * impact minimisation also entails maintaining connectivity through ecoducts and wildlife crossings,
- * treating surface water using first

flush rainwater treatment tanks and handling accidental spills,

- * reducing air pollution with plant barriers to capture dust.

DO NO SIGNIFICANT HARM

The studies and reports also highlighted the Group's focus on solutions aimed at boosting regional cohesion, environmental protection, efficient use of resources to boost the circular economy, greater resilience of infrastructure, creating new connections for sustainable mobility and value for the development of local areas.

The Group also carried out specific assessments of environmental objectives as per the EU Taxonomy Regulation 852/2020 in application of the Do No Significant Harm principle, as part of the technical and financial feasibility projects funded by the NRRP.



©FS Group Archive

In 2021, based on the “Guidelines for drafting technical and financial feasibility projects as a basis for public works contracts funded by the NRRP and supplementary national investment plan” the Group drafted sustainability studies and reports related to the works planned under the NRRP in order to provide a clear overview of the potential of the infrastructure works to generate value for the community.

By measuring sustainability indicators, the analyses stressed the benefits offered by infrastructure projects in terms of economic, environmental, social and tourist development of the regions, also considering the specific features of the areas involved.

The methodological approach was implemented using guidelines recently issued by the Ministry of Infrastructure and Sustainable Mobility for both developing projects under the PNRR and holding open forums. Archaeological studies and explorations before the planning are carried out to find and resolve any critical archaeological issues

before work begins. The results of these studies and activities enable the competent local archaeological superintendent to express an opinion on the studied projects and dictate instructions for constructions.



The data and information acquired through monitoring are filed and managed in a specific database called SIGMAP (an information system for the geographical monitoring of the environment and projects) and adequately sorted, then made available to the public on websites that publish information for people, bodies and administrations.

ENVISION™ RATING SYSTEM

Envision™ is the first rating system for designing and building sustainable infrastructure created by ISI (Institute for Sustainable Infrastructure), a non-profit organisation established to develop sustainability rating systems for civil infrastructure, in collaboration with Harvard University.

The protocol, which consists of 60 criteria for the design and construction of sustainable infrastructure, affords a holistic view of infrastructure development in the local area and its long-term sustainability.

Under Envision, projects must be assessed and certified by an independent body.

Aware of the decisive role that engineering can play in tangibly contributing to the reduction of CO₂ emissions, for several years now, the FS Italiane Group has chosen the UNI ISO 14064 standard to develop and apply a specific methodology for calculating the carbon footprint of projects, certified by an independent body. This methodology has become an effective operating tool guiding designers to improve design solutions and to spur contractors, during the construction phase, to purchase more sustainable construction materials.

In 2021, specific focus was also placed on managing and reusing excavated earth and rocks in order to reduce CO₂ emissions into the air, also trying to deposit excavated material in areas near the lines in order to cut back on site traffic.

The expertise it has gained in designing sustainable infrastructure led the Group to choose Envision™ for the certification of its commitment to finding the most effective design solutions.

Specific focus has been devoted to infrastructure design, and this has involved the use of BIM (building information modelling) software for digitalising processes for managing and developing building and infrastructure works that embraces their entire life cycle: through the design, construction, operation and maintenance stages up to retirement.

The experience gleaned from using this methodology put Anas in a position in 2021 to compile the first BIM price list for asset modelling services.

CO₂ INVENTORY

Another step was taken in 2021 towards the systematic use of sustainable methodologies in company processes by integrating a CO₂ rate table into equivalent emissions linked to the materials, transport and processing used in the construction of infrastructural works, thus enabling a prompt assessment of the impact of works in terms of climate change.

This approach, approved by the certifying body during the annual audit of the application of the carbon footprint methodology in accordance with ISO 14064, has become part of the Group's designers' toolbox.



The Group is also busy transforming train stations into integrated and sustainable mobility hubs. The goal is to upgrade connections between stations and the urban transport system, also by restructuring external areas to improve the accessibility and usability of public spaces.

Stations are no longer just a place of transit where journeys begin or end, but instead fill a dual role of inter-modal hub and service centre. They are integrated into the urban ecosystem and can have a positive influence on redeveloping local areas.

On the topic of sustainable and innovative infrastructure, the FS Italiane Group will continue to implement smart roads through the subsidiary ANAS, buoyed by the tests carried out in 2021.

Along the smart roads, designed to be fitted with infrastructure for electric transport, green islands will be placed as clean energy charging/fuelling stations to serve all smart road vehicles.

SMART ROAD CORTINA 2021

A first for Italy, the Smart Road Cortina 2021 project will see 100 kilometres of state roads from Longarone to Cortina d'Ampezzo fitted with traffic, accident and weather monitoring systems, all controlled by the operating centre built in Cortina for a total investment of roughly €27 million.

Paving the way for the arrival of self-driving vehicles, this project aims to make traffic flow more smoothly and improve road safety and driving comfort by controlling the infrastructure using IoT technologies.



THE NEW NAPOLI-BARI HS/HC LINE

RFI a winner for the HS/HC Naples-Bari line

RFI was among the winners of the Pimby Green 2021 Award, honoured as a provider of highly-sustainable strategic mobility infrastructure for southern Italy (providing a two-hour service from Bari to Naples, and a three-hour service from Bari to Rome), welcomed by the local area and communities. Many will be familiar with the idea of Nimby (not in my back yard), when local communities rally against the building of public works with an impact on their lo-

cal area that they take personally. Now we discover the opposite, Pimby: please in my back yard. These refer to public or private initiatives of environmental value that have been welcomed for their positive impacts on the local area.

Thus the Pimby Green 2021 Award, promoted by Fise Assoambiente, an association of companies operating in urban hygiene, urban and special waste recycling, recovery and disposal or reclamation.



FROM STATION TO MULTIMODAL HUB

One of the Group's main sustainable mobility initiatives focused on passengers is defining and developing the Station and City Plan, aimed at transforming passenger terminals into intermodal hubs and appealing centres for the development of the local area that can resiliently tackle environmental, economic and social emergencies.

This entails meeting people's transport needs safely, boosting the accessibility and appeal of station areas. This will help restore balance to modes of transport available and promote using sustainable means to access the station.

STATIONLAND

The platform for integrating station information and data. RFI received the Smart Mobility 2021 award from the Esri Italia Conference 2021 for its project "Using the Esri platform for analysing station accessibility".

The aim of the project is to make Italian stations accessible and integrated with the urban area via analysis of data on the surrounding area. Using state-of-the-art technology and adopting methodologies based on shared digital models are crucial for the station planning, redevelopment and management process. This process should take into consideration the features of the local area and services.

The development of transport infrastructures plays a delicate role with respect to biodiversity, as it can eliminate habitats, fragment ecosystems, increase mortality for certain species and have other negative repercussions on the diversity of wildlife. Developing infrastructure that respects biodiversity includes the following actions:

- * **PREVENTION:** abstaining from building unnecessary infrastructures and not involving protected areas;
- * **MITIGATION:** minimising impacts with suitable measures (underpasses, overpasses and fencing);
- * **OFFSETTING:** restoring the overall balance of biodiversity lost due to the construction of the infrastructure by re-establishing ecosystems, recreating alternative habitats elsewhere.

THE FERROVIE DELLO STATO ITALIANE GROUP IS AWARE OF THE FRAGILITY OF THE ECOSYSTEMS WHERE IT CONDUCTS ITS ACTIVITIES AND, FOR THIS REASON, HAS MADE SAFEGUARDING BIODIVERSITY A TOP PRIORITY.

PROJECTS CARRIED OUT IN 2021 - MAIN DATA

SITE	GEOGRAPHICAL AREA	PROTECTED AREA	TYPE OF PROTECTION	SITE SIZE (KM ²)	ACTIVITY	VALUE BIODIVERSITY
Upgrading the Venice - Trieste railway line	Friuli Venezia Giulia	ZPS/ZSC - IT3330005 "Foce dell'Isonzo - Isola Della Cona"	Natura 2000	26.68	Railway line	Habitat 92A0
Laying of double tracks of the Rome - Viterbo line Cesano - Vigna di Valle section	Lazio	ZSC IT8050049 "Fiumi Tanagro e Sele"	Natura 2000	36.77	Railway line	There are no protected species
Conversion into motorway of the Salerno/Avellino connector including adapting state road 7 and 7 Bis as far as Avellino Est junction of the A16. 1st lot from Mercato S. Severino to the Fratte junction	Campania	ZSC/ZPS IT8050056 "Fiume Irno"	Natura 2000	0.0065	Motorway connectors Type A	n.a.
State road 268 "del Vesuvio" - change from two to four lanes from km 19+554 to km 29+300 split into two operating lots: 1st lot from km 19+554 to km 23+100; 2nd lot from km 23+100 to km 29+300 and Verification of the plan to use excavated earth and rocks as per Presidential decree no. 120/2017.	Campania	Parco Regionale del Fiume Sarno	Protected area	i) 0.023 ii) 0.019	i) Type-B state road ii) Work sites	n.a.
State road 4 Variation of the built-up area of the Monterotondo hub - 2nd lot. Definitive design	Lazio	"Laghetti in Località Semblera" natural monument	Protected area	0.009	Type-C state road	n.a.
E78 S.G.C. "Grosseto-Fano" Siena-Bettolle section (A1). Change to four lanes of the Siena-Ruffolo section (Lot 0). Definitive design	Tuscany	Siena historical city centre	UNESCO (buffer zone)	0.5163	Type-B state road	n.a.
State road 45 bis Gardesana Occidentale - Definitive design for the works to build a tunnel as a variation between km 86+567 and km 88+800 with Verification of the plan to use earth as per article 9 of Presidential decree no. 120/2017	Lombardy	a) Parco Regionale dell'Alto Garda Bresciano b) ZPS IT2070402 Alto Garda Bresciano	a) Protected area b) Natura 2000	a - i) 0.0018 a - ii) 0.021 b - i) 0.001 b - ii) 0.02	i) Type-C state road ii) Work sites	n.a.
Completion of the Vicenza connector _1st lot - Completion	Veneto	SIC IT 3220040 "Bosco di Dueville e risorgive limitrofe"	Natura 2000	≈ 0	Crossing the Bacchiglione river and Zubana irrigation canal with two bridges - Type-C state road	n.a.



EUROPEAN GREENWAYS AWARD

RFI came second in the tenth edition of the European Greenways Award in the “exemplary initiatives” category. Presented by the European Greenways Association in Valencia, the award was given for RFI’s communication project of the three maps of idle railway lines and tracks converted into greenways.

The Group’s commitment does not end with the design, construction and operation of infrastructure. In the pursuit of a circular economy, the Group has designed solutions that regenerate infrastructure that is no longer used in operations (stations, railway lines, worker housing, etc.) through redevelopment projects that extend their end-of-life and create new value for stakeholders.

Information on the main regeneration projects under way are available on the FS Sistemi Urbani website.

Publications dedicated to sustainable mobility and social commitment

are available on the RFI website. These include the *“Map of greenways on FS lines - from disuse to reuse”, a travel map of idle railway lines and empty stations.*

The map of the greenways illustrates the enhanced retired railway lines owned by the Group and highlights those that have been transformed into greenways.

For additional information about infrastructure design, refer to the “Sustainability” section of fsitaliane.it, as well as RFI’s website (rfi.it), Anas’s website (stradeanas.it) and Italferr’s website (italferr.it).

(301-1, 301-2; 403-9)

WORK SITE MANAGEMENT AND OVERSIGHT

During the construction of the infrastructure, the Group entrusts the works to third-party companies, mostly assigning Group companies the role of technical party in addition to, depending on the requirements and specific type of contract, coordination and/or supervision of the works, with the duty of directly performing any agreed-upon monitoring activities before, during and after the works, identifying any critical issues and suitable corrective measures.

Environmental control at sites includes inspections and periodic supervisory audits conducted by a team of experts and environmental monitoring activities to check whether the construction work has caused any changes to the environment.

Environmental status monitoring makes it possible to:

- * check whether the expected impact has actually occurred;
- * check that the bidding requirements are met, including those related to the sustainability of the works;
- * check that the mitigation systems in place are effective;
- * ensure proper environmental management at the site;
- * monitor and immediately manage any environmental emergencies.



UNI EN ISO 9001, 14001 E 45001 SYSTEMS

Construction contracts for railway works require the contractors to adopt specific management systems that meet UNI EN ISO 9001, 14001 and 45001 standards.

Through this procedure, the Group has contributed to establishing a growing awareness of and focus on environmental management issues, land protection and workers’ health and safety in the construction sector.

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The table below details the most significant materials used¹³⁴ in the construction of railway infrastructures which the Group entrusts to third-party companies, mainly assigning Group companies the role

of technical party in addition to, depending on the requirements and specific type of contract, coordination and/or supervision of the works.



MATERIALS USED	MEASURE- MENT UNIT	2021	2020	2019
Raw materials	t	6,909,546	4,225,576	2,884,248
- Earth - procurement	t	205,401	436,489	36,074
- Concrete	t	4,473,439	2,676,502	1,696,123
- Aggregates	t	1,973,892	964,240	602,929
- Steel for railway superstructure	t	2,216	777	725
- Steel for railway technology systems	t	2,792	5,745	5,235
- PRC sleepers	t	37,550	4,909	261,759
- Iron	t	213,875	136,780	233,740
- Aluminium	t	73	11	35
- Copper	t	308	124	47,627
Recycled raw materials	t	8,088,261	7,368,805	4,076,889
- Earth - reuse	t	2,400,368	1,723,284	1,058,069
- Earth - reuse through environmental re-development	t	5,687,893	5,645,521	3,018,820

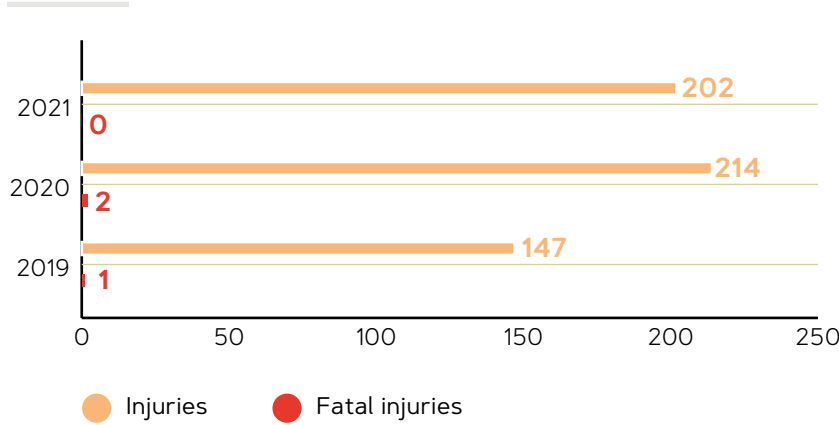
RECYCLED RAW MATERIALS	MEASURE- MENT UNIT	2021	2020	2019
Material used deriving from recycled material	%	53.9	63.6	58.6
Earth reused	%	97.5	94.4	99.1

134) Any changes from the data provided in previous reporting periods are due to the change in the sample of work sites considered and the actual stage of completion of the work. The data on active work sites surveyed in 2021 cover roughly 90% of the total sample, in line with 2020 even if the sample quantity was higher. This percentage was calculated as the weighted average of the work amounts, including variations.

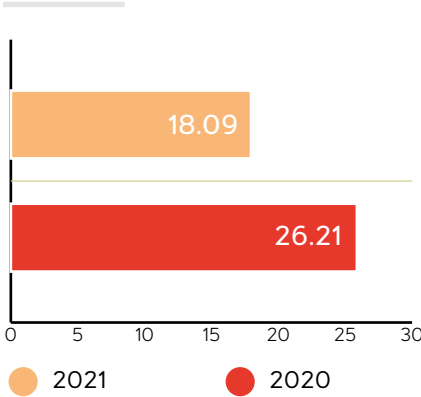
The Group has always devoted utmost attention to making contractors aware of the importance of safety at railway infrastructure

sites and holding them accountable for site safety. The main safety indicators are reported below¹³⁵:

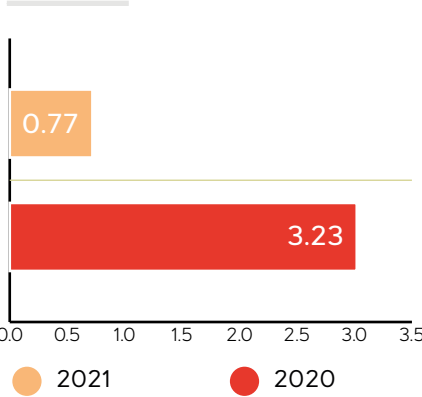
INJURIES INVOLVING EMPLOYEES OF CONTRACTORS (NO.)



FREQUENCY (F)



SEVERITY (S)

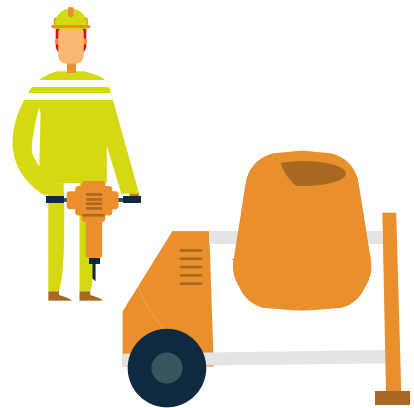


In 2021, the frequency rate¹³⁶ is lower than that recorded in 2020 (F= 26.21), as is the severity rate¹³⁷ (3.23 in 2020) because of the two fatalities in 2020 as opposed to none in 2021. The number of hours worked increased by approximately 36% in 2021, a clear sign of the increased investments in the railway sector and the Group's renewed

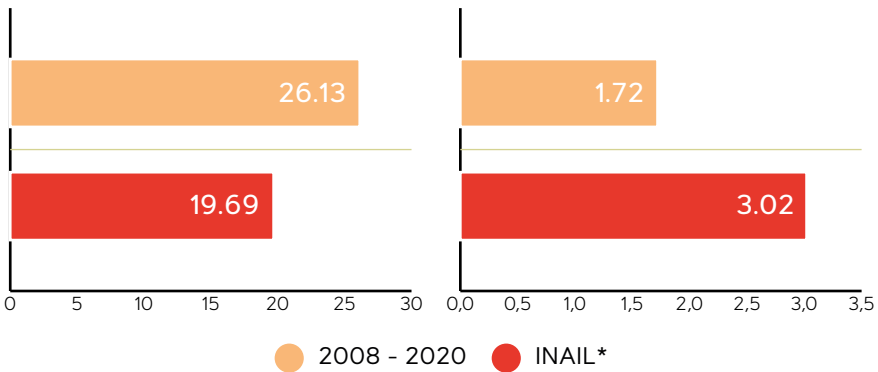
135) The data refer to sites for civil and technological contracts in which Italferr is involved as works manager/coordinator during performance and for the contracts for new HS/HC lines awarded to general contractors in which Italferr provides works management and safety oversight. The data also refer to general contracts in which Italferr provides oversight for both works management and safety.
136) Frequency rate: [no. of injuries/hours worked]x 1,000,000. Hours worked are calculated by multiplying the number of daily working hours (conventionally 8h/day) by the number of man-days of blue collars.
137) Severity Rate: [(days of prognosis + conventional days for the fatalities)/hours worked]x 1,000. Conventional days for fatalities are calculated by multiplying the number of fatalities by 7,500. Hours worked are calculated by multiplying the number of daily working hours (conventionally 8h/day) by the number of man-days of blue collars.



commitment to continue updating the country's railway infrastructure network as much by laying new sections as by equipping existing sections with latest-generation technologies.



FREQUENCY (F) AND SEVERITY (S) RATES
ITALFERR AND SECTOR AVERAGE (INAIL)



*average INAIL rates for the construction sector for the years from 2008 to 2010 based on online publications and reflecting the most up-to-date information available at the preparation date of this document

Alongside this increase in the number of hours worked, the number of injuries dropped both in absolute terms (202 injuries compared to 214 in 2020) and in relative terms, as demonstrated by the lower frequency index.

An analysis of the average data shows how, while the frequency of injuries at work sites is higher than the INAIL average, Italferr's severity rate is far lower than INAIL's rate for the entire sector.

For additional information about the management and supervision of work sites to build infrastructure, refer to the "Sustainability" section of fsitaliane.it, as well as RFI's website (rfi.it), Anas's website (stradeanas.it) and Italferr's website (italferr.it).

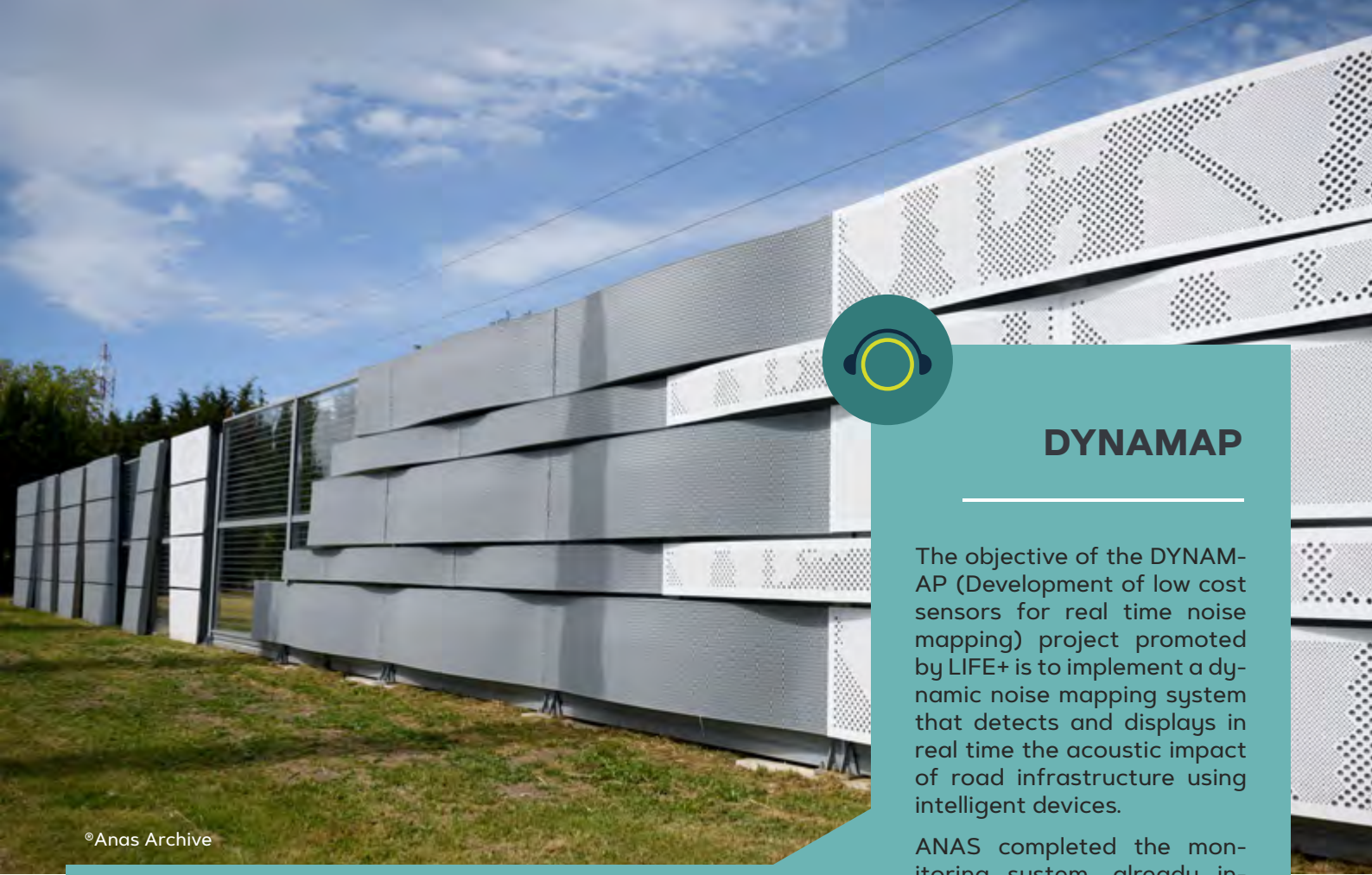
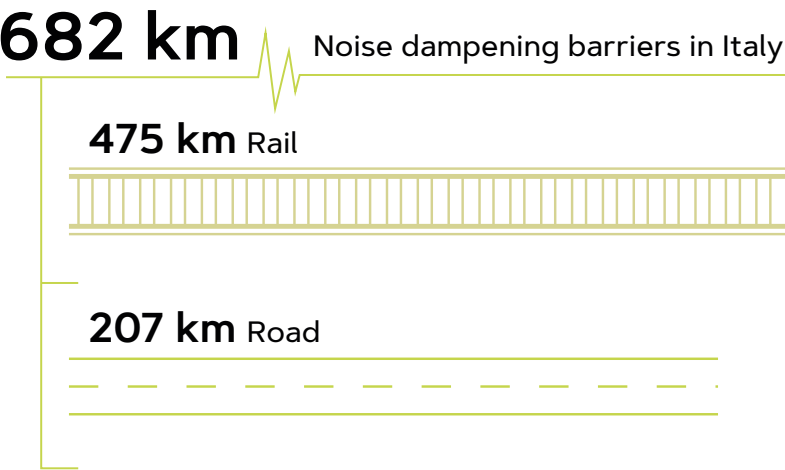


NOISE MANAGEMENT

The Group's commitment to reducing the impacts of noise has translated into the design of new infrastructures (new lines and new systems for passenger and freight traffic, including intermodal solutions) and projects to maintain and improve the existing network (new traffic technologies, electrification, doubling tracks, upgrading, redevelopment of stations, maintenance, noise-dampening asphalt, etc.).

For the road network, the Group's efforts to find solutions that dampen noise along roads and comply with environmental and landscape restrictions cover two fronts: not only does it seek solutions on the market to meet its quality and sustainability requirements, but it also develops innovative solutions, like integrated multi-functional barriers (photovoltaic energy, safety, environmental and catalytic).

For the railway network, new rolling stock slated to begin operating is compliant with the most recent applicable technical specifications. The results of the Group's efforts on new railway lines, those that it is strengthening and lines that are already operating include:



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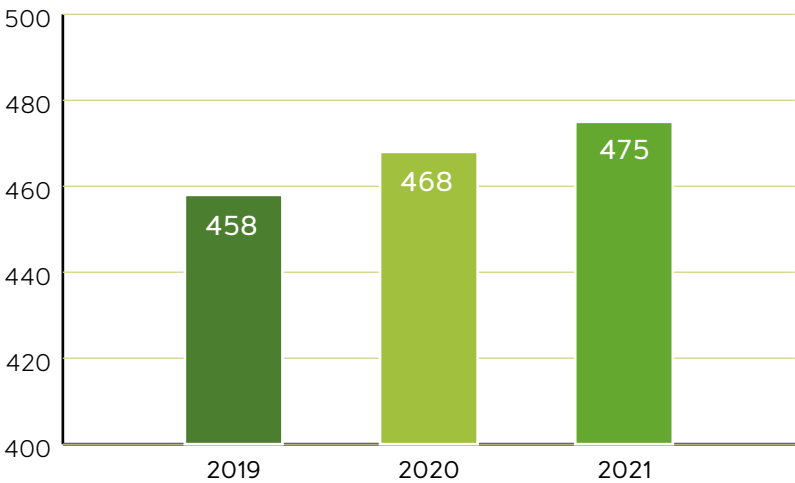
DYNAMAP

The objective of the DYNAM-AP (Development of low cost sensors for real time noise mapping) project promoted by LIFE+ is to implement a dynamic noise mapping system that detects and displays in real time the acoustic impact of road infrastructure using intelligent devices.

ANAS completed the monitoring system, already installed along the A90 motorway, and implemented it in areas chosen for real time monitoring of the acoustic impact, e.g., the Catania and Bari connectors.

Furthermore, the system is slated to be upgraded to monitor air quality and weather conditions.

NOISE BARRIERS BUILT ON RAILWAY NETWORK
(TOTAL CUMULATIVE LENGHT IN KM)





(103-2, 103-3)

OTHER IMPACTS

THE FS ITALIANE GROUP CONTINUOUSLY MONITORS ITS ENVIRONMENTAL IMPACTS WITH THE AIM OF MINIMISING NEGATIVE IMPACTS, WHILE TAKING THE NECESSARY STEPS TO PROMOTE THE ENVIRONMENTAL ADVANTAGES OF MASS TRANSPORT AND MAKE THE MOST OF NATURAL RESOURCES.

WASTE CYCLE MANAGEMENT (306-1, 306-2, 306-3, 306-4, 306-5)

The FS Italiane Group is actively adjusting its production cycles to a more circular set-up, using a management model focused on waste prevention, reduction, reuse and recycling¹³⁸. The ongoing improvement of waste cycle management is a priority for the Group. Indeed, it is an active member of the Circular Economy Alliance, a network of many Italian industrial companies who want to promote a transformative economy that preserves natural capital and unites competitive edge and sustainability.

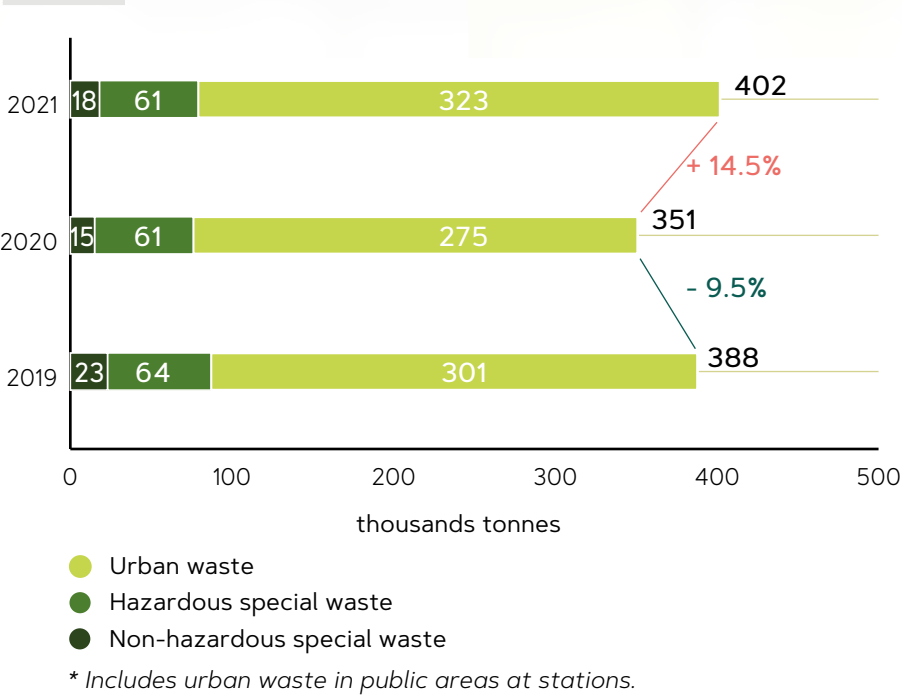
Classifying waste by origin, over 95% derives from industrial activities - mainly iron, steel, concrete and wood sleepers - and only a residual portion is classified as urban waste, of which roughly 60% comes from waste collections at stations. Waste from the operations of infrastructure and transport companies account for over 99% of total waste produced by the Group.

After the downswing in 2020, the gradual resurgence of activities led

138) Waste is classified by origin: special waste and urban waste. Special waste is due to the production activities of industries and companies and, considering the concentration of pollutants, it is classified as hazardous or non-hazardous. Urban waste is waste with the characteristics or composition of commodities, which allow for it to be recovered or disposed of in plants originally designed for the treatment of domestic waste from residential buildings and managed by the public administration.



WASTE MANAGEMENT IN TONNES



to a rise in waste production - i.e., waste from the demolition of railway cars or the replacement of wood sleepers along the railway sections being updated - even exceeding 2019 figures.

The volume of urban waste at the group's sites also bounced back to near 2019 levels. The volume of urban waste at stations remained low due to travel restrictions however.

ONE-STOP EARTH SCIENCES DESK

A new project approach was needed due to the urgency to speed up the roll-out of public works included under the NRRP to meet the 2026 deadline along with the opportunities offered by Law no. 120/2020 (converting the Decree law of 16 July 2020) to bring environmental authorisations forward to the technical and financial feasibility project phase.

The one-stop earth sciences desk was set up to facilitate the process to find sites to deposit excavated earth and rocks, regarding works subject to environmental impact assessment, in order to enact the earth utilisation plans as per Presidential decree no. 120/2017 during the technical and financial feasibility project phase, to be ready for the inspection of the Ministry of Ecological Transition.

As a portal created in collaboration with public bodies, local administrations and local bodies, the desk will provide a constantly updated archive of all possible solutions for the deposit of excavated earth and

rocks from large infrastructure works, a vat of information needed to draft earth utilisation plans and to resolve any critical issues that may arise during the works, in order to meet the contract requirements without impairing the progress of the works: rehabilitation of abandoned mines, strategic works and public works, production cycles, redevelopment of neglected areas, etc..

In order to establish the timeframe and technical functions of the desk at national level, Italferr with the priceless support of FS Technology recently implemented a pilot project on a local scale (Sicily) thanks to the great amount of data gathered when preparing the earth utilisation plan for the new Palermo - Catania railway connection (150 km of line, 11 million m² of embankments, 350 municipalities affected, roughly 600 sites found).

Based on the principle that "waste is a resource", the proof of concept, developed in autumn 2021 with the start-up

Circularity as part of the Open Italy Programme promoted by Elis, structured a digital platform able to assess sustainable alternatives for reusing excavated earth and rocks using end-of-waste criteria to close the life cycle: circular earth as a potential application of the desk.

Kilometre zero earth: in addition to the indisputable benefit for the local area, adopting this tool gives new opportunities for the end use of earth by reducing the social, economic and environmental impact of works, while ensuring compliance with all principles of fair competition, transparency and lawfulness.

This initiative, in line with the digitalisation, innovation and competitiveness goals of the NRRP, is a key tangible tool for sustainable development.

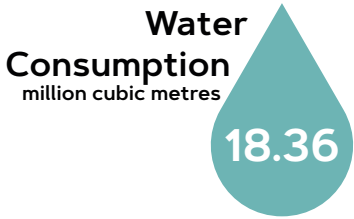


(303-1, 303-2, 303-3, 303-4)

MANAGEMENT OF WATER RESOURCES

The efficient use of water resources, the treatment of wastewater, the protection of water quality, controls and grid management are some of the main activities performed by the FS Italiane Group companies for proper water management.

The FS Italiane Group consumes limited amounts of water because of its type of core business - mainly for civil use (approximately 87% of consumption is for offices, toilets and showers in the workshops and drinking fountains at stations) and, to a lesser extent (the remaining 13%), for industrial use (washing trains and buses).



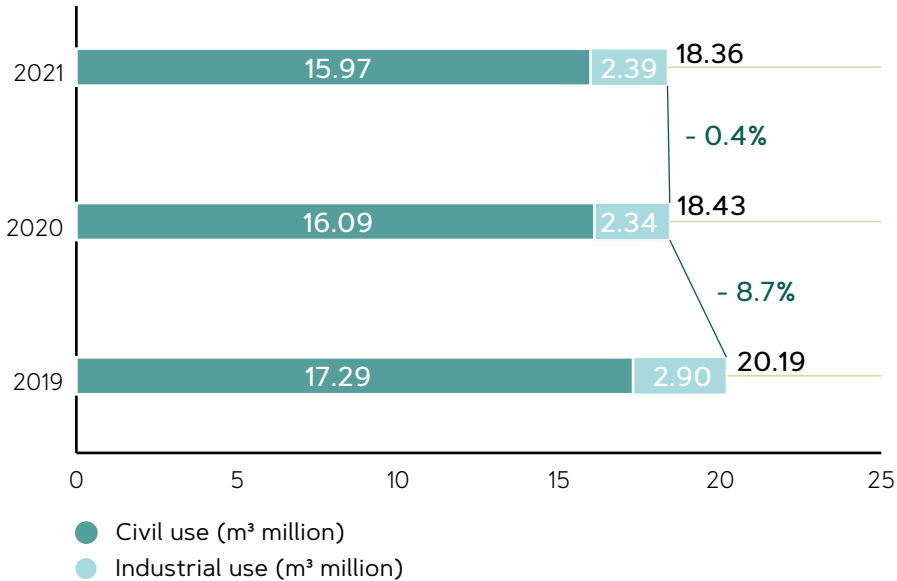
As well as focusing on the overall plan, the Group holds frequent awareness campaigns to inform passengers about the responsible use of this resource and, with respect to industrial use, these cam-

paigns mostly focus on reducing consumption to ensure the effective collection and treatment of the wastewater¹³⁹.

The 2021 data present a slightly downwards trend, substantial-

ly due to the reduced presence of personnel in the offices and smaller number of users in the stations due to the ongoing public health emergency.

WATER RESOURCES MANAGEMENT IN MILLION CUBIC METRES



¹³⁹) Water withdrawn for industrial use undergoes a different treatment from that for civil use, considering the specific characteristics of the pollutants.

INDEPENDENT AUDITORS’ REPORT



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(This independent auditors’ report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors’ report on the sustainability report

*To the board of directors of
Ferrovie dello Stato Italiane S.p.A.*

We have been engaged to perform a limited assurance engagement on the 2021 Sustainability report (the “sustainability report”) of the Ferrovie dello Stato Italiane Group (the “group”).

Our procedures did not cover the information set out in the “Group activities through the lens of European Taxonomy” section of the sustainability report required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors (“Collegio Sindacale”) of Ferrovie dello Stato Italiane S.p.A. (the “parent”) for the sustainability report

The directors are responsible for the preparation of a sustainability report in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” issued by GRI - Global Reporting Initiative (the “GRI Standards”), as described in the “Introduction” section of the sustainability report.

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

They are also responsible for defining the parent’s objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

Auditors’ independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance

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Ferrovie dello Stato Italiane Group
Independent auditors’ report on the sustainability report
31 December 2021

with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors’ responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by “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 applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability report are based on our professional judgement and include inquiries, primarily of the parent’s personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

- 1. Analysing the reporting of material aspects process, specifically how these aspects are identified and prioritised for each stakeholder category and how the process outcome is validated internally.
- 2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the GRI Standards.
- 3. Comparing the financial disclosures presented in the sustainability report with those included in the group’s consolidated financial statements.
- 4. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

Specifically, we held interviews and discussions with the parent’s management personnel and personnel of Trenitalia S.p.A., Busitalia Sita - Nord S.r.l. and Netinera Deutschland GmbH. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability report.

Furthermore, with respect to significant information, considering the group’s business and characteristics:

- at group level,
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability report,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;



Ferrovie dello Stato Italiane Group
Independent auditors’ report on the sustainability report
31 December 2021

- we held videoconferences with the management of Ferrovie dello Stato Italiane S.p.A., Trenitalia S.p.A. (specifically, its Technical and Regional business divisions) and Netinera Deutschland GmbH (specifically, its investees Autobus Sippel GmbH and Verkehrstriebe Bils GmbH) and visited Busitalia Sita - Nord S.r.l. (specifically, its Umbria regional division), which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 Sustainability report of the Ferrovie dello Stato Italiane Group has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards, as described in the “Introduction” section of the sustainability report.

Our conclusion does not extend to the information set out in the “Group activities through the lens of European Taxonomy” section of the sustainability report required by article 8 of Regulation (EU) 852 of 18 June 2020.

Rome, 14 April 2022

KPMG S.p.A.

(signed on the original)

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Director of Audit

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